Placement Document
Subject to Completion
Not for circulation
Private and confidential
Serial No.________

MAS FINANCIAL SERVICES LIMITED

Our Company was incorporated as 'MAS Financial Services Limited', a public limited company under the Companies Act, 1956, with a certificate of incorporation issued by the Assistant Registrar of Companies, Gujarat (Dadra & Nagar Haveli) on May 25, 1995 at Ahmedabad. Our Company received a certificate for commencement of business on May 29, 1995 from the Assistant Registrar of Companies, Gujarat (Dadra & Nagar Haveli) at Ahmedabad. For further details and a brief history of our Company, see "***General Information***" on page 238.

CIN: L65910GJ1995PLC026064

Registered and Corporate Office: 6, Narayan Chambers, Ground Floor, Behind Patang Hotel, Ashram Road, Ahmedabad 380 009, Gujarat, India;
Contact person: Riddhi Bhayani, Company Secretary and Chief Compliance Officer
Tel.: +91 79 41106500; **Email**: mfsl@mas.co.in; **Website:** www.mas.co.in

Issue of 17,467,248 equity shares of face value of ₹ 10 each (the "**Equity Shares**") at an issue price of ₹ 286.25 per Equity Share, including a premium of ₹ 276.25 per Equity Share (the "**Issue Price**"), aggregating up to ₹ 5,000.00 million (the "**Issue**"). For further details, see "***Summary of the Issue***" on page 34.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS"), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT, 2013"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER.

The Equity Shares of our Company are listed on the National Stock Exchange of India Limited (the "**NSE**") and the BSE Limited (the "**BSE**" and together with the NSE, the "**Stock Exchanges**"). The closing prices of the Equity Shares on the NSE and the BSE as on June 21, 2024 were ₹ 311.80 and ₹ 312.60 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**"), for listing of the Equity Shares to be issued pursuant to this Issue from each of the BSE and the NSE on June 19, 2024. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT TO ELIGIBLE QIBs (AS DEFINED HEREINAFTER) IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND OTHER RULES MADE THEREUNDER. THIS PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN THE SEBI ICDR REGULATIONS. YOU ARE NOT AUTHORIZED TO AND MAY NOT (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS, THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENT IN EQUITY SHARES INVOLVES A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" BEGINNING ON PAGE 58 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONDUCT ITS OWN DUE DILIGENCE ON US AND THE EQUITY SHARES AND CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT.

A copy of this Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) has been delivered to the Stock Exchanges and a copy of the Placement Document (which will include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges in due course. Our Company shall also make the requisite filings with the Registrar of Companies, Gujarat (Dadar & Nagar Haveli) at Ahmedabad ("**RoC**"), within the stipulated period as required under the Companies Act, 2013 and PAS Rules. This Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges or any other listing or regulatory authority and is intended only for use by Eligible QIBs. This Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and the Issue will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of the Equity Shares to be issued pursuant to this Issue shall only be made pursuant to this Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, please see the section titled "***Issue Procedure***" on page 191. The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs to whom this Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any documents referred to in this Placement Document.

The information on the website of our Company, or any other website directly or indirectly linked to the website of our Company, or the respective websites of the Book Running Lead Managers (as defined hereinafter) or its affiliates, does not constitute nor form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue were offered and are being sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and in accordance with the applicable laws of the jurisdictions where those offers and sales are made. See "*Selling Restrictions*" on page 208 for information about eligible offerees for the Issue and "*Transfer Restrictions*" on page 217 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

BOOK RUNNING LEAD MANAGERS	
MOTILAL OSWAL INVESTMENT ADVISORS LIMITED	**EQUIRUS CAPITAL PRIVATE LIMITED**

This Placement Document is dated June 21, 2024

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Company, and its Subsidiaries and the Equity Shares which our Company considers material in the context of the Issue. The statements contained in this Placement Document relating to our Company, and its Subsidiaries and the Equity Shares are, in all material respects, true and accurate and are not misleading, and the opinions and intentions expressed in this Placement Document with regard to our Company, and its Subsidiaries, and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to us. There are no other facts in relation to our Company, and its Subsidiaries, and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Placement Document is provided as of the date of this Placement Document and neither our Company nor the BRLMs have any obligation to update such information to a later date.

Motilal Oswal Investment Advisors Limited and Equirus Capital Private Limited (collectively, the "**Book Running Lead Managers**" or the "**BRLMs**") have not separately verified all of the information contained in this Placement Document (financial, legal or otherwise). Accordingly, neither the BRLMs nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLMs or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in this Placement Document or any other information supplied in connection with the Issue or the distribution of the Equity Shares. Each person receiving this Placement Document acknowledges that such person has neither relied on the BRLMs nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates other than our Company in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company and the merits and risks involved in investing in the Equity Shares offered in the Issue.

This Placement Document is being furnished on a confidential basis solely for the purpose of enabling prospective Eligible QIBs to consider subscribing for the Equity Shares offered in the Issue. The distribution of this Placement Document to any person other than the Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe to the Issue, in consultation with the Book Running Lead Managers, or their representatives and those retained by Eligible QIBs to advise them with respect to their subscription of the Equity Shares, is unauthorized and prohibited. Any reproduction or distribution of this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any documents issued in connection with the Issue.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by, or on behalf of our Company or the BRLMs. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares offered in the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including SEBI. No authority has passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.

Subscribers of the Equity Shares offered in the Issue will be deemed to make the representations, warranties, acknowledgements and agreements set forth in "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 5, 208 and 217 respectively.

The distribution of this Placement Document and the offer and sale of the Equity Shares offered in the Issue in certain jurisdictions may be restricted by law. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, except for in India no action has been taken by our Company or the BRLMs that would permit an offering of the Equity Shares or distribution of this Placement Document in any jurisdiction where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any materials issued in connection with the Issue may be distributed or published in or from any country or jurisdiction that would require registration of the Equity Shares in such country or jurisdiction. In particular, the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue were being offered and are being sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S. As such, any reproduction or distribution of this Placement Document in the United States, in whole or in part, and any disclosure of its contents to any person in the United States is prohibited. For the selling restrictions in certain other jurisdictions, see "*Selling Restrictions*" on page 208.

The Equity Shares sold in the Issue are transferable only in accordance with the restrictions set forth under the sections "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 208 and 217, respectively.

In making an investment decision, investors must rely on their own examination of our Company, the Equity Shares and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Placement Document as legal, business, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the BRLMs are making any representation to any subscriber of the Equity Shares regarding the legality of an investment in the Equity Shares by such subscriber under applicable laws or regulations.

Each Bidder in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under Indian laws, including Chapter VI of the SEBI ICDR Regulations and Section 42 (read with Rule 14 of the PAS Rules) and other applicable provisions of the Companies Act, 2013, and is not prohibited by SEBI or any other regulatory authority from buying, selling or dealing in securities or otherwise accessing the capital markets in India.

This Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents and disclosures included in the section titled "*Risk Factors*" on page 58.

Neither our Company nor the Book Running Lead Manager is liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. QIBs (as defined hereinafter) are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations (as defined hereafter) and the QIBs shall be solely responsible for compliance with the provisions of the SEBI Takeover Regulations, SEBI Insider Trading Regulations (as defined hereafter) and other applicable laws, rules, regulations, guidelines and circulars.

The information on our Company's website mas.co.in, or any website directly or indirectly linked to our Company's website or the respective websites of the BRLMs or their respective associates or affiliates, or the respective websites of the Stock Exchanges does not constitute or form part of this Placement Document. Prospective investors should not rely on any such information contained in, or available through, any such websites.

REPRESENTATIONS BY INVESTORS

All references to "you" and "your" in this section are to the prospective investors in the Issue. By Bidding for and/or subscribing to any Equity Shares offered in this Issue, you are deemed to have made the representations, warranties, acknowledgements, and agreements set forth in the sections titled "*Notice to Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 3, 208 and 217, respectively, and you are deemed to have represented, warranted, acknowledged and agreed to our Company and the Book Running Lead Managers, as follows:

1. Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company which is not set forth in this Placement Document;

2. You are a "Qualified Institutional Buyer" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013, to the extent applicable, and all other applicable laws; and (ii) comply with all requirements under applicable law, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue;

3. You are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India. You acknowledge that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to our Company. In terms of FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. In case the holding of an FPI or investor group increases to 10% or more of the total paid-up equity share capital, on a fully diluted basis, such FPI shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach, or such other time as may be prescribed by SEBI and the RBI from time to time. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by the Company and the investor with applicable reporting requirements;

4. If you are not a resident of India, but are an Eligible QIB, (i) you are a foreign portfolio investor, and you confirm that you are an Eligible FPI as defined in the Preliminary Placement Document and this Placement Document and have a valid and existing registration with SEBI under the applicable laws in India, or (ii) a multilateral or bilateral development financial institution and are eligible to invest in India under applicable law, including the FEMA Rules, and any notifications, circulars or clarifications issued thereunder. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws. You have not been prohibited by SEBI, RBI or any other regulatory authority, from buying, selling or dealing in securities or otherwise accessing the capital markets. You confirm that you are not a FVCI;

5. You are eligible to invest in and hold the Equity Shares of our Company in accordance with the Consolidated FDI Policy and FEMA Rules, read along with the press note no. 3 (2020 Series), dated April 17, 2020 ("**PN 3**"), issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendments to the FEMA Rules. You confirm that if PN 3 applies to you, neither is your investment as an entity from a country which shares a land border with India nor is the beneficial owner of your investment situated in or is a citizen of such country (in each which case, investment can only be through the Government approval route);

6. You will provide the information as required under the Companies Act, 2013 and the PAS Rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

7. You are able to purchase the Equity Shares offered in the Issue in accordance with the restrictions described in "*Selling Restrictions*" on page 208 and you hereby make the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*".

8. If you are Allotted Equity Shares pursuant to the Issue, you shall not sell the Equity Shares so acquired, for a period of one year from the date of Allotment (as hereinafter defined), except on the Stock Exchanges and in accordance with any other resale restrictions applicable to you. You hereby make the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 208 and 217 respectively;

9. You are aware that this Placement Document has not been, and will not be, filed as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors other than Eligible QIBs. You acknowledge that the Preliminary Placement Document and this Placement Document have not been reviewed, verified or affirmed by SEBI, the RoC, the Stock Exchanges or any other regulatory or listing authority and is intended only for use by Eligible QIBs. This Placement Document has been filed with the Stock Exchanges for record purposes only and be displayed on the websites of our Company and the Stock Exchanges;

10. You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and that you have fully observed such laws and you have all necessary capacity and have obtained all necessary consents and authorisations, as may be required and complied with and shall comply with all necessary formalities to enable you to participate in the Issue and to perform your obligations in relation thereto (including without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;

11. Neither our Company, nor the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares, be a client of the Book Running Lead Managers. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates has any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

12. You acknowledge that all statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. You acknowledge that such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You shall not place undue reliance on forward-looking statements, which speak only as of the date of this Placement Document. You acknowledge that none of our Company, the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Placement Document;

13. You are aware that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category of investors other than the Eligible QIBs and the Allotment shall be on a discretionary basis at the discretion of our Company in consultation with the Book Running Lead Managers;

14. You have been provided a serially numbered copy of this Placement Document, and have read it in its entirety, including the "*Risk Factors*" on page 58;

15. In making your investment decision, you have (i) relied on your own examination of our Company and its Subsidiaries and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Company and its Subsidiaries and the Equity Shares and the terms of the Issue based on such information as is publicly available, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, the effects of local laws (including tax laws), (iv) relied solely on the information contained in this Placement Document and no other disclosure or representation by our Company or any other party, (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company, its Subsidiaries, and the Equity Shares, and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;

16. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates has provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including the Issue and the use of proceeds from the Equity Shares). You will obtain your own independent tax advice and will not rely on the Book Running Lead Managers or any of its respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from sale of the Equity Shares). You waive, and agree not to assert any claim against, either of the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

17. You are a sophisticated investor and have such knowledge and experience in financial business and investment matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares and you and any managed accounts for which you are subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, including the complete loss on the investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) have no need for liquidity with respect to the investment in the Equity Shares, and (iv) you are seeking to subscribe to the Equity Shares in the Issue for your investment purposes and not with a view to resell or distribute such Equity Shares and have no reason to anticipate any change in your or their circumstances or any accounts for which you are subscribing, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares;

18. If you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorized in writing, by each such managed account to acquire the Equity Shares for each managed account and make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to 'you' to include such accounts;

19. You are not a 'promoter' of our Company (as defined under the SEBI ICDR Regulations or the Companies Act, 2013), and are not a person related to the Promoters (as defined hereinafter), either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent any Promoters or members of the Promoter Group (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

20. You have no rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoters);

21. You are eligible to Bid for and hold Equity Shares so Allotted together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the levels permissible as per any applicable law;

22. To the best of your knowledge and belief, your aggregate holding, together with other Eligible QIBs in the Issue that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size (as defined hereinafter). For the purposes of this representation:

   a. Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and

   b. 'Control' shall have the same meaning as is assigned to it under Regulation 2(1)I of the SEBI Takeover Regulations.

23. You are aware that (i) applications for in-principle approval, in terms of Regulation 28 of the SEBI Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchanges, were made and approval has been received from each of the Stock Exchanges, and (ii) final applications will be made for obtaining listing and trading approvals from the Stock Exchanges, and that there can be no assurance that such approvals will be obtained on time or at all. Neither our Company nor the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

24. You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

25. You are aware that in terms of the requirements of the Companies Act, 2013 upon Allocation, our Company has disclosed names and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document. However, disclosure of such details in relation to the proposed Allottees in this Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Manager;

26. You agree in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act, 2013;

27. You acknowledge that this Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

28. You are aware that if you, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted 5% or more of the Equity Shares in this Issue, our Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures being made by our Company;

29. You are aware and understand that the Book Running Lead Managers have entered into a Placement Agreement with our Company, whereby the Book Running Lead Managers have, subject to the satisfaction of certain conditions set out therein, undertaken to use its reasonable efforts to procure Eligible QIBs to subscribe for the Equity Shares on the terms and conditions set out therein;

30. The contents of this Placement Document are exclusively the responsibility of our Company and neither the Book Running Lead Managers nor any person acting on their behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor relied on any other information, representation,

warranty or statement made by, or on behalf of, the Book Running Lead Managers or our Company or any other person and neither the Book Running Lead Managers nor our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, and the Book Running Lead Managers and their respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

31. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;

32. You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first on the Application Form.

33. You acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investments matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;

34. You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and the Companies Act, 2013;

35. Either (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents with regard to our Company or this Issue ("**Company Presentations**"); or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Managers may not have the knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such meetings or presentations included any material misstatements or omissions, and, accordingly you acknowledge that Book Running Lead Managers have advised you not to rely in any way on any such information that was provided to you at such meetings or presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;

36. You agree that any dispute arising in connection with the Issue shall be governed by and construed in accordance with the laws of Republic of India, and the courts in Ahmedabad, India shall have sole and exclusive jurisdiction to settle any disputes that may arise out of or in connection with this Placement Document, the Placement Document and this Issue;

37. The Bid made by you would not result in triggering a tender offer under the SEBI Takeover Regulations and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

38. You have no right to withdraw your Application Form or revise your Bid downwards after the Issue Closing Date (as defined hereinafter).

39. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue. You agree to indemnify and hold our Company and the Book Running Lead Managers and their respective affiliates and their respective directors, officers, employees and controlling persons harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties,

acknowledgements, agreements and undertakings made by you in this Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts; and

40. You acknowledge that our Company, the Book Running Lead Managers, their respective affiliates, directors, officers, employees and controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to our Company and the Book Running Lead Managers and are irrevocable.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines, and approvals in terms of Regulation 21 of the SEBI FPI Regulations and the SEBI circular dated November 5, 2019 on operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), FPIs, including the affiliates of the Book Running Lead Managers, who are registered as Category I FPIs can issue, subscribe and deal in offshore derivative instruments (as defined under the SEBI FPI Regulations, i.e., as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) (all such offshore derivative instruments are referred to herein as "**P-Notes**") and persons who are eligible for registration as category I FPIs can subscribe to or deal in such P-Notes, provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned Category I FPIs may receive compensation from the purchasers of such P-Notes. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs, subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to persons eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been, and are not being offered, or sold pursuant to the Preliminary Placement Document and this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including, without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or more of our post-Issue Equity Share capital on a fully diluted basis. The SEBI has issued the FPI Operational Guidelines to facilitate implementation of the SEBI FPI Regulations. In terms of the FPI Operational Guidelines, the above-mentioned restrictions shall also apply to subscribers of offshore derivative instruments and two or more subscribers of offshore derivative instruments having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the offshore derivative instruments. Further, in the event a prospective investor has investments as an FPI and as a subscriber of offshore derivative instruments, these investment restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company.

Affiliates of the Book Running Lead Managers who are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by and are the sole obligations of third parties that are unrelated to our Company. Our Company, and the Book Running Lead Managers do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Managers and does not constitute any obligations of or claims on the Book Running Lead Managers.

Bidders interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes, or any disclosure related thereto. Bidders are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

Please also see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 208 and 217, respectively.

DISCLAIMER CLAUSE

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Placement Document has been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

(a) warrant, certify or endorse the correctness or completeness of the contents of the Preliminary Placement Document and this Placement Document;

(b) warrant that the Equity Shares to be issued pursuant to the Issue will be listed or will continue to be listed on the Stock Exchanges; or

(c) take any responsibility for the financial or other soundness of our Company, its Promoters, its management or any scheme or project of our Company,

and it should not for any reason be deemed or construed to mean that the Preliminary Placement Document and this Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/ acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

DISCLAIMER CLAUSE OF THE RBI

The Company had initially registered as a Category A (public deposit taking) NBFC pursuant to a certificate of registration (bearing registration number 01.00241) dated May 8, 1998, issued by the RBI. Subsequently, upon conversion of our Company to a Category B (non-public deposit taking) NBFC, our Company received a certificate of registration (bearing registration number B-01-00241) dated January 15, 2007, issued by the RBI under section 45-IA of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for repayments of deposits/ discharge of liabilities of the Company.

PRESENTATION OF FINANCIAL AND OTHER FINANCIAL INFORMATION

Certain Conventions

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to "you", "your", "offeree", "purchaser", "subscriber", "recipient", "investors", "prospective investors" and "potential investor" are to the Eligible QIBs in the Issue and references to the "Issuer", "the Company", "our Company" refers to MAS Financial Services Limited and references to "we", "us", or "our" are to our Company together with its Subsidiaries, on a consolidated basis.

Unless otherwise specified or the context otherwise requires, all references in this Placement Document to (i) the 'US' or 'U.S.' or the 'United States' or the 'U.S.A' are to the United States of America and its territories and possessions; (ii) 'India' are to the Republic of India and its territories and possessions; and (iii) the 'UK' or 'U.K.' or the 'United Kingdom' are to the United Kingdom of Great Britain and its territories and possessions; and (iv) the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

In this Placement Document, references to 'INR', '₹', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India, references to 'USD', 'U.S. Dollars' and 'US$' are to the legal currency of the United States.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Our Fiscals 2024, 2023 and 2022 Audited Consolidated Financial Statements and Fiscals 2024, 2023 and 2022 Audited Standalone Financial Statements that are presented in the section titled "*Financial Information*" on page 237 have been presented in ₹ crore. Apart from this, all figures in this Placement Document, including amounts derived from the Fiscals 2024, 2023 and 2022 Audited Consolidated Financial Statements and Fiscals 2024, 2023 and 2022 Audited Standalone Financial Statements elsewhere in this Placement Document, have been expressed in ₹ million.

In this Placement Document, references to "Lakh" represents "100,000", "Crore" represents "10,000,000", "million" represents "1,000,000", and "billion" represents "1,000,000,000".

Certain figures contained in this Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Page Numbers

Unless otherwise stated, all references to page numbers in this Placement Document are to page numbers of this Placement Document.

Financial and Other Information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise. The terms "Fiscal", "Financial Year", "Fiscals" or "Fiscal Year", refer to the 12 months period ending March 31 of that particular year.

This Placement Document includes the following:

- Fiscals 2024, 2023 and 2022 Audited Standalone Financial Statements; and
- Fiscals 2024, 2023 and 2022 Audited Consolidated Financial Statements

Unless otherwise indicated or the context otherwise requires, the financial information included in this Placement Document as of and for the years ended March 31, 2024 and March 31, 2023, have been derived from our Fiscal 2024 Audited Consolidated Financial Statements and Fiscal 2023 Audited Consolidated Financial Statements, respectively, while financial information included for the year ended March 31, 2022 is derived from the comparative financial information for the year ended March 31, 2022 included in our Fiscal 2023 Audited Consolidated Financial Statements. During the quarter ended March 31, 2023, we had received a directive from the Reserve Bank of India to book gain on assignment of financial assets upfront in the statement of profit and loss in accordance with Ind AS 109 instead of amortising it over the period of the underlying residual tenure of the assigned loan portfolio. As per the requirement of Ind AS 8, we had restated the financial information of previous financial year 2021-22 in the Fiscal 2023 Audited Consolidated Financial Statements to reflect the change in accounting policy as explained above. Accordingly, any reference to financials of Fiscal 2022 means the restated financials of Fiscal 2022 included as comparative in the Fiscal 2023 Audited Consolidated Financial Statements. Accordingly, our Fiscal 2022 Audited Consolidated Financial Statements are not directly comparable to the comparative numbers for Fiscal 2022 included in the Fiscal 2023 Audited Consolidated Financial Statements which includes restated adjustments for Fiscal 2022.

Our Company prepares its financial statements in Indian Rupees and in accordance with Ind AS, the Companies Act, and other applicable statutory and/or regulatory requirements. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and US GAAP and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. The degree to which the financial information included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Placement Document should accordingly be limited. Also see, "***Risk Factors – Significant differences exist between the Indian Accounting Standards (Ind AS) used to prepare our financial information and other accounting principles, such as the United States Generally Accepted Accounting Principles (U.S. GAAP) and the International Financial Reporting Standards (IFRS), which may affect investors' assessments of our Company's financial condition.***" on page 87.

Non-GAAP Financial Measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance, including Average AUM, Total Borrowed Funds, and Cost of Borrowings, have been included in this Placement Document. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating and financial performance defined by Ind AS.

INDUSTRY AND MARKET DATA

Information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Placement Document consists of estimates based on data reports compiled by government bodies such as the RBI, MOSPI, Ministry of Finance and the MSME Ministry, data from other external sources and knowledge of the markets in which we compete. Unless stated otherwise, the statistical information included in this Placement Document relating to the industry in which we operate has been reproduced from various trade, industry and government publications and websites more particularly described in the section titled "***Industry Overview***" on page 144.

The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "can", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements contained in this Placement Document (whether made by us or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- Our business operations involve transactions with relatively high risk borrowers. Any default from our customers could adversely affect our business, results of operations and financial condition.

- We extend loans to other financial institutions such as MFIs, NBFCs and HFCs. If there is a default by these financial institutions or if we are unable to maintain our relationships with these institutions, our business, financial condition and results of operations may be adversely affected.

- As an NBFC, we are subject to periodic inspections by the RBI. Non-compliance with observations made by RBI during these inspections could expose us to penalties and restrictions.

- Our inability to maintain relationships with our sourcing intermediaries could have an adverse effect on our business, prospects, results of operations and financial condition.

- The quality of our portfolio may be impacted due to higher levels of Stage 3 Assets and our business may be adversely affected if we are unable to provide for such higher levels of Stage 3 Assets.

- Our business requires substantial funds, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections titled "***Risk Factors***", "***Industry Overview***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 58, 144, 155 and 103, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, any future gains, losses or impact on net income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as on the date of this Placement Document or the respective dates indicated in this Placement Document, and neither we nor the BRLMs undertake any obligation to update or revise any of them, whether as a result of new information, future events, change in assumptions or changes in factors affecting these forward-looking statements or otherwise. If any of these risks and uncertainties materialize, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements. In accordance with SEBI and Stock Exchange requirements, our Company and the BRLMs will ensure that the eligible equity shareholders are informed of material developments until the time of the grant of listing and trading permissions by the Stock Exchanges.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited liability company incorporated under the laws of India. All our Directors, the Key Managerial Personnel and the Senior Management are residents of India and all or a substantial portion of the assets of our Company and such persons are located in India**.** As a result, it may be difficult or may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India predicated upon civil liabilities of our Company or such directors and executive officers under laws other than Indian laws, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended (the "**Civil Procedure Code**"), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. India is not a party to any multilateral international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Among other jurisdictions, the United Kingdom of Great Britain and Northern Ireland, Republic of Singapore, United Arab Emirates and Hong Kong have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Procedure Code. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws. We cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Our Company and the Book Running Lead Managers cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Rupee and the U.S. dollar will affect the U.S. dollar equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into U.S. dollar of any cash dividends paid in Rupees on the Equity Shares.

INR to USD

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and the U.S. dollar (in ₹ per U.S.D) based on the reference rates released by the RBI/FBIL. No representation is made that the Indian Rupee amounts actually represent such amounts in U.S. dollar or could have been or could be converted into USD at the rates indicated, any other rates, or at all.

	(₹ Per US$)			
	Period end(^)	**Average(1)**	**High(2)**	**Low(3)**
Financial Year:				
2024	83.37	82.79	83.40	81.65
2023	82.22	80.39	83.20	75.39
2022	75.81	74.51	76.92	72.48
Month ended:				
May 31, 2024	83.29	83.39	83.52	83.08
April 30, 2024	83.52	83.41	83.52	83.23
March 31, 2024	83.37	83.00	83.37	82.68
February 29, 2024	82.92	82.96	83.09	82.84
January 31, 2024	83.08	83.12	83.33	82.85
December 31, 2023	83.12	83.28	83.40	83.02

(Source: www.rbi.org.in and www.fbil.org.in, as applicable)

(^) *The price for the period end refers to the price as on the last trading day of the respective fiscal year or quarterly or monthly periods.*

(1) *Average of the official rate for each working day of the relevant period.*

(2) *Maximum of the official rate for each working day of the relevant period.*

(3) *Minimum of the official rate for each working day of the relevant period.*

***Notes**:*

- *If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.*
- *The RBI reference rates are rounded off to two decimal places.*

DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.

The following list of certain capitalised terms used in this Placement Document is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Placement Document shall have the meaning as defined hereunder. Further any references to any agreement, document, statute, rules, guidelines, regulations or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations framed thereunder. Notwithstanding the foregoing, terms used in the sections titled "Taxation", "Industry Overview", "Capital Structure", "Financial Information" and "Legal Proceedings" on pages 226, 144, 98, 237 and 229, respectively, shall have the meaning given to such terms in such sections.

General Terms

Term	Description
"Our Company", "the Company", "the Issuer" or "MAS"	MAS Financial Services Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 6, Ground Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad – 380 009
"We", "Our", or "Us"	Unless the context otherwise indicates or implies, refers to our Company along with its Subsidiaries, on a consolidated basis

Company related terms

Term	Description
Articles or Articles of Association	The Articles of Association of our Company, as amended from time to time
Audit Committee	The Audit Committee constituted by our Board, as disclosed in "***Board of Directors and Senior Management***" on page 172
Auditors or Statutory Auditors or Independent Auditors	The current statutory auditors of our Company namely, M/s Mukesh M. Shah & Co., Chartered Accountants
Board of Directors or Board	The board of directors of our Company, including any duly constituted committee thereof, as disclosed in "***Board of Directors and Senior Management***" on page 172
Corporate Social Responsibility Committee	The Corporate Social Responsibility Committee constituted by our Board, as disclosed in "***Board of Directors and Senior Management***" on page 172
Director(s)	The directors on the Board of our Company, as may be appointed from time to time
Equity Shares	The equity shares of a face value of ₹ 10 each of our Company
Executive Directors	Mr. Kamlesh Chimanlal Gandhi and Mrs. Darshana Saumil Pandya
Finance Committee	The Finance Committee constituted by our Board through its resolution dated January 17, 2024, and currently comprising of Mr. Kamlesh Chimanlal Gandhi, Mrs. Darshana Pandya and Mr. Ankit Jain.
Financial Statements	Collectively~~,~~ Fiscal 2024 Audited Standalone Financial Statements, Fiscal 2023 Audited Standalone Financial Statements, Fiscal 2022 Audited Standalone Financial Statements, and Fiscal 2024 Audited Consolidated Financial Statements, Fiscal 2023 Audited Consolidated Financial Statements and Fiscal 2022 Audited Consolidated Financial Statements.
Fiscal 2022 Audited Standalone Financial Statements	Audited Standalone financial statements of our Company, as of and for the financial year ended March 31, 2022, comprising the standalone balance sheet as at March 31, 2022, and the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information, prepared in accordance with accounting principles generally accepted in India, including Ind AS notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and the report dated May 4, 2022 issued thereon by M/s Mukesh M. Shah & Co., Chartered Accountants, our Statutory Auditors.
Fiscal 2023 Audited Standalone Financial Statements	Audited standalone financial statements of our Company, as of and for the financial year ended March 31, 2023, comprising the standalone balance sheet as at March 31,

Term	Description
	2023, and the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information, prepared in accordance with accounting principles generally accepted in India, including Ind AS notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and the report dated May 10, 2023 issued thereon by M/s Mukesh M. Shah & Co., Chartered Accountants, our Statutory Auditors.
Fiscal 2024 Audited Standalone Financial Statements	Audited standalone financial statements of our Company, as of and for the financial year ended March 31, 2024, comprising the standalone balance sheet as at March 31, 2024, and the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information, prepared in accordance with accounting principles generally accepted in India, including Ind AS notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and the report dated April 24, 2024 issued thereon by M/s Mukesh M. Shah & Co., Chartered Accountants, our Statutory Auditors.
Fiscal 2022 Audited Consolidated Financial Statements	Audited consolidated financial statements of our Company and its Subsidiaries, as of and for the financial year ended March 31, 2022, comprising the consolidated balance sheet as at March 31, 2022, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information, prepared in accordance with accounting principles generally accepted in India, including Ind AS notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and the report dated May 4, 2022 issued thereon by M/s Mukesh M. Shah & Co., Chartered Accountants, our Statutory Auditors.
Fiscal 2023 Audited Consolidated Financial Statements	Audited consolidated financial statements of our Company and its Subsidiaries, as of and for the financial year ended March 31, 2023, comprising the consolidated balance sheet as at March 31, 2023 and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information, prepared in accordance with accounting principles generally accepted in India, including Ind AS notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and the report dated May 10, 2023 issued thereon by M/s Mukesh M. Shah & Co., Chartered Accountants, our Statutory Auditors.
Fiscal 2024 Audited Consolidated Financial Statements	Audited consolidated financial statements of our Company and its Subsidiaries, as of and for the financial year ended March 31, 2024, comprising the consolidated balance sheet as at March 31, 2024 and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information, prepared in accordance with accounting principles generally accepted in India, including Ind AS notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and the report dated April 24, 2024 issued thereon by M/s Mukesh M. Shah & Co., Chartered Accountants, our Statutory Auditors.
Key Managerial Personnel	The key managerial personnel of our Company in accordance with the provisions of the Companies Act, 2013 and as described in "*Board of Directors and Senior Management*" on page 172
Memorandum or Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of the Board of our Company as disclosed in "*Board of Directors and Senior Management*" on page 172
Non-Executive Independent Director(s)	Non-executive, Independent directors of our Company, unless otherwise specified are Umesh Rajanikant Shah, Daksha Niranjan Shah, Narayanan Sadanandan and Vishal Vasu.
Previous Statutory Auditors	The previous statutory auditors of our Company for Fiscal 2021 namely, B S R & Co. LLP, Chartered Accountants

Term	Description
Promoter Group	The individuals and entities forming part of the promoter group of our Company in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
Promoters	The promoters of our Company, namely Kamlesh Chimanlal Gandhi, Shweta Kamlesh Gandhi, and Prarthna Marketing Private Limited.
Registered Office	The registered office of our Company located at 6, Ground Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad – 380 009
Risk Management Committee	The Risk Management Committee constituted by our Board as disclosed in "*Board of Directors and Senior Management*" on page 172
Senior Management	The members of the senior management of our Company in accordance with Regulation 2 (1)(bbb) of the SEBI ICDR Regulations. For further details regarding our Senior Management, please see "*Board of Directors and Senior Management*" on page 172.
Shareholders	Shareholders of our Company from time to time
Stakeholders Relationship Committee	The Stakeholders Relationship Committee of our Board as disclosed in the section titled "*Board of Directors and Senior Management*" on page 172
Subsidiaries	The subsidiaries of our Company in accordance with the Companies Act, 2013 as on the date of this Placement Document, namely: 1. MAS Rural Housing & Mortgage Finance Limited; and 2. MASFIN Insurance Broking Private Limited.

Issue related terms

Term	Description
Allocated or Allocation	The allocation of Equity Shares, by our Company in consultation with the BRLMs, following the determination of the Issue Price to Eligible QIBs on the basis of the Application Forms submitted by them and in compliance with Chapter VI of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	Allotment and issue of Equity Shares pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares are issued / Allotted pursuant to the Issue
Application Amount	The aggregate amount paid by a Bidder at the time of submitting a Bid in the Issue
Application Form	Form (including any revisions thereof) which was submitted by the Eligible QIBs for registering a Bid in the Issue
Bid Amount	The amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by a Bidder and payable by the Bidder in the Issue at the time of submission of the Application Form
Bid(s)	Indication of an Eligible QIB's interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bidder	Any prospective investor, being an Eligible QIB, who made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
Book Running Lead Managers or BRLMs	Motilal Oswal Investment Advisors Limited and Equirus Capital Private Limited
CAN/ Confirmation of Allocation Note	Note, advice or intimation issued confirming Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about June 21, 2024
Designated Date	The date on which the Equity Shares issued pursuant to the Issue, are listed on the Stock Exchanges pursuant to receipt of the final listing and trading approvals for the Equity Shares from the Stock Exchanges or the date on which Form PAS-3 is filed by our Company with the RoC, whichever is later
Eligible FPIs	FPIs that were eligible to participate in this Issue in terms of applicable laws, other than individuals, corporate bodies and family offices
Eligible QIBs	QIBs, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under the applicable laws. Further, FVCIs are not permitted to participate in the Issue and, accordingly, are not Eligible QIBs
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, to be opened in the name and style "*MAS Financial Services – QIP Escrow Account*" with the Escrow Bank, subject to the terms of the Escrow Agreement into which the Application Amount in connection with the subscription to the Equity Shares pursuant to the Issue were deposited by the Bidders

Term	Description
Escrow Agreement	Agreement dated June 19, 2024, entered into by and amongst our Company, the Escrow Bank and the Book Running Lead Managers for collection of the Application Amounts and remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Bank	Axis Bank Limited
Floor Price	Floor price of ₹ 301.31 for each Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company has offered a discount of 4.99% on the Floor Price in accordance with the approval of our Board dated January 17, 2024 and the Shareholders' resolution dated February 9, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Gross Proceeds	The gross proceeds of the Issue that will be available to our Company
Issue	Offer and issuance of the Equity Shares to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	June 21, 2024, the date after which our Company (or Book Running Lead Manager on behalf of our Company) shall cease acceptance of Application Forms and the Application Amount
Issue Opening Date	June 19, 2024, the date on which our Company (or the Book Running Lead Managers on behalf of our Company) shall commence acceptance of the Application Forms and the Application Amount
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs could submit their Bids along with the Application Amount
Issue Price	A price per Equity Share of ₹ 286.25
Issue Size	Aggregate size of the Issue, ₹ 5,000 million
Monitoring Agency	CARE Ratings Limited being a credit rating agency registered with SEBI, appointed by our Company in accordance with the provisions of the SEBI ICDR Regulations
Monitoring Agency Agreement	Monitoring agency agreement dated March 18, 2024, as amended by way of an amendment agreement dated June 19, 2024 entered into between our Company and the Monitoring Agency in relation to the responsibilities and obligations of the Monitoring Agency for monitoring the utilisation of the proceeds of the Issue.
Mutual Fund	A mutual fund registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Placement Agreement	Placement agreement dated June 19, 2024 by and among our Company and the Book Running Lead Managers
Placement Document	This placement document issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules prescribed thereunder
Preliminary Placement Document	The Preliminary Placement Document along with the Application Form dated June 19, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules prescribed thereunder
QIBs or Qualified Institutional Buyers	Qualified institutional buyers, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 read with applicable rules
Regulation S	Regulation S under the U.S. Securities Act
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all, or part, of the Application Amount submitted by such Bidder pursuant to the Issue
Refund Intimation	The intimation from our Company to relevant Bidders confirming refund of the Refund Amount to their respective bank accounts
Relevant Date	June 19, 2024, which is the date of the meeting in which our Finance Committee decided to open the Issue
Stock Exchanges	BSE and NSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount with the Application Form and who have been Allocated Equity Shares pursuant to the Issue
U.S. / United States	United States of America, its territories and possessions, any State of the United States, and the District of Columbia
U.S. Securities Act	The United States Securities Act of 1933, as amended
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorized or obligated by law to remain closed in Mumbai, India

Business, technical and industry related terms

Term	Description
AUM	Assets under management.
CAR	Capital adequacy ratio.
DSA	Direct sales agent.
Employees State Insurance Act	Employees State Insurance Act, 1948.
Employees Provident Fund Act	Employees Provident Funds and Miscellaneous Provisions Act, 1952.
HFC	Housing finance company.
LCV	Light commercial vehicle.
LTV	Loan-to-value.
Minimum Wages Act	The Minimum Wages Act, 1948.
MFI	Microfinance institutions.
MHCV	Medium and heavy commercial vehicle.
MUV	Multi-utility vehicle
NBFC	Non-banking financial company as defined under section 45I of the RBI Act.
NBFC-SI	A systemically important NBFC within the meaning of Regulation 2(1)(zla) of the SEBI ICDR Regulations.
Negotiable Instruments Act	Negotiable Instruments Act, 1881.
NHB	National Housing Bank.
NPA	Non-performing asset.
PAR	Portfolio at risk.
PDC	Post dated cheque(s).
SME	Small and medium enterprises.

Conventional and general terms

Term	Description
AGM	Annual General Meeting
AS or Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compound annual growth rate
Calendar Year	Year ending on December 31
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CFO	Chief Financial Officer
CIN	Corporate Identification Number
COO	Chief Opertaing Officer
CRO	Chief Risk Officer
Civil Procedure Code	The Code of Civil Procedure, 1908
Companies Act, 1956	The Companies Act, 1956 along with the relevant rules made thereunder
Companies Act, 2013 / Companies Act	The Companies Act, 2013, along with the relevant rules made and clarifications issued thereunder
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
Cr.PC	The Code of Criminal Procedure, 1973
Depositories	CDSL and NSDL
Depositories Act	The Depositories Act, 1996
Depository Participant or DP	A depository participant as defined under the Depositories Act
DP ID Number	Depository participant identification number
DPIIT	Department for Promotion of Industry and Internal Trade
EGM	Extraordinary general meeting
EU	European Union
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, together with rules and regulations issued thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FIR	First information report
Financial Year or Fiscal	The period of 12 months ended March 31 of that particular year, unless otherwise stated
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014

Term	Description
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investor, as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, registered with SEBI
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
General Meeting	AGM or EGM
GDR	Global Depository Receipt
GoI or Government	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
HNI	High net-worth individual
I.T. Act	The Income-tax Act, 1961
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian accounting standards, as per the roadmap issued by the Ministry of Corporate Affairs, Government of India, notified by the MCA under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended
Indian GAAP	Indian Generally Accepted Accounting Principles (GAAP) as notified under Section 133 of the Companies Act read with Companies (Accounts) Rules, 2014
IRDAI	Insurance Regulatory and Development Authority of India
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, GoI
MoEF	Ministry of Finance, GoI
MoF	Ministry of Finance, GoI
MOSPI	Ministry of Statistics and Programme Implementation, GoI
MoU	Memorandum of Understanding
MSME Ministry	Ministry of Micro, Small & Medium Enterprises, GoI
Mutual Funds	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NEFT	National Electronic Fund Transfer
Non-Resident Indian or NRI	An individual resident outside India who is citizen of India
Non-Resident or NR	A person resident outside India, as defined under the FEMA
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
P.A. or p.a.	Per annum
PAN	Permanent Account Number allotted under the I.T. Act
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014
PAT	Profit after tax
RBI	Reserve Bank of India
RBI Master Directions	Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016
RoC or Registrar	Registrar of Companies, Gujarat (Dadar & Nagar Haveli) at Ahmedabad
SCR (SECC) Regulations	The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations), Regulations, 2018
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India established under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Mutual Fund Regulations	The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996

Term	Description
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S.	United States of America
U.S. GAAP	Generally accepted accounting principles in the United States of America
VCF	Venture capital fund
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations

SUMMARY OF BUSINESS

Overview

We are a Gujarat-headquartered NBFC with more than 25 years of business operations and as of March 31, 2024, we directly operate across 11 States and the NCT of Delhi through our branches and have a pan India presence through our NBFC partnerships. Our business and financing products are primarily focused on middle and low income customer segments, and include six principal categories: (i) micro-enterprise loans; (ii) SME loans; (iii) two-wheeler loans; (iv) Commercial Vehicle loans (which include new and used commercial vehicle loans and used car loans); (v) salaried personal loans; and (vi) housing loans. Our Promoter Director, Kamlesh Chimanlal Gandhi has have significant operational experience of more than 35 years and has witnessed multiple cycles in the financial services sector in India. We operate our housing loans segment through our subsidiary, MAS Rural Housing & Mortgage Finance Limited.

As of March 31, 2024, our consolidated AUM was ₹ 107,219.02 million. Our consolidated AUM increased at a CAGR of 27.79% from ₹ 65,651.49 million as of March 31, 2022 to ₹ 107,219.02 million as of March 31, 2024. As of March 31, 2024, we had more than 875,000 active loan accounts, across more than 12,000 Customer Locations in 11 States and the NCT of Delhi, served through our pan India network of 252 branches and 183 NBFCs partnerships.

Our financing products include:

Micro-Enterprise Loans. We provide two categories of micro-enterprise loans: (i) loans up to ₹ 5,00,000 typically to self-employed individuals engaged in trading or manufacturing business; and (ii) mortgage backed – MEL loans, where mortgage is of the immovable property, up to ₹ 25,00,000. In Fiscal 2024, the Average Disbursement in our micro-enterprise loan segment was ₹ 44,396. As on March 31, 2024, our AUM from this segment was ₹ 43,851.10 million which represented 40.91% of our consolidated AUM.

Small and Medium Enterprise (SME) Loans. We provide loans up to ₹ 50 million to our SME customers, which category primarily includes small and medium sized traders, manufacturers, distributors, and service providers engaged in various industries. The SME loan segment includes working capital loans (up to ₹ 50 million), loans for machinery and facilities (up to ₹ 15 million) and includes loans against property (up to ₹ 50 million) and supply chain financing (limit up to ₹ 200 million). In Fiscal 2024, the Average Disbursement in our SME loan segment was ₹ 1.83 million. As on March 31, 2024, our AUM from this segment was ₹ 37,338.60 million which represented 34.82% of our consolidated AUM.

Two-wheeler Loans. We provide two-wheeler loans primarily to self-employed, salaried individuals, and farmers as well as professionals. In Fiscal 2024, the Average Disbursement in our two-wheeler loan segment was ₹ 62,807. As on March 31, 2024, our AUM from this segment was ₹ 6,701.18 million which represented 6.25% of our consolidated AUM.

Commercial Vehicle Loans. We provide loans up to ₹ 1,000,000 for the purchase of new and used commercial vehicles, used cars. In this segment, our customers primarily include small traders and manufacturers (for loading vehicles), small road transport operators and first time owners (FTOs). In Fiscal 2024, the Average Disbursement in our Commercial Vehicle loan segment was ₹ 0.42 million. As on March 31, 2024, our AUM from this segment was ₹ 7,476.60 million which represented 6.97% of our consolidated AUM.

Salaried Personal Loans. We provide loans up to ₹ 10,00,000 to salaried individuals for satisfaction of their personal needs. In Fiscal 2024, the Average Disbursement in our salaried personal loan segment was ₹ 77,546. As on March 31, 2024, our AUM from this segment was ₹ 5,888.64 million which represented 5.49% of our consolidated AUM.

Housing Loans. We provide housing loans to customers for the purchase of new and old houses, construction of houses on owned plots, home improvement and for the purchase and construction of commercial property. Our customers in this segment typically include salaried and self-employed individuals and farmers having multiple sources of income. We also extend loans to developers for construction of affordable housing projects. The loan amount typically ranges between ₹ 50,000 and ₹ 5 million for residential property and between ₹ 0.10 million and ₹ 10 million for commercial property. Our housing finance business is primarily operated through our Subsidiary, MRHMFL. In Fiscal 2024, Average Disbursement in our housing loan segment was ₹ 0.87 million. As on March 31, 2024, our AUM from this segment was ₹ 5,962.90 million which represented 5.56% of our consolidated AUM.

In addition to our sales team, we have entered into commercial arrangements with an adequate (globally) number of sourcing intermediaries, including commission based DSAs and revenue sharing arrangements with various dealers and distributors where part of loan default is guaranteed by such sourcing partners. As of March 31, 2024, we had 185 such sourcing intermediaries for our two-wheeler loan segment and 365 such sourcing intermediaries for our Commercial Vehicle loan segment. As of March 31, 2024, we had entered into arrangements with 113 sourcing intermediaries for our housing loan segment, who typically are affordable housing project developers or property agents.

A significant part of our business origination in various segments is directly through our own direct retail distribution channels accounting for 68.42% of our consolidated AUM as of March 31, 2024. Our consolidated AUM for business originated through our direct retail distribution channels has steadily increased from ₹ 35,002.23 million as of March 31, 2022 to ₹ 73,357.84 million as of March 31, 2024. In addition to the above, we also have extended loans to MFIs, HFCs and other NBFCs that provide financing products including micro-enterprise loans, SME loans, Commercial Vehicle loans (new and used), two-wheeler loans, salaried personal loans and housing loans, enabling us to have a geographical reach extending beyond our direct Customer Locations. As of March 31, 2024, we had extended loans to 183such financial institutions.

The following table sets forth certain information relating to our operations and financial performance in the periods specified:

(in ₹ million, except ratios and percentages)

	As of March 31, 2022 (Restated)	**As of March 31, 2023**	**As of March 31, 2024**
AUM			
Micro-Enterprise Loans	32,446.57	38,741.61	43,851.10
SME Loans	22,854.40	29,866.61	37,338.60
Two-wheeler Loans	3,757.37	5,543.51	6,701.18
Commercial Vehicle Loans	3,451.67	3,724.85	7,476.60
Salaried Personal Loans	-	3,048.98	5,888.64
Total AUM (Standalone)	62,510.01	80,925.56	101,256.12
Home Loans (Subsidiary)	3,141.48	4,133.36	5,962.90
Total AUM (Consolidated)	65,651.49	85,058.92	107,219.02
Year on year growth (%)	16.08%	29.56%	26.05%
Total Disbursement (Consolidated)	61,805.94	93,039.85	1,04,830.87
Gross Stage 3 Assets	1,065.19	1,352.05	1,953.54
Gross Stage 3 ratio (%)	2.00%	1.96%	2.34%
Net Stage 3 Assets	699.15	831.95	1,197.31
Net Stage 3 ratio (%)	1.31%	1.21%	1.44%
Total Income	6,911.76	9,902.57	12,856.76
Profit /(Loss) after tax	1611.97	2058.23	2,540.09
Return on Equity (%)	12.37%	14.11%	15.11%
Return on Average AUM (%)	2.64%	2.73%	2.64%

Our Company's CRAR as of, March 31, 2022, March 31, 2023, and March 31, 2024 were 26.35%, 25.25%, and 24.05 %, respectively.

The quality of our loan portfolio, stringent credit appraisal and risk management processes have improved our credit status with our lenders. As on the date of this Placement Document, our long term bank facilities and NCDs have been assigned a ACUITE AA-/Stable by Acuite Ratings & Research and CARE AA- Stable by Care Ratings. As of March 31, 2024, our Total Borrowings was ₹ 74,593.22 million, and our finance cost was ₹ 6,467.12 million. Around 80% of our loan portfolio comprises MSME loans which qualify as priority sector lending. As on March 31, 2024, 22.22% of our consolidated AUM is off book through direct assignment and co-lending transactions.

Our Competitive Strengths

We believe that the following are our key competitive strengths:

Track record of consistent growth with quality loan portfolio

We offer a wide range of products with focus on retail lending that address the specific financing requirements of middle and low income individuals as well as micro, small and medium enterprises. We have been in operation for more than 25 years, and as of March 31, 2024, had more than 875,000 active loan accounts across more than 12,000 Customer Locations in 11 States and the NCT of Delhi, served through our 252 branches. Please refer to the table below for the growth in our AUM in the past three years:

(in ₹ million, except percentages)

	As of March 31, 2022 (Restated)	**As of March 31, 2024**	**CAGR (%)**
AUM			
Micro-Enterprise Loans	32,446.57	43,851.10	16.25%
SME Loans	22,854.40	37,338.60	27.82%
Two-wheeler Loans	3,757.37	6,701.18	33.55%
Commercial Vehicle Loans	3,451.67	7,476.60	47.18%
Salaried Personal Loans	-	5888.64	-
Total AUM (Standalone)	**62,510.01**	**1,01,256.12**	**27.27%**
Home Loans (Subsidiary)	3,141.48	5,962.90	37.77%
Total AUM (Consolidated)	**65,651.49**	**1,07,219.02**	**27.79%**

Leveraging our significant operational experience, we have developed stringent credit quality checks and customised operating procedures that involve regular monitoring of our loan portfolio. We maintain our steadfast focus on providing credit to India’s vast lower income and middle-income groups, spread across urban, semi urban and rural areas, in both the formal and informal sector. Although our business is focused on the middle- and low-income group customer segments, we have maintained relatively low NPA ratios. We have also entered into revenue sharing arrangements with a large number of sourcing partners, where we get the benefits of their demographic knowledge and where part of a loan default is guaranteed by these sourcing partners, effectively making them directly accountable for the quality of the loan portfolio they originate. We believe these arrangements enable us to lower delinquency rates of loans sourced through such arrangements. A part of our business is also represented by loans extended to other financial institutions, and we have developed stringent and ongoing loan portfolio diligence measures that enable us to ensure the quality of the receivables underlying the loans to such financial institutions.

As of March 31, 2024, our Gross Stage 3 Assets was ₹ 1,953.54 million, while Net Stage 3 Assets was ₹ 1,197.31 million. Our quality loan portfolio also enables us to effectively assign or securitize a significant portion of it from time to time, thereby reducing operational risks. As at March 31, 2024, ₹ 23,828.12 million was outstanding through assignment, co-lending and/or securitization of loans.

Diversified product offerings presenting significant growth opportunities

To cater to the evolving needs of our diverse customer base, we continue to offer diverse range of financial products and services targeted at the low and middle income customer segments including new and customised offerings. Our innovative range of loan offerings helps increase social mobility and encourages growth and employment for our target customer segment. Our micro-enterprise loan and SME loan segments extend loans to traders, manufacturers, distributors and related service providers in various industries. Our housing loan and two-wheeler loan segments are targeted towards salaried, farmers, and self-employed individuals. We cover a diversified customer demographic through our various financing products. As of March 31, 2024, SME loan segment represented 34.82%, micro-enterprise loans represented 40.91%, two-wheeler loans represented 6.25%, Commercial Vehicle loans represented 6.97%, salaried personal loans represented 5.49% and housing loans represented 5.56%, respectively, of our consolidated AUM as of such dates. We believe that our diversified product portfolio and customer base aligned with increasing market demand is a key component of our growth and success. Our wide, multi-channel business sourcing network enables us to introduce new financing products with relatively low incremental investment and operating expenses. It also enables us to reduce our exposure to sector-specific declines, local or regional economic downturns, disruptions from political circumstances and/or natural disasters.

We offer loans to the expanding retail borrower section, mostly from the middle- and lower-income group, who otherwise have little access to formal means of credit. With their incomes and aspirations on the rise, they have increased need for funds creating a significant growth opportunity for our business. Our business is also operationally aligned to easily adapt to the changing financing environment for our target customer segments introduced by GoI measures to encourage formal banking channels. We believe that given our large business network, deep market knowledge, diversified product portfolio and consistent growth record, we are well-positioned to capitalise on the growth opportunities for NBFCs in India.

Access to cost-effective and diversified sources of funding

Our quality portfolio and stable credit history has enabled us to obtain capital for our business operations without over-leveraging or significant equity dilution. We have a dedicated resource mobilization team to effectively address our funding requirements, matching asset liability, diversify sources of funds, manage interest rate risk and invest any surplus funds. Our funding requirements have historically been met primarily through term loans and cash credit facility. We have established long-term relationships with various banks and financial institutions which provide ease of access to funding from such institutions. Our quality loan portfolio, stringent credit appraisal and risk management processes, and stable credit history have resulted in improved credit status with our lenders over the years, thereby enabling us to reduce our cost of borrowings from banks and other financial institutions. For further information on our credit ratings, see "*Our Business – Credit Ratings*" on page 168. We also obtain funds through assignment, co-lending and/or securitization of our loan portfolio to banks/FIs, which purchase such portfolio to meet their priority sector and retail lending commitments. Furthermore, we also issue non-convertible debentures and commercial paper to supplement our funding requirements. Our Average Cost of Borrowings (inclusive of off book portfolio) as of March 31, 2024 was 9.46%, compared to 7.90% in as of March 31, 2022.

Particulars	**As of/for the financial year ended March 31,**					
	2022 (Restated)		**2023**		**2024**	
	Amount (₹ in Million)	**% of Total**	**Amount (₹ in Million)**	**% of Total**	**Amount (₹ in Million)**	**% of Total**
Term loan	23,777.29	41.77%	39,512.84	50.80%	54,236.25	55.00%
Cash Credit/Overdraft/Short term loan	15,308.10	26.90%	13,247.71	17.03%	11,145.01	11.30%
Direct Assignment (incl. co-lending)	12,285.66	21.58%	16,109.07	20.71%	23,828.12	24.16%
Non-Convertible Debentures	3,650.00	6.41%	6,312.50	8.12%	6,312.50	6.40%
Subordinated Debt	1,400.00	2.46%	2,600.00	3.34%	3,100.00	3.14%
Securitisation	500.32	0.88%	-	0.00%	0.00	0.00%
Total Sources of Fund	**56,921.37**	**100.00%**	**77,782.12**	**100.00%**	**98,621.88**	**100.00%**

Deep market knowledge through extensive sourcing channels with focus on direct origination

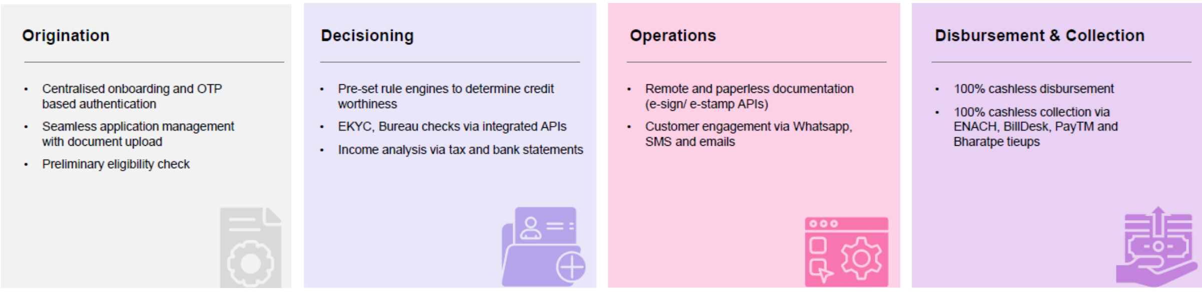
We maintain our steadfast focus on providing credit to India's vast lower income and middle income groups, spread across urban, semi urban and rural areas, in both the formal and informal sector over more than 25 years. We have developed an extensive operational network in Gujarat, Madhya Pradesh, Rajasthan and Maharashtra through our branches as well as our partnership with NBFCs. As of March 31, 2024, we directly operated across 11 States and the NCT of Delhi through our branches and we have a pan India presence through our partnerships with 183 NBFCs. We focus on developing grass root level market knowledge and operational experience in markets we operate, in order to better understand customer requirements and ensure better collection, reduced loan delinquencies and greater efficiency of operations. The number of our branches has increased from 173 as of March 31, 2022 to 252 as of March 31, 2024. Our consolidated AUM for business originated through our direct retail distribution channels has steadily increased from ₹ 35,002.23 million as of March 31, 2022 to ₹ 73,357.84 million as of March 31, 2024.

In addition to our sales team, we have entered into commercial arrangements with an adequate number of sourcing intermediaries including commission based DSAs as well as sourcing partners for our commercial vehicles and two wheeler loan segments where part of a loan default is guaranteed by such sourcing partners. We believe that these revenue sharing arrangements act as a relatively stable revenue source for such sourcing partners and are therefore attractive to them. As of March 31, 2024, we had 185 such two-wheeler sourcing intermediaries, 365 Commercial Vehicle sourcing intermediaries. For our housing loan segment, we have similar arrangements with affordable housing project developers and property agents. As of March 31, 2024, we had 113 sourcing intermediaries in housing finance.

Our people-centric approach has helped engage our employees to deliver the best solutions to our customers and build long-term loyal relationships with them. We leverage our in-depth market knowledge to identify and develop close working relationships with MFIs, HFCs and other NBFCs focused on markets similar to ours. As of March 31, 2024, we had 183such institutional borrowers. These measures enable us to diversify deployment of capital. With our extensive operational experience in these markets and financing products, we work closely with our institutional borrowers for their funding requirements and liability management, and to target mutually beneficial business opportunities. We have developed long lasting relationships with these financial institutions. We believe that our understanding of local markets and customer demographics and practices enable us to identify market opportunities, improve operating efficiencies, grow our loan portfolio and increase our customer base.

Robust credit assessment and risk management framework by leveraging technology

We have integrated technology across all verticals of our operations. Below is a representation of how we have integrated technology across various processes:



Our target customers include micro-enterprises, SMEs, traders and individuals from low and middle income customer segments. We have developed customised credit analysis procedures for each product depending on the nature of the customer, purpose of the loan and the amount of loan advanced. Typically, we analyse past financial information and the applicant's business trends to assess their income levels. In addition to document verification and credit bureau reports, we conduct site verification, interviews, and market and banking reference checks on the applicant, co-applicant and guarantor, as applicable. We have also adopted various measures to assess our institutional borrowers, including the viability of their business and financing products, the credit history of such institutions, the reputation and experience of the relevant promoters and founders of such institutions, as well as their credit, collection and other operational procedures and policies. Our Company defines its risk appetite, functional policies, and key risk indicators (KRIs) to explicitly determine the level and nature of risk that it is willing to take. Our Company's risk management structure proactively identifies and addresses risks through risk assessment, a risk catalogue, a risk appetite framework, risk planning, risk culture, internal controls, and good governance. We have implemented a comprehensive credit assessment covering income profile, customer track record, asset profile and other qualitative checks, etc. Our management identifies and controls risks through a properly defined framework in terms of the aforesaid policy. Our Company has in place a Risk Management Policy and introduced several measures to strengthen the internal controls systems and processes to drive a common integrated view of risks, optimal and mitigation responses. This integration is enabled through a dedicated team for risk management, internal controls and internal audit systems and processes. We have also introduced stringent credit checks for the underlying loan portfolios associated with loans extended to our institutional borrowers, including inspection of the hypothecated loan portfolio to ensure that they meet the requisite credit policies stipulated by us and carry out replacement of any substandard underlying asset. We monitor the quality of such hypothecated loan portfolio. For further information on our credit assessment policies, see "– *Financing Products*". In addition, our collection procedures are primarily non-cash processes, either through the NACH or direct debit instruction to ensure ease of monitoring financial transactions.

Experienced management team

We believe that the industry knowledge and experience of our senior management has enabled us to maintain consistent growth of our business over the years. Our promoter, Late Shri Mukesh Chimanlal Gandhi, who was also our Chief Financial Officer and Director, played a significant role in the growth of our Company. Our promoter, Kamlesh Chimanlal Gandhi, Chairman and Managing Director and Darshana Saumil Pandya, our Chief Executive Officer, each have over 35 years and 27 years of experience in the financial services sector, respectively.

They are supported by an accomplished board of directors and key management personnel. We believe that our senior management team has enabled us to develop and implement a consistent business plan and operational procedures. The experience of our promoters and senior management allows us to identify market opportunities, offer products and services targeted at specific customer segments, develop customer and product specific credit policies, while ensuring effective risk management and quality of loan portfolio.

We strive to adhere to high standards of corporate governance and have established policies and procedures to support transparency, fair business practices and a well-established compliance framework. Our Board is chaired by our Managing Director, with four Non-Executive Independent Directors and two Executive Directors. Our Board supervises our operations through committees designed to manage and oversee key aspects of our business. We believe that their combined market experience of our Board, our Promoters and our Senior Management has contributed to our growth and profitability, as well as helped us to attain significant capital position. For further information, refer to "*Board of Directors and Senior Management*" on page 172.

Business Strategies

Our primary business strategies are as follows:

Continue to penetrate our presence in existing as well expanding our presence in newer geographies while maintaining stable growth and quality of portfolio

We believe that the quality of our portfolio has enabled us to maintain and continue focus on maintaining stable growth with a quality portfolio going forward. Our consolidated AUM increased at a CAGR of 27.79% from ₹ 65,651.49 million as of March 31, 2022 to ₹ 107,219.02 million as of March 31, 2024. As of March 31, 2024 we had over 12,000 Customer Locations in eleven States and the NCT of Delhi served through our 252 branches. We continue to strategically and selectively open new branches or expand in new locations, typically expanding into geographies with a growth potential. We intend to further increase our penetration in the States of Madhya Pradesh, Rajasthan, Karnataka, Tamil Nadu, and the NCT of Delhi where we already have our presence through our branches. We also intend to expand our presence in the States of Andhra Pradesh, Haryana, Punjab and Telangana. In order to effectively grow business in our existing markets, we tailor business origination and servicing efforts to specific requirements in a particular region. With our diversified product portfolio, we have significant cross-selling opportunities among our existing customers and serve their future financing requirements with our other products.

To diversify the deployment of our funds, we will also continue to increase loans extended to financial institutions thereby allowing us to expand our geographical reach while maintaining a relatively lower risk profile. We also continue to establish knowledge partnerships with these financial institutions to further strengthen our existing relationships, and also to increase our local market knowledge. With our extensive operational experience and diversified portfolio of financing products we continue to assist such institutions with their asset liability management and best practices. In addition, we will continue to expand our network of sourcing intermediaries. The quality of the portfolio generated through such arrangements would serve as the basis for conducting further business through them. We intend to maintain an optimal balance between growth, quality of portfolio and profitability to ensure greater penetration in existing markets and increasing expansion into new territories.

Focus on existing product offerings and increasing share of business through direct lending

We continue to undertake market assessment studies to strategically evaluate additional product offerings. We have recently launched three new categories of products, namely, personal loan (targeted towards salaried individuals), used car loans, and supply chain financing to SMEs. As we expand our operations, we endeavour to expand our portfolio of products across various sectors by monitoring customer requirements.

We leverage our in-depth market knowledge to identify and develop close working relationships with MFIs, HFCs and other NBFCs focused on markets similar to ours. As of March 31, 2024, we had 183such institutional borrowers. We have developed strategic relationships with these institutions based on our long-term association with them. We examine their operations to gain an understanding of the local markets, customer demographics and operational challenges. While we will continue to maintain and leverage these relationships, we are now striving to increase our share of direct lending to low and middle income customer segments. The share of direct retail lending increased at a CAGR of 44.77% from ₹ 35,002.23 million as of March 31, 2022 to ₹ 73,357.84 million as of March 31, 2024. We believe that our market experience has contributed to our growth and profitability, and will allow us to increase our share of direct lending.

Leverage technology to foster growth

All our branches have been centrally connected to our corporate office in Ahmedabad, Gujarat. We regularly update our systems and continue to streamline our credit approval, administration and monitoring processes to meet customer requirements and maintain our risk profile. We continue to focus on developing and strengthening our IT capabilities to support our growth and improve the quality of our services. We believe that improving our technology infrastructure will allow us to respond to challenges on a real-time basis and improve our risks management capabilities. We intend to develop and implement analytics capabilities for lead generation, market mapping, improving customer responsiveness and anticipating customer requirements. We intend to integrate AI and BRE technologies in our loan origination systems which allows our Company to fetch or validate the data from authentic sources thereby leading to better data analysis and reducing chances of frauds.

With technology at the forefront, we will focus on our second phase of digitalisation, with AI to complement our credit decisioning, based on our product mix and data analysis available. Technology will also help in increasing outreach, reducing operational costs and containing risk, improving efficiency, enabling seamless processes.

We further intend to develop data mining and analytics capabilities to improve predictability of repayment patterns and set up early warning systems. We also intend to develop data-driven insights to understand our target customers' propensity towards certain financial products. We anticipate using such information to conduct targeted marketing efforts allowing us to improve the availability of our products and consequently the quality of our services and credit portfolio. We intend to devote our analytics resources towards identifying growth opportunities across multiple dimensions – products, customers and channels to optimise profitability and growth. With use of various tools, we aim at reducing manual intervention along with building a robust platform to manage future growth requirements.

Further diversification in sources of fund and cost-effective funding

We have a dedicated resource mobilization team to effectively address our funding requirements, reduce cost of borrowings, diversify sources of funds, manage interest rate risk and invest any surplus funds. We have established long-term relationships with various banks and financial institutions which provide ease of access to funding from such institutions. Our quality loan portfolio, stringent credit appraisal and risk management processes, and stable credit history have resulted in improved credit status with our lenders over the years, thereby enabling us to reduce our cost of borrowings from banks and other financial institutions. We also obtain funds through assignment, co-lending and- securitization of our loan portfolio to banks, which purchase such portfolio to meet their priority sector and retail lending commitments. Furthermore, we also issue non-convertible debentures and commercial paper to supplement our funding requirements. As of March 31, 2024, our total borrowing outstanding was ₹ 74,593.22 million. We intend to further diversify our sources of fund by tapping and increasing our fund raise through the capital markets, securitisation, external commercial borrowings and the co-lending space

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including the sections titled "*Risk Factors*", "*Use of Proceeds*", "*Placement*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 58, 95, 206, 191 and 222, respectively.

Issuer	MAS Financial Services Limited
Face Value	₹10 per Equity Share
Issue Size	Issue of 17,467,248 Equity Shares at an issue price of ₹ 286.25 per equity share (including a premium of ₹ 276.25 per equity share), aggregating up to ₹ 5,000.00 million.* A minimum of 10% of the Issue Size i.e. up to 17,46,725 Equity Shares, shall be made available for Allocation to Mutual Funds only and the balance 1,57,20,523 Equity Shares shall be made available for Allocation to all QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation to Mutual Funds, such undersubscribed portion or part thereof may be Allotted to other Eligible QIBs. **Subject to allotment of Equity Shares pursuant to the Issue*
Date of Board Resolution	January 17, 2024
Date of Shareholders' Resolution	February 9, 2024
Floor Price	₹ 301.31 per Equity Share The Floor Price for the Issue has been calculated in accordance with Regulation 176 of Chapter VI of the SEBI ICDR Regulations. Our Company, in consultation with the Book Running Lead Managers, has offered a discount of 4.99% on the Floor Price in accordance with the approval of our Board dated January 17, 2024 and the Shareholders through their special resolution passed on February 9, 2024, in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Price	₹ 286.25 per Equity Share of our Company (including a premium of ₹ 276.25 per Equity Share)
Eligible Investors	Eligible QIBs, to whom this Placement Document and the Application Form are delivered and are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or restricted from participating in this Issue under the SEBI ICDR Regulations. For further details, please see the sections titled "*Issue Procedure – Eligible Qualified Institutional Buyers*" and "*Transfer Restrictions*" on pages 191 and 217, respectively. The list of Eligible QIBs to whom this Placement Document and the Application Form was delivered are determined by the BRLMs in consultation with our Company, at their sole discretion.
Equity Shares issued and subscribed prior to the Issue	163,986,129 Equity Shares of face value of ₹ 10 each
Equity Shares issued and subscribed immediately after the Issue	181,453,377 Equity Shares
Issue procedure	The Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act, 2013 read with Chapter VI of the SEBI ICDR Regulations. For details, please see the section titled "***Issue Procedure***" on page 191
Listing	Our Company has received in-principle approvals from BSE and NSE, each dated June 19, 2024, respectively in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue. Our Company shall make applications to each of the Stock Exchanges after Allotment to obtain final listing approval for the Equity Shares.
Trading	The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges.

	Our Company will make applications to each of the Stock Exchanges after credit of Equity Shares to the beneficiary account with the Depository Participant to obtain final trading approval for the Equity Shares to be issued pursuant to this Issue.
Lock-up	See "***Placement – Lock-up***" on page 206 for a description of restrictions on our Company, Promoters along with the members of the Promoter Group in relation to Equity Shares.
Transferability Restrictions	The Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. For further details, please see "*Transfer Restrictions*" on page 217
Use of Proceeds	The Gross Proceeds from the Issue aggregate to ₹ 5,000.00 million. Subject to compliance with applicable laws, the Net Proceeds from the Issue, after deducting fees, commissions and the estimated expenses of the Issue of approximately ₹ 200.00 million, shall be approximately ₹ 4,800.00 million. For additional information on the use of the net proceeds from the Issue, please see "***Use of Proceeds***" on page 95.
Risk Factors	Please see "***Risk Factors***" on page 58 for a discussion of risks you should consider before deciding whether to subscribe for the Equity Shares.
Dividend	See "***Description of the Equity Shares***" and "***Dividends***" on pages 222 and 101, respectively
Taxation	Please see "***Taxation***" on page 226
Closing Date	The Allotment of the Equity Shares offered pursuant to the Issue is expected to be made on or about June 21, 2024
Status, Ranking and dividends	The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of voting rights and dividends. Our Shareholders (as on record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws and regulations. Our Shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act, 2013. For details, please see "***Description of the Equity Shares***" and "***Dividends***" on pages 222 and 101.
Voting Rights	See "***Description of the Equity Shares – Voting Rights***" on page 222.
Security Codes for the Equity Shares	ISIN: INE348L01012 BSE Code: 540749 NSE Symbol: MASFIN

SELECTED FINANCIAL INFORMATION

The following tables set out selected financial information as extracted from the Fiscal 2024 Audited Consolidated Financial Statements, Fiscal 2024 Audited Standalone Financial Statements, Fiscal 2023 Audited Consolidated Financial Statements and Fiscal 2023 Audited Standalone Financial Statements, including the schedules, annexures and notes thereto and the reports thereon, included in "*Financial Statements*" on page 237. Unless otherwise indicated or the context otherwise requires, the financial information included in this Placement Document for Fiscal 2024 and Fiscal 2023 have been derived from our Fiscal 2024 Audited Consolidated Financial Statements, Fiscal 2024 Audited Standalone Financial Statements, Fiscal 2023 Audited Consolidated Financial Statements and Fiscal 2023 Audited Standalone Financial Statements, respectively, while financial information included for Fiscal 2022 is derived from the comparative financial information for Fiscal 2022 included in our Fiscal 2023 Audited Consolidated Financial Statements and Fiscal 2023 Audited Standalone Financial Statements. During the quarter ended March 31, 2023, we had received a directive from the Reserve Bank of India to book gain on assignment of financial assets upfront in the statement of profit and loss in accordance with Ind AS 109 instead of amortising it over the period of the underlying residual tenure of the assigned loan portfolio. As per the requirement of Ind AS 8, we had restated the financial information of previous financial year 2021-22 in the Fiscal 2023 Audited Consolidated Financial Statements to reflect the change in accounting policy as explained above. Accordingly, any reference to financials of Fiscal 2022 means the restated financials of Fiscal 2022 included as comparative in the Fiscal 2023 Audited Consolidated Financial Statements. Accordingly, our Fiscal 2022 Audited Consolidated Financial Statements are not directly comparable to the comparative numbers for Fiscal 2022 included in the Fiscal 2023 Audited Consolidated Financial Statements which includes restated adjustments for Fiscal 2022.

The selected financial information presented below should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Information*", on pages 103 and 237, respectively, for further details.

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SUMMARY CONSOLIDATED BALANCE SHEET

All figures in ₹ million

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022 (Restated)
ASSETS			
Financial assets			
Cash and cash equivalents	2126.65	2,386.71	2,846.44
Bank balance other than cash and cash equivalents	6658.41	5,652.90	5,860.21
Trade receivables	65.41	43.01	10.46
Loans	77194.28	62,462.41	47,998.09
Investments	7261.62	7,910.38	4,932.08
Other financial assets	788.52	616.34	533.31
Total financial assets	**94,094.89**	**79,071.75**	**62,180.59**
Non-financial assets			
Income tax assets (net)	25.19	25.19	62.33
Deferred tax assets (net)	118.50	193.33	142.08
Property, plant and equipment	212.17	146.58	129.33
Capital work-in-progress	697.97	576.61	520.44
Right-of-use asset	31.93	11.87	6.10
Intangible assets under development	2.40	3.33	0.36
Other intangible assets	10.08	10.33	2.23
Other non-financial assets	280.07	98.7	42.17
Total non-financial assets	**1378.31**	**1065.94**	**905.04**
Total assets	**95,473.20**	**80,137.69**	**63,085.63**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
(I)Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	0.27	1.29	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	211.25	145.54	145.86
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises	0	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	18.97	18.42	15.54
Debt securities	6268.65	6,272.60	3,620.31
Borrowings (other than debt securities)	64968.83	52,475.67	39,399.74
Subordinated liabilities	3021.15	2,526.96	1,372.15
Other financial liabilities	2583.56	3,103.47	4,618.63
Total financial liabilities	**77,072.68**	**64,543.95**	**49,172.23**
Non-financial liabilities			
Current tax liabilities (net)	47.05	20.60	24.84
Provisions	101.06	94.89	71.65
Other non-financial liabilities	67.15	31.53	91.59
Total non-financial liabilities	**215.26**	**147.02**	**188.08**
Total liabilities	**77,287.94**	**64,690.97**	**49,360.31**
EQUITY			
Equity share capital	1639.86	546.62	546.62
Other equity	16186.73	14,639.91	12,952.47
Equity attributable to the owners of the Holding Company	**17826.59**	**15,186.53**	**13,499.09**
Non-controlling interest	358.67	260.19	226.23
Total equity	**18185.26**	**15,446.72**	**13,725.32**
Total liabilities and equity	**95,473.20**	**80,137.69**	**63,085.63**

SUMMARY CONSOLIDATED STATEMENT OF PROFIT AND LOSS

All figures in ₹ million

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022 (Restated)
Revenue from operations			
Interest income	10,770.93	8,432.75	5,934.50
Gain on assignment of financial assets	1,223.20	714.74	655.51
Fees and commission income	664.79	508.98	212.16
Net gain on fair value changes	132.66	221.85	100.24
Total revenue from operations	**12,791.58**	**9,878.32**	**6,902.41**
Other income	65.18	24.25	9.35
Total income	**12,856.76**	**9,902.57**	**6,911.76**
Expenses			
Finance costs	6,467.12	4,960.12	3,386.83
Fees and commission expense	487.99	572.44	230.94
Impairment on financial assets	906.03	533.62	352.74
Employee benefits expenses	1,004.50	706.94	477.90
Depreciation, amortization and impairment	42.97	27.13	20.72
Others expenses	551.44	385.82	277.15
Total expenses	**9,460.05**	**7,186.07**	**4,746.28**
Profit before exceptional items and tax	**3,396.71**	**2,716.50**	**2,165.48**
Exceptional items	-	-	-
Profit before tax	**3,396.71**	**2,716.50**	**2,165.48**
Tax expense:			
Current tax	830.63	672.32	558.31
Excess provision for tax relating to prior years	(2.08)	(24.73)	(5.08)
Net current tax expense	**828.55**	**647.59**	**553.23**
Deferred tax expense / (credit)	28.07	10.68	0.28
Net tax expense	**856.62**	**658.27**	**553.51**
Profit for the year	**2,540.09**	**2,058.23**	**1,611.97**
Other comprehensive income			
(A) Items that will not be reclassified to profit or loss:			
Re-measurement of the defined benefit liabilities	(5.08)	0.78	(0.86)
Income tax impact on above	1.28	(0.20)	0.23
Total (A)	**(3.80)**	**0.58**	**(0.63)**
(B) Items that will be reclassified to profit or loss:			
Loans and advances through other comprehensive Income	190.79	(246.85)	(102.96)
Income tax impact on above	(48.02)	62.13	25.91
Total (B)	**142.77**	**(184.72)**	**(77.05)**
Other comprehensive income (A+B)	**138.97**	**(184.14)**	**(77.68)**
Total comprehensive income for the year	**2,679.06**	**1,874.09**	**1,534.29**
Profit for the year attributable to			
Owners of the Holding Company	2,510.44	2,032.66	1,592.23
Non-controlling interest	29.65	25.57	19.74
Other comprehensive income attributable to			
Owners of the Holding Company	146.26	(188.33)	(76.90)
Non-controlling interest	(7.29)	4.19	(0.78)

Total comprehensive income attributable to			
Owners of the Holding Company	**2,656.70**	**1,844.33**	**1,515.33**
Non-controlling interest	**22.36**	**29.76**	**18.96**
Earnings per equity share (of ₹ 10 each):			
Basic (₹)	15.31	12.39	9.71
Diluted (₹)	15.31	12.39	9.71

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

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SUMMARY CONSOLIDATED CASH FLOW STATEMENT

All figures in ₹ million

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022 (Restated)
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax	3,396.71	2,716.50	2,165.48
Adjustments for :			
Depreciation and amortisation	42.97	27.13	20.72
Finance cost	6,467.12	4,960.12	3,386.83
Impairment on financial assets	906.03	533.62	352.74
(Profit) / loss on sale of property, plant and equipment	(0.40)	(1.04)	(0.02)
Interest income	(10,770.93)	(8,432.75)	(5,934.50)
Gain on assignment of financial assets	(1,223.20)	-	-
Net gain on fair value changes	(24.79)	(28.35)	(28.55)
Net gain on sale of investments measured at amortized cost	(48.37)	(13.46)	(2.33)
Unrealised gain on foreign exchange	(0.61)	-	-
Gain on derecognition of leased asset	(0.36)	-	(0.01)
	(4,652.54)	(2,954.73)	(2,205.12)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**(1,255.83)**	**(238.23)**	**(39.64)**
Changes in working capital:			
Adjustments for (increase)/decrease in operating assets:			
Loans	(13,808.68)	(14,961.52)	(7,694.88)
Trade receivables	(22.39)	(32.55)	11.87
Advances received against loan agreements	4.66	(60.38)	79.72
Bank balance other than cash and cash equivalents	(1,005.49)	(18.26)	(33.56)
Other financial asset	(60.28)	(148.50)	(70.21)
Other non-financial asset	(171.68)	(56.05)	(13.95)
Adjustments for increase/(decrease) in operating liabilities:			
Trade payables	65.30	3.85	78.53
Other financial liabilities	(160.75)	(1,729.76)	(1,766.26)
Other non-financial liabilities	20.98	(60.06)	(31.76)
Provisions	6.17	23.24	31.95
	(15,132.16)	**(17,039.99)**	**(9,408.55)**
CASH GENERATED FROM / (USED IN) OPERATIONS	**(16,387.99)**	**(17,278.22)**	**(9,448.19)**
Interest income received	9,754.16	7,372.86	5,489.40
Interest income on Investment measured at amortised cost	764.78	486.09	105.62
Finance cost paid	(6,989.47)	(4,845.56)	(3,546.52)
Income tax paid (net)	(802.11)	(614.68)	(653.01)
	2,727.36	2,398.71	1,395.49
NET CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)	**(13,660.63)**	**(14,879.51)**	**(8,052.70)**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipments and intangible assets, including capital advances	(222.88)	(109.52)	(53.38)
Proceeds from sale of property, plant and equipments and intangible assets	1.12	2.40	0.04
Change in Earmarked balances with banks and other free deposit	-	225.57	(5,504.68)
Interest income from bank deposits	-	394.63	249.73
Purchase of investments	(26,283.00)	(28,867.20)	(11,921.10)
Redemption of investments	27,005.56	25,920.34	9,028.14
Profit on redemption of long term investment	-	13.46	2.33
NET CASH FLOW GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	**500.80**	**(2,420.32)**	**(8,198.92)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares (net)	50.00	0.05	-
Proceeds from debt securities and borrowings	38,421.76	31,933.20	20,609.01

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022 (Restated)
Repayments of debt securities and borrowings	(23,198.39)	(12,835.47)	(11,820.00)
Net increase in working capital borrowings	(2,102.70)	(2,060.39)	593.83
Repayment of lease liabilities	(5.38)	(2.82)	(5.20)
Dividends paid including dividend distribution tax	(265.52)	(194.47)	(150.73)
NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	**12,899.77**	**16,840.10**	**9,226.91**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(260.06)**	**(459.73)**	**(7,024.71)**
Cash and cash equivalents at the beginning of the year	2,386.71	2,846.44	9,871.15
Cash and cash equivalents at the end of the year	**2,126.65**	**2,386.71**	**2,846.44**
Notes:			
Cash and bank balances at the end of the year comprises:			
(a) Cash on hand	3.18	2.30	2.48
(b) Balances with banks	1,270.62	683.57	2,474.31
(c) Bank deposits with original maturity of 3 months or less	852.86	1,700.84	369.65
Cash and cash equivalents as per the balance sheet	**2,126.65**	**2,386.71**	**2,846.44**

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SUMMARY STANDALONE BALANCE SHEET

All figures in ₹ million

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022 (Restated)
ASSETS			
Financial assets			
Cash and cash equivalents	1,780.18	2,378.62	2,705.78
Bank balance other than cash and cash equivalents	6,642.86	5,337.64	5,602.25
Trade receivables	65.22	42.66	10.04
Loans	72,648.27	59,101.58	45,538.02
Investments	7,877.12	8,261.12	5,380.61
Other financial assets	757.97	602.54	526.18
Total financial assets	**89,771.62**	**75,724.16**	**59,762.88**
Non-financial assets			
Income tax assets (net)	25.19	25.19	62.33
Deferred tax assets (net)	99.76	182.24	127.91
Property, plant and equipment	186.23	139.39	123.90
Capital work-in-progress	697.97	576.61	520.44
Right-of-use asset	28.19	10.67	5.35
Intangible assets under development	2.40	3.33	0.36
Other intangible assets	10.07	10.31	2.20
Other non-financial assets	271.05	93.33	36.71
Total non-financial assets	**1,320.86**	**1,041.07**	**879.20**
Total assets	**91,092.48**	**76,765.23**	**60,642.08**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
(I)Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	1.29	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	157.26	115.14	141.19
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	11.38	18.42	15.54
Debt securities	6,268.65	6,272.60	3,620.31
Borrowings (other than debt securities)	61,203.65	49,575.58	37,327.28
Subordinated liabilities	3,021.05	2,526.96	1,372.15
Other financial liabilities	2,532.54	3,056.59	4,575.95
Total financial liabilities	**73,194.53**	**61,566.58**	**47,052.42**
Non-financial liabilities			
Current tax liabilities (net)	42.90	18.59	22.51
Provisions	100.88	94.79	71.58
Other non-financial liabilities	64.40	27.89	89.70
Total non-financial liabilities	**208.18**	**141.27**	**183.79**
Total liabilities	**73,402.71**	**61,707.85**	**47,236.21**
EQUITY			
Equity share capital	1,639.86	546.62	546.62
Other equity	16,049.91	14,510.76	12,859.25
Total equity	**17,689.77**	**15,057.38**	**13,405.87**
Total liabilities and equity	**91,092.48**	**76,765.23**	**60,642.08**

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SUMMARY STANDALONE STATEMENT OF PROFIT AND LOSS

All figures in ₹ million

	Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022 (Restated)
I.	**Revenue from operations**			
	Interest income	10,222.76	8,065.72	5,611.12
	Gain on assignment of financial assets	1,169.74	680.44	638.67
	Fees and commission income	653.34	499.84	203.04
	Net gain on fair value changes	125.69	214.86	102.90
	Total revenue from operations	**12,171.53**	**9,460.86**	6,555.73
	Other income	74.14	30.00	15.06
	Total income	**12,245.67**	**9,490.86**	**6,570.79**
II.	**Expenses**			
	Finance costs	6,141.65	4,748.20	3,195.38
	Fees and commission expense	487.99	572.44	230.94
	Impairment on financial assets	895.33	530.01	340.97
	Employee benefits expenses	870.47	624.91	422.30
	Depreciation, amortization and impairment	38.04	24.01	17.76
	Others expenses	497.85	344.26	250.48
	Total expenses	**8,931.33**	**6,843.83**	**4,457.83**
	Profit before exceptional items and tax	**3,314.34**	**2,647.03**	**2,112.96**
	Exceptional items	-	-	-
III.	**Profit before tax**	**3,314.34**	**2,647.03**	**2,112.96**
IV.	**Tax expense:**			
	Current tax	808.89	650.97	542.30
	Short / (Excess) provision for tax relating to prior years	(1.70)	(24.70)	(5.03)
	Net current tax expense	**807.19**	**626.27**	**537.27**
	Deferred tax expense / (credit)	29.49	11.09	0.21
	Net tax expense	**836.68**	**637.36**	**537.48**
V.	**Profit for the year**	**2,477.66**	**2,009.67**	**1,575.48**
VI.	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss:			
	Re-measurement of the defined benefit liabilities	(5.16)	0.60	(1.11)
	Income tax impact on above	1.30	(0.15)	0.28
	Total (A)	(3.86)	0.45	(0.83)
	(B) Items that will be reclassified to profit or loss:			
	Loans and advances through other comprehensive Income	215.70	(260.55)	(100.12)
	Income tax impact on above	(54.29)	65.57	25.20
	Total (B)	161.41	(194.98)	(74.92)
	Other comprehensive income (A+B)	**157.55**	**(194.53)**	**(75.75)**
VII.	**Total comprehensive income for the year**	**2,635.21**	**1,815.14**	**1,499.73**
VIII.	**Earnings per equity share (of ₹ 10 each):(refer note below)**			
	Basic (₹)	15.11	12.25	9.61
	Diluted (₹)	15.11	12.25	9.61

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

SUMMARY STANDALONE STATEMENT OF CASH FLOWS

All figures in ₹ million

	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022 (Restated)
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax	3314.34	2,647.03	2,112.96
Adjustments for :			
Depreciation and amortisation	38.04	24.01	17.76
Finance cost	6141.65	4,748.20	3,195.38
Impairment on financial assets	895.33	530.01	340.97
(Profit) / loss on sale of property, plant and equipment	-	(1.04)	-
Interest income	(10222.76)	(8,065.72)	(5,611.12)
Gain on assignment of financial assets	(1169.74)	(680.44)	(638.67)
Net gain on fair value changes	(24.79)	(27.42)	(31.21)
Net gain on sale of investments measured at amortized cost	(48.37)	(13.46)	(2.33)
Financial guarantee commission income	(0.05)	(0.08)	(0.12)
Unrealised gain on foreign exchange	(0.61)	-	-
Dividend income	(12.61)	(11.24)	(6.61)
Gain on derecognition of leased assets	(0.21)	-	(0.01)
	(4404.12)	**(3,497.18)**	**(2,735.96)**
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(1089.78)	(850.15)	(623.00)
Changes in working capital:			
Adjustments for (increase)/decrease in operating assets:			
Loans	(12648.90)	(13,403.66)	(7,164.40)
Trade receivables	(22.55)	(32.62)	12.10
Advances received against loan agreements	4.76	(63.80)	80.05
Bank balance other than cash and cash equivalents	(1305.21)	5.70	(5.52)
Other financial asset	97.60	(74.40)	(46.89)
Other non-financial asset	(323.08)	(130.24)	(39.11)
Adjustments for increase/(decrease) in operating liabilities:			
Trade payable and other payable	33.79	(21.88)	81.04
Other financial liabilities	(162.44)	(1,729.38)	(1,789.05)
Other non-financial liabilities	21.91	(61.70)	(30.67)
Provisions	5.45	20.12	37.21
	(14298.67)	**(15,491.86)**	**(8,865.24)**
CASH GENERATED FROM / (USED IN) OPERATIONS	(15388.45)	(16,342.01)	(9,488.24)
Interest income received	9214.50	7,017.02	5,164.32
Dividend received	12.61	11.24	6.61
Interest income on Investment measured at amortised cost	764.78	486.09	105.62
Finance cost paid	(6649.03)	(4,633.70)	(3,355.95)
	(12045.59)	**(13,461.36)**	**(7,567.64)**
Income tax paid (net)	(782.87)	(593.06)	(635.53)
NET CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)	**(12828.46)**	**(14,054.42)**	**(8,203.17)**
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipments and intangible assets, including capital advances	(199.54)	(105.11)	(52.18)
Proceeds from sale of property, plant and equipments and intangible assets	-	2.40	-
Change in Earmarked balances with banks and other free deposit	-	258.92	(5,278.66)
Interest income from bank deposits	-	378.35	239.14
Purchase of investments	(25834.94)	(28,245.06)	(11,921.10)
Redemption of investments	26293.39	25,411.65	8,922.88
Net gain on sale of investments measured at amortized cost	-	13.46	2.33
NET CASH FLOW GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	258.91	(2,285.39)	(8,087.59)

	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022 (Restated)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from debt securities and borrowings	36371.75	30,734.80	19,492.24
Repayments of debt securities and borrowings	(22231.71)	(12,362.12)	(10,487.69)
Net increase / (decrease) in working capital borrowings	(1899.33)	(2,163.73)	496.00
Repayment of lease liabilities	(4.49)	(2.25)	(4.21)
Dividends paid	(265.09)	(194.05)	(150.32)
NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	11,971.13	16,012.65	9,346.02
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(598.42)	(327.16)	(6,944.74)
Cash and cash equivalents at the beginning of the year	2378.60	2,705.78	9,650.52
Cash and cash equivalents at the end of the year	1780.18	2,378.62	2,705.78
Notes:			
Cash and bank balances at the end of the year comprises:			
(a) Cash on hand	1.19	1.37	1.01
(b) Balances with banks	1028.38	676.41	2,335.12
Total	1029.57	677.78	2,336.13
(c) Bank deposits with original maturity of 3 months or less	750.61	1,700.84	369.65
Cash and cash equivalents as per the balance sheet	1780.18	2,378.62	2,705.78

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SELECTED STATISTICAL INFORMATION

Please read "*Presentation of Financial and Other Financial Information – Financial and Other Information*" on page 13 before reading this section. This section should be read together with "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", and "*Financial Information*" on pages 155, 103, and 237, respectively. Financial information as on and for the year ended March 31, 2022 has been derived from the prior period information included in the audited financials as on and for the year ended March 31, 2023.

On a consolidated basis – all figures in ₹ million unless otherwise indicated

Return on Equity and Assets

Particulars	As of/for the financial year ended March 31,		
	2022	2023	2024
Profit/(Loss) After Tax (1)	1,611.97	2,058.23	2,540.09
AUM (2)	65,651.49	85,058.92	1,07,219.02
Average AUM (3)	61,104.10	75,355.21	96,138.97
On-book Portfolio (4)	53,365.83	68,949.85	83,390.90
Total Assets (5)	63,085.63	80,137.69	95,473.20
Average Total Assets (6)	58,627.95	71,611.66	87,805.45
Net Worth (7)	13,725.32	15,446.72	18,185.26
Average Net Worth (8)	13,027.00	14,586.02	16,815.99
Total Borrowings (9)	47,589.20	62,000.74	74,593.22
Return on Average AUM (%)(10)	2.64%	2.73%	2.64%
Return on Average Total Assets (%)(11)	2.75%	2.87%	2.89%
Return on Equity (%)(12)	12.37%	14.11%	15.11%
Debt to Equity Ratio (x times)(13)	3.47	4.01	4.10
Average Net Worth/ Average AUM (%)	21.32%	19.36%	17.49%
Basic Earnings Per Share (₹)(14)(16)	9.71	12.39	15.31
Diluted Earnings Per Share (₹)(15)(16)	9.71	12.39	15.31

Notes:

(1) *Profit/(Loss) After Tax represents our profit/(loss) for the period*

(2) *AUM represents aggregate of loans and advances and investments in selected debentures (quoted and unquoted), securitised assets, alternate investment funds which includes assets held by Company as of the last day of the relevant year or period as well as assets which have been transferred by our Company by way of assignment and Co-lending and are outstanding as of the last day of the relevant year or period*

(3) *Average AUM is calculated as average of opening and closing AUM of the relevant period*

(4) *On-book Portfolio represents aggregate of loans and advances and selected investments in debentures (quoted and unquoted), securitised assets, alternate investment funds which includes assets held by Company as of the last day of the relevant year or period*

(5) *Total Assets represents our total assets as of the last day of the relevant period*

(6) *Average Total Assets is calculated as average of opening and closing Total Assets of the relevant period*

(7) *Net Worth represents sum of other equity and equity share capital as of the last day of the relevant period*

(8) *Average Net Worth is calculated as average of opening and closing Net Worth of the relevant period*

(9) *Total Borrowings represents the aggregate of debt securities, borrowings (other than debt securities), subordinated liabilities, Security deposits received from borrowers and Interest accrued but not due on borrowings and others as of the last day of the relevant period*

(10) *Return on Average AUM represents ratio of PAT to the Average AUM (average of opening and closing AUM for the relevant period)*

(11) *Return on Average Total Assets represents ratio of PAT to the average Total Assets (average of opening and closing Total Assets as per balance sheet of the relevant period)*

(12) *Return on Equity represents ratio of PAT to the average Net Worth (average of opening and closing Net Worth as per balance sheet of the relevant period)*

(13) *Debt to Equity Ratio represents the ratio of Total Borrowings (including interest accrued) to Net Worth.*

(14) *Basic Earnings Per Share = Profit after Tax attributable to the owner's of the Holding Company/Weighted average number of equity shares outstanding*

(15) *Diluted Earnings Per Share = Profit after Tax attributable to the owner's of the Holding Company/Weighted average number of equity shares outstanding, adjusted for stock option granted under ESOP and Share warrants & stock options*

(16) *The basic, diluted earnings per share have been computed for previous years on the basis of the adjusted number of equity shares in accordance with bonus issue of shares.*

Key Financial & Profitability Ratios

Particulars	As of/for the financial year ended March 31,		
	2022	2023	2024
AUM [(1)]	65,651.49	85,058.92	1,07,219.02
AUM Growth (%)[(2)]	16.08%	29.56%	26.05%
Average AUM [(3)]	61,104.10	75,355.21	96,138.97
On-book Portfolio [(4)]	53,365.83	68,949.85	83,390.90
Average On-book Portfolio [(5)]	48,245.19	61,157.84	76,170.38
Off-book Portfolio[(6)]	12,285.66	16,109.07	23,828.12
Off-book Portfolio to AUM (%) [(7)]	18.71%	18.94%	22.22%
Disbursements [(8)]	61,805.94	93,039.85	1,04,830.87
Disbursement Growth (%)[(9)]	87.07%	50.54%	12.67%
Number of Active Customers [(10)]	6,78,294.00	7,48,559.00	8,80,281.00
Number of Total Active Loan Accounts [(11)]	6,93,197.00	7,64,112.00	8,91,335.00
Interest Income	5,934.50	8,432.75	10,770.93
Other Income	977.26	1,469.82	2,085.83
Total Income [(12)]	6,911.76	9,902.57	12,856.76
Cost of Assignment and Co-lending [(13)]	1,038.95	1,175.24	1,879.13
Gross Total Income [(14)]	7,950.71	11,077.81	14,735.89
Finance Costs [(15)]	3,386.83	4,960.12	6,467.12
Gross Finance Costs[(16)]	4,425.78	6,135.36	8,346.25
Net Interest Income [(17)]	3,524.93	4,942.45	6,389.64
Net Interest Margin (%) [(18)]	5.77%	6.56%	6.65%
Operating Expense [(19)]	1,006.71	1,692.33	2,086.90
Operating Expenses Ratio (%) [(20)]	1.65%	2.25%	2.17%
Cost-to-Income Ratio [(21)]	28.56%	34.24%	32.66%
Pre Provision Operating Profit (PPOP) [(22)]	2,518.22	3,250.12	4,302.74
Pre Provision Operating Profit (PPOP) to Average AUM	4.12%	4.31%	4.48%
Impairment on financial assets [(23)]	352.74	533.62	906.03
Credit Cost [(24)]	0.58%	0.71%	0.94%
Profit/(Loss) After Tax [(25)]	1,611.97	2,058.23	2,540.09
Gross Stage 3 Assets [(26)]	1,065.19	1,352.05	1,953.54
Gross Stage 3 ratio (%) [(27)]	2.00%	1.96%	2.34%
Gross Stage 3 Provisions [(28)]	366.04	520.10	756.23
Net Stage 3 Assets [(29)]	699.15	831.95	1,197.31
Net Stage 3 ratio (%) [(30)]	1.31%	1.21%	1.44%

(1) AUM represents aggregate of loans and advances and investments in selected debentures (quoted and unquoted), securitised assets, alternate investment funds which includes assets held by Company as of the last day of the relevant year or period as well as assets which have been transferred by our Company by way of assignment and Co-lending and are outstanding as of the last day of the relevant year or period

(2) AUM Growth represents percentage growth in AUM for the relevant period over AUM of the previous period

(3) Average AUM is calculated as average of opening and closing AUM of the relevant period

(4) On-book Portfolio represents aggregate of loans and advances and selected investments in debentures (quoted and unquoted), securitised assets, alternate investment funds which includes assets held by Company as of the last day of the relevant year or period

(5) Average On-book Portfolio is calculated as average of opening and closing On-book Portfolio of the relevant period

(6) Off-book Portfolio represents aggregate of loans and advances and investments in debentures (quoted and unquoted), securitised assets, alternate investment funds which have been transferred by our Company by way of assignment and Co-lending and are outstanding as of the last day of the relevant year or period

(7) Off-book Portfolio as percentage of closing AUM of the relevant period

(8) Disbursements represent the aggregate of all loan amounts extended to our customers in the relevant period

(9) Disbursement Growth represents percentage growth in disbursement for the relevant period over disbursement of the previous period

(10) Active Customers represent the aggregate number of customers having outstanding balance as of the end of the relevant period including customers whose loan accounts have been transferred by our Company by way of assignment or Co-lending

(11) Active Loan Accounts represent the aggregate number of loans accounts having outstanding balance as of the end of the relevant period including loan accounts transferred by our Company by way of assignment or Co-lending

(12) Total Income represents aggregate of income associated with the On-book assets of the Company in the relevant year/ period

(13) Cost of Assignment and Co-lending represents interest cost associated with the Off-book AUM of the Company in the relevant year/ period

(14) Gross Total Income represents aggregate of Total Income and Cost of Assignment and Co-lending for the relevant year/period

(15) Finance Costs represents aggregate of finance costs associate with the on-book liability for the relevant year/period

(16) *Gross Finance Costs represents aggregate of Finance Costs and Cost of Assignment and Co-lending for the relevant year/period*
(17) *Net Interest Income represents Gross Total Income less Gross Finance Costs for the relevant year/period*
(18) *Net Interest Margin represents our Net Interest Income for the period/year to the Average AUM for the period/year, represented as a percentage*
(19) *Operating Expenses is calculated as total expenses including depreciation but excluding Impairment on financial assets and finance costs for the relevant year/period*
(20) *Operating Expenses Ratio represents the ratio of the Operating Expenses to the Average AUM, represented as a percentage*
(21) *Cost to Income Ratio represents operating expense divided by Net Interest Income, represented as a percentage*
(22) *Pre-Provisioning Operating Profit represents the sum of profit/ (loss) before tax for the relevant periods and impairment on financial assets for the relevant year/period*
(23) *Impairment on financial assets represents impairment loss (including loss on derecognition and loss on repossessed assets) allowance on financial assets as per Ind AS 109, write off (net of recovery) for the relevant year/period.*
(24) *Credit Cost represents the ratio of the Impairment on financial assets to the Average AUM, represented as a percentage*
(25) *Profit/(Loss) After Tax represents our profit/(loss) for the period*
(26) *Gross Stage 3 Assets represent the gross carrying amount of Stage 3 On-Book Portfolio as of the last day of the relevant year/period*
(27) *Gross Stage 3 ratio represents the ratio of the Gross Stage 3 Assets to On-book Portfolio represented as a percentage.*
(28) *Gross Stage 3 provisions represents total Expected Credit Loss allowance on Stage 3 Loans held in the books as of the last day of the relevant year/period.*
(29) *Net Stage 3 Assets represents Gross Stage 3 Assets reduced by Gross Stage 3 provisions as of the last day of relevant period.*
(30) *Net Stage 3 ratio represents the ratio of the Net Stage 3 Assets to On-book Portfolio, represented as a percentage*

Yields, Spreads and Margins

Particulars	**As of/for the financial year ended March 31,**		
	2022	**2023**	**2024**
Interest Income	5,934.50	8,432.75	10,770.93
Gain on assignment of financial assets	655.51	714.74	1,223.20
Fees and commission income	212.16	508.98	664.79
Net gain on fair value changes	100.24	221.85	132.66
Non- operating income	9.35	24.25	65.18
Total Income	6,911.76	9,902.57	12,856.76
Cost of Assignment and Co-lending	1,038.95	1,175.24	1,879.13
Gross Total Income	7,950.71	11,077.81	14,735.89
Finance Cost	3,386.83	4,960.12	6,467.12
Gross Finance Cost	4,425.78	6,135.36	8,346.25
Net Interest Income	3,524.93	4,942.45	6,389.64
Average AUM	61,104.10	75,355.21	96,138.97
Average Total Borrowing (inclusive of off book portfolio)	56,056.50	68,992.34	88,265.53
Average yield (%)(1)	13.01%	14.70%	15.33%
Average Cost of Borrowings (inclusive of off book portfolio) (%) (2)	7.90%	8.89%	9.46%
Spread (%) (3)	5.11%	5.81%	5.87%
Net Interest Margin (%)	5.77%	6.56%	6.65%

(1) Average Yield represents the percentage of Gross Total Income to the Average AUM
(2) Average Cost of Borrowings (inclusive of off book portfolio) represents the percentage of Gross Finance cost to the Average Total Borrowing (inclusive off book portfolio)
(3) Spread represents the difference between the Average Yield and Average Cost of Borrowings (inclusive of off book portfolio)

Productivity Ratios (To cover any specific metrics tracked by company internally)

Particulars	**As of/for the financial year ended March 31,**		
	2022	**2023**	**2024**
Number of branches	173	201	252
Number of NBFC Partners	154	150	183
Number of employees (1)	1,973	2,674	3,692
Number of active loan account	6,93,197.00	7,64,112.00	8,91,335.00
Gross AUM per branch	379.49	423.18	425.47
Gross AUM per employee	33.27	31.81	29.04
Gross AUM per active loan account (₹)	94,708.27	1,11,317.35	1,20,290.37

Particulars	As of/for the financial year ended March 31,		
	2022	2023	2024
Disbursement per branch	357.26	462.88	416.00
Disbursement per employee	31.33	34.79	28.39

[(1)] *Number of Employees include on roll employees as well-off roll employees working for the company on contractual basis*

Product-wise AUM

Particulars	As of/for the financial year ended March 31,					
	2022		2023		2024	
	Amount (₹ in Million)	% of Total	Amount (₹ in Million)	% of Total	Amount (₹ in Million)	% of Total
Micro-Enterprise Loans	32,446.57	49.42%	38,741.61	45.55%	43,851.10	40.91%
SME Loans	22,854.40	34.81%	29,866.61	35.11%	37,338.60	34.82%
Two-Wheeler Loans	3,757.37	5.72%	5,543.51	6.52%	6,701.18	6.25%
Commercial Vehicle Loans	3,451.67	5.26%	3,724.85	4.38%	7,476.60	6.97%
Salaried Personal Loans	-	0.00%	3,048.98	3.58%	5,888.64	5.49%
Total AUM (Standalone)	**62,510.01**	**95.21%**	**80,925.56**	**95.14%**	**1,01,256.12**	**94.44%**
Home Loans (Subsidiary)	3,141.48	4.79%	4,133.36	4.86%	5,962.90	5.56%
Total AUM (Consolidated)	**65,651.49**	**100.00%**	**85,058.92**	**100.00%**	**1,07,219.02**	**100.00%**

Product-wise Disbursement

Particulars	As of/for the financial year ended March 31,					
	2022		2023		2024	
	Amount (₹ in Million)	% of Total	Amount (₹ in Million)	% of Total	Amount (₹ in Million)	% of Total
Micro-Enterprise Loans	33,086.67	53.54%	47,663.87	51.23%	46,859.90	44.70%
SME Loans	22,286.09	36.06%	31,178.05	33.51%	36,171.66	34.51%
Two-Wheeler Loans	3,389.81	5.48%	5,421.78	5.83%	5,752.80	5.49%
Commercial Vehicle Loans	2,028.66	3.28%	3,705.11	3.98%	6,524.36	6.22%
Salaried Personal Loans	-	0.00%	3,319.65	3.57%	6,875.84	6.56%
Total Disbursement (Standalone)	**60,791.23**	**98.36%**	**91,288.46**	**98.12%**	**1,02,184.56**	**97.48%**
Home Loans (Subsidiary)	1,014.71	1.64%	1,751.39	1.88%	2,646.31	2.52%
Total Disbursement (Consolidated)	**61,805.94**	**100.00%**	**93,039.85**	**100.00%**	**1,04,830.87**	**100.00%**

Channel Wise - AUM Mix

Particulars	As of/for the financial year ended March 31,					
	2022		2023		2024	
	Amount (₹ in Million)	% of Total	Amount (₹ in Million)	% of Total	Amount (₹ in Million)	% of Total
Direct Retail Distribution	35,002.23	53.32%	54,070.43	63.57%	73,357.84	68.42%
Retail Asset Channel	30,649.26	46.68%	30,988.49	36.43%	33,861.18	31.58%
Total AUM	**65,651.49**	**100.00%**	**85,058.92**	**100.00%**	**1,07,219.02**	**100.00%**

Channel Wise - Disbursement Mix

Particulars	As of/for the financial year ended March 31,					
	2022		2023		2024	
	Amount (₹ in Million)	% of Total	Amount (₹ in Million)	% of Total	Amount (₹ in Million)	% of Total
Direct Retail Distribution	31,089.76	50.30%	56,378.54	60.60%	68,527.67	65.37%
Retail Asset Channel	30,716.18	49.70%	36,661.31	39.40%	36,303.20	34.63%
Total Disbursement	**61,805.94**	**100.00%**	**93,039.85**	**100.00%**	**1,04,830.87**	**100.00%**

Sources Of Fund

Particulars	As of/for the financial year ended March 31,					
	2022		2023		2024	
	Amount (₹ in Million)	% of Total	Amount (₹ in Million)	% of Total	Amount (₹ in Million)	% of Total
Term loan	23,777.29	41.77%	39,512.84	50.80%	54,236.25	55.00%
Cash Credit & Overdraft/ Short Term Loans	15,308.10	26.90%	13,247.71	17.03%	11,145.01	11.30%
Direct Assignment (incl. co-lending)	12,285.66	21.58%	16,109.07	20.71%	23,828.12	24.16%
Non-Convertible Debentures	3,650.00	6.41%	6,312.50	8.12%	6,312.50	6.40%
Subordinated Debt	1,400.00	2.46%	2,600.00	3.34%	3,100.00	3.14%
Securitisation	500.32	0.88%	-	0.00%	-	0.00%
Total Sources of Fund	**56,921.37**	**100.00%**	**77,782.12**	**100.00%**	**98,621.88**	**100.00%**

Asset Quality

Particulars	As of/for the financial year ended March 31,		
	2022	2023	2024
On-book Loan Portfolio			
Stage 1 (I)	51,212.44	66,310.96	80,044.51
Stage 2 (II)	1,088.20	1,286.84	1,392.85
Stage 3 (III)	1,065.19	1,352.05	1,953.54
Total On-book Loan Portfolio (IV)	**53,365.83**	**68,949.85**	**83,390.90**
ECL Allowance- Loan Portfolio (Excluding Management Overlay)			
Stage 1 (V)	178.14	176.69	200.70
Stage 2 (VI)	102.44	158.29	179.90
Stage 3 (VII)	366.04	520.10	756.23
Total ECL Allowance - Loan Portfolio (VIII)	**646.62**	**855.08**	**1,136.83**
Net Loan Portfolio			
Stage 1(IX- I-V)	51,034.30	66,134.27	79,843.81
Stage 2 (X=II-VI)	985.76	1,128.55	1,212.95
Stage 3 (XI=III-VII)	699.15	831.95	1,197.31
Total Net Loan Portfolio (XII=IV- VIII)	**52,719.21**	**68,094.77**	**82,254.07**

Geographical Spread of Branches

Particulars	As of/for the financial year ended March 31,		
	2022	2023	2024
Gujarat	95	102	115
Maharashtra	33	36	37
Rajasthan	19	22	40

Particulars	As of/for the financial year ended March 31,		
	2022	2023	2024
Madhya Pradesh	22	33	42
Karnataka	1	4	7
Tamil Nadu	2	2	5
Delhi	1	1	1
Chhattisgarh	0	1	1
Uttarakhand	0	0	1
Haryana	0	0	1
Punjab	0	0	1
Telangana	0	0	1
Total Branches	**173**	**201**	**252**

Geographical Spread of Branches (Subsidiary - HFC)

Particulars	As of/for the financial year ended March 31,		
	2022	2023	2024
Gujarat	54	55	67
Maharashtra	10	11	11
Rajasthan	4	4	4
Madhya Pradesh	1	3	3
Total Branches	**69**	**73**	**85**

On a standalone basis – all figures in ₹ million unless otherwise indicated

Return on Equity and Assets

Particulars	As of/for the financial year ended March 31,		
	2022	2023	2024
Profit/(Loss) After Tax (1)	1,575.48	2,009.67	2,477.66
AUM (2)	62,510.01	80,925.56	1,01,256.12
Average AUM (3)	58,117.21	71,717.79	91,090.84
On-book Portfolio (4)	50,861.72	65,549.06	78,793.64
Total Assets (5)	60,642.08	76,765.23	91,092.48
Average Total Assets (6)	56,154.52	68,703.66	83,928.86
Net Worth (7)	13,405.87	15,057.38	17,689.77
Average Net Worth (8)	12,727.82	14,231.63	16,373.58
Total Borrowings (9)	45,497.34	59,078.70	70,812.04
Return on Average AUM (%)(10)	2.71%	2.80%	2.72%
Return on Average Total Assets (%)(11)	2.81%	2.93%	2.95%
Return on Equity (%)(12)	12.38%	14.12%	15.13%
Debt to Equity Ratio (x times)(13)	3.39	3.92	4.00
Average Net Worth/ Average AUM (%)	21.90%	19.84%	17.98%
Basic Earnings Per Share (₹)(14)(17)	9.61	12.25	15.11
Diluted Earnings Per Share (₹)(15)(17)	9.61	12.25	15.11
Net Asset Value per equity share (₹)(16)(17)	81.75	91.82	107.87

Notes:

(1) Profit/(Loss) After Tax represents our profit/(loss) for the period

(2) AUM represents aggregate of loans and advances and investments in selected debentures (quoted and unquoted), securitised assets, alternate investment funds which includes assets held by Company as of the last day of the relevant year or period as well as assets which have been transferred by our Company by way of assignment and Co-lending and are outstanding as of the last day of the relevant year or period

(3) Average AUM is calculated as average of opening and closing AUM of the relevant period

(4) On-book Portfolio represents aggregate of loans and advances and selected investments in debentures (quoted and unquoted), securitised assets, alternate investment funds which includes assets held by Company as of the last day of the relevant year or period

(5) Total Assets represents our total assets as of the last day of the relevant period

(6) Average Total Assets is calculated as average of opening and closing Total Assets of the relevant period

(7) Net Worth represents sum of other equity and equity share capital as of the last day of the relevant period
(8) Average Net Worth is calculated as average of opening and closing Net Worth of the relevant period
(9) Total Borrowings represents the aggregate of debt securities, borrowings (other than debt securities), subordinated liabilities, Security deposits received from borrowers and Interest accrued but not due on borrowings and others as of the last day of the relevant period
(10) Return on Average AUM represents ratio of PAT to the Average AUM (average of opening and closing AUM for the relevant period)
(11) Return on Average Total Assets represents ratio of PAT to the average Total Assets (average of opening and closing Total Assets as per balance sheet of the relevant period)
(12) Return on Equity represents ratio of PAT to the average Net Worth (average of opening and closing Net Worth as per balance sheet of the relevant period)
(13) Debt to Equity Ratio represents the ratio of Total Borrowings (including interest accrued) to Net Worth.
(14) Basic Earnings Per Share = Profit /(loss) after tax/Weighted average number of equity shares outstanding
(15) Diluted Earnings Per Share = Profit/(loss) after tax/Weighted average number of equity shares outstanding, adjusted for stock option granted under ESOP and Share warrants & stock options
(16) Net Asset Value per equity share = Net Worth as of the last day of the relevant period/Number of equity shares outstanding at the end of the period
(17) The basic, diluted earnings and Net Asset Value per share have been computed for previous years on the basis of the adjusted number of equity shares in accordance with bonus issue of shares.

Key Financial & Profitability Ratios

Particulars	As of/for the financial year ended March 31,		
	2022	2023	2024
AUM (1)	62,510.01	80,925.56	1,01,256.12
AUM Growth (%)(2)	16.35%	29.46%	25.12%
Average AUM (3)	58,117.21	71,717.79	91,090.84
On-book Portfolio (4)	50,861.72	65,549.06	78,793.64
Average On-book Portfolio (5)	45,679.63	58,205.39	72,171.35
Off-book Portfolio(6)	11,648.29	15,376.50	22,462.48
Off-book Portfolio to AUM (%) (7)	18.63%	19.00%	22.18%
Disbursements (8)	60,791.23	91,288.46	1,02,184.56
Disbursement Growth (%)(9)	86.85%	50.17%	11.94%
Number of Active Customers (10)	6,73,815.00	7,42,899.00	8,72,321.00
Number of Total Active Loan Accounts (11)	6,88,394.00	7,57,974.00	8,82,874.00
Interest Income	5,611.12	8,065.72	10,222.76
Other Income	959.67	1,425.14	2,022.91
Total Income (12)	6,570.79	9,490.86	12,245.67
Cost of Assignment and Co-lending (13)	1,006.33	1,111.91	1,787.80
Gross Total Income (14)	7,577.12	10,602.77	14,033.47
Finance Costs (15)	3,195.38	4,748.20	6,141.65
Gross Finance Costs(16)	4,201.71	5,860.11	7,929.45
Net Interest Income (17)	3,375.41	4,742.66	6,104.02
Net Interest Margin (%) (18)	5.81%	6.61%	6.70%
Operating Expense (19)	921.48	1,565.62	1,894.35
Operating Expenses Ratio (%) (20)	1.59%	2.18%	2.08%
Cost-to-Income Ratio (21)	27.30%	33.01%	31.03%
Pre Provision Operating Profit (PPOP) (22)	2,453.93	3,177.04	4,209.67
Pre Provision Operating Profit (PPOP) to Average AUM	4.22%	4.43%	4.62%
Impairment on financial assets (23)	340.97	530.01	895.33
Credit Cost (24)	0.59%	0.74%	0.98%
Profit/(Loss) After Tax (25)	1,575.48	2,009.67	2,477.66
Gross Stage 3 Assets (26)	1,048.94	1,327.05	1,905.82
Gross Stage 3 ratio (%) (27)	2.06%	2.02%	2.42%
Gross Stage 3 Provisions (28)	361.21	512.70	741.72
Net Stage 3 Assets (29)	687.73	814.35	1,164.10
Net Stage 3 ratio (%) (30)	1.35%	1.24%	1.48%

(1) AUM represents aggregate of loans and advances and investments in selected debentures (quoted and unquoted), securitised assets, alternate investment funds which includes assets held by Company as of the last day of the relevant year or period as well as assets which have been transferred by our Company by way of assignment and Co-lending and are outstanding as of the last day of the relevant year or period
(2) AUM Growth represents percentage growth in AUM for the relevant period over AUM of the previous period

(3) Average AUM is calculated as average of opening and closing AUM of the relevant period
(4) On-book Portfolio represents aggregate of loans and advances and selected investments in debentures (quoted and unquoted), securitised assets, alternate investment funds which includes assets held by Company as of the last day of the relevant year or period
(5) Average On-book Portfolio is calculated as average of opening and closing On-book Portfolio of the relevant period
(6) Off-book Portfolio represents aggregate of loans and advances and investments in debentures (quoted and unquoted), securitised assets, alternate investment funds which have been transferred by our Company by way of assignment and Co-lending and are outstanding as of the last day of the relevant year or period
(7) Off-book Portfolio as percentage of closing AUM of the relevant period
(8) Disbursements represent the aggregate of all loan amounts extended to our customers in the relevant period
(9) Disbursement Growth represents percentage growth in disbursement for the relevant period over disbursement of the previous period
(10) Active Customers represent the aggregate number of customers having outstanding balance as of the end of the relevant period including customers whose loan accounts have been transferred by our Company by way of assignment or Co-lending
(11) Active Loan Accounts represent the aggregate number of loans accounts having outstanding balance as of the end of the relevant period including loan accounts transferred by our Company by way of assignment or Co-lending
(12) Total Income represents aggregate of income associated with the On-book assets of the Company in the relevant year/ period
(13) Cost of Assignment and Co-lending represents interest cost associated with the Off-book AUM of the Company in the relevant year/ period
(14) Gross Total Income represents aggregate of Total Income and Cost of Assignment and Co-lending for the relevant year/period
(15) Finance Costs represents aggregate of finance costs associate with the On book liability for the relevant year/period
(16) Gross Finance Costs represents aggregate of Finance Costs and Cost of Assignment and Co-lending for the relevant year/period
(17) Net Interest Income represents Gross Total Income less Gross Finance Costs for the relevant year/period
(18) Net Interest Margin represents our Net Interest Income for the period/year to the Average AUM, represented as a percentage
(19) Operating Expenses is calculated as total expenses including depreciation but excluding Impairment on financial assets and finance costs for the relevant year/period
(20) Operating Expenses Ratio represents the ratio of the Operating Expenses to the Average AUM, represented as a percentage
(21) Cost to Income Ratio represents operating expense divided by Net Interest Income, represented as a percentage
(22) Pre-Provisioning Operaing Profit represents the sum of profit/ (loss) before tax for the relevant periods and Impairment on financial assets for the relevant year/period
(23) Impairment on financial assets represents impairment loss (including loss on derecognition and loss on repossessed assets) allowance on financial assets as per Ind AS 109, write off (net of recovery) for the relevant year/period.
(24) Credit Cost represents the ratio of the Impairment on financial assets to the Average AUM, represented as a percentage
(25) Profit/(Loss) After Tax represents our profit/(loss) for the period
(26) Gross Stage 3 Assets represent the gross carrying amount of Stage 3 On-Book Portfolio as of the last day of the relevant year/period
(27) Gross Stage 3 ratio represents the ratio of the Gross Stage 3 Assets to On-book Portfolio represented as a percentage.
(28) Gross Stage 3 provisions represents total Expected Credit Loss allowance on Stage 3 Loans held in the books as of the last day of the relevant year/period.
(29) Net Stage 3 Assets represents Gross Stage 3 Assets reduced by Gross Stage 3 provisions as of the last day of relevant period.
(30) Net Stage 3 ratio represents the ratio of the Net Stage 3 Assets to On-book Portfolio, represented as a percentage

Yields, Spreads and Margins

Particulars	As of/for the financial year ended March 31,		
	2022	2023	2024
Interest Income	5,611.12	8,065.72	10,222.76
Gain on assignment of financial assets	638.67	680.44	1,169.74
Fees and commission income	203.04	499.84	653.34
Net gain on fair value changes	102.90	214.86	125.69
Non Operating Income	15.06	30.00	74.14
Total Income	6,570.79	9,490.86	12,245.67
Cost of Assignment and Co-lending	1,006.33	1,111.91	1,787.80
Gross Total Income	7,577.12	10,602.77	14,033.47
Finance Cost	3,195.38	4,748.20	6,141.65
Gross Finance Cost	4,201.71	5,860.11	7,929.45
Net Interest Income	3,375.41	4,742.66	6,104.02
Average AUM	58,117.21	71,717.79	91,090.84
Average Total Borrowing (inclusive of off book portfolio)	53,487.53	65,800.42	83,864.86
Average yield (%)(1)	13.04%	14.78%	15.41%
Average Cost of Borrowings (inclusive of off book portfolio) (%) (2)	7.86%	8.91%	9.46%
Spread (%) (3)	5.18%	5.88%	5.95%
Net Interest Margin (%)	5.81%	6.61%	6.70%

(1) Average Yield represents the percentage of Gross Total Income to the Average AUM
(2) Average Cost of Borrowings (inclusive of off book portfolio) represents the percentage of Gross Finance cost to the Average Total Borrowing (inclusive off book portfolio)
(3) Spread represents the difference between the Average Yield and Average Cost of Borrowings (inclusive of off book portfolio)

Productivity Ratios (To cover any specific metrics tracked by company internally)

Particulars	As of/for the financial year ended March 31,		
	2022	2023	2024
Number of branches	125	149	189
Number of NBFC Partners	151	148	182
Number of employees [(1)]	1,662	2,230	3,130
Number of active loan account	6,88,394	7,57,974	8,82,874
Gross AUM per branch	500.08	543.12	535.75
Gross AUM per employee	37.61	36.29	32.35
Gross AUM per active loan account (₹)	90,805.57	1,06,765.61	1,14,689.21
Disbursement per branch	486.33	612.67	540.66
Disbursement per employee	36.58	40.94	32.65

[(1)] *Number of Employees include on roll employees as well off roll employees working for the company on contractual basis*

Channel Wise - AUM Mix

Particulars	As of/for the financial year ended March 31,					
	2022		2023		2024	
	Amount (₹ in Million)	% of Total	Amount (₹ in Million)	% of Total	Amount (₹ in Million)	% of Total
Direct Retail Distribution	32,213.63	51.53%	50,481.17	62.38%	67,961.17	67.12%
Retail Asset Channel	30,296.38	48.47%	30,444.39	37.62%	33,294.95	32.88%
Total AUM	**62,510.01**	**100.00%**	**80,925.56**	**100.00%**	**1,01,256.12**	**100.00%**

Channel Wise - Disbursement Mix

Particulars	As of/for the financial year ended March 31,					
	2022		2023		2024	
	Amount (₹ in Million)	% of Total	Amount (₹ in Million)	% of Total	Amount (₹ in Million)	% of Total
Direct Retail Distribution	30,305.05	49.85%	55,022.15	60.27%	66,136.36	64.72%
Retail Asset Channel	30,486.18	50.15%	36,266.31	39.73%	36,048.20	35.28%
Total Disbursement	**60,791.23**	**100.00%**	**91,288.46**	**100.00%**	**1,02,184.56**	**100.00%**

Sources Of Fund

Particulars	As of/for the financial year ended March 31,					
	2022		2023		2024	
	Amount (₹ in Million)	% of Total	Amount (₹ in Million)	% of Total	Amount (₹ in Million)	% of Total
Term loan	21,789.69	40.21%	36,800.20	49.64%	50,440.24	53.97%
Cash Credit & Overdraft/ Short Term Loans	15,208.07	28.06%	13,044.40	17.60%	11,145.00	11.92%
Direct Assignment (incl. co-lending)	11,648.29	21.49%	15,376.50	20.74%	22,462.48	24.04%
Non-Convertible Debentures	3,650.00	6.74%	6,312.50	8.51%	6,312.50	6.75%

Subordinated Debt	1,400.00	2.58%	2,600.00	3.51%	3,100.00	3.32%
Securitisation	500.32	0.92%	-	0.00%	-	0.00%
Total Sources of Fund	**54,196.37**	**100.00%**	**74,133.60**	**100.00%**	**93,460.22**	**100.00%**

Asset Quality

Particulars	As of/for the financial year ended March 31,		
	2022	2023	2024
On-book Loan Portfolio			
Stage 1 (I)	48,907.48	63,108.92	75,741.64
Stage 2 (II)	905.30	1,113.09	1,146.18
Stage 3 (III)	1,048.94	1,327.05	1,905.82
Total On-book Loan Portfolio (IV)	**50,861.72**	**65,549.06**	**78,793.64**
ECL Allowance- Loan Portfolio (Excluding Management Overlay)			
Stage 1 (V)	175.80	173.85	197.51
Stage 2 (VI)	92.10	150.25	169.01
Stage 3 (VII)	361.21	512.70	741.72
Total ECL Allowance - Loan Portfolio (VIII)	**629.11**	**836.80**	**1,108.24**
Net Loan Portfolio			
Stage 1(IX- I-V)	48,731.68	62,935.07	75,544.13
Stage 2 (X=II-VI)	813.20	962.84	977.17
Stage 3 (XI=III-VII)	687.73	814.35	1,164.10
Total Net Loan Portfolio (XII=IV- VIII)	**50,232.61**	**64,712.26**	**77,685.40**

Capital Adequacy Ratio / Capital to Risk Weighted Assets Ratio

Particulars	As of/for the financial year ended March 31,		
	2022	2023	2024
Tier I Capital	11,642.08	13,297.05	15,158.94
Tier II Capital	1,652.04	2,853.43	2,772.06
Total Capital	13,294.12	16,150.48	17,931.00
Total Risk Weighted Assets	50,452.80	63,966.04	74,549.49
Capital Adequacy Ratio / Capital to Risk Weighted Assets Ratio			
CRAR - Tier I capital (%)	**23.08%**	**20.79%**	**20.33%**
CRAR - Tier II capital (%)	3.27%	4.46%	3.72%
CRAR (%)	26.35%	25.25%	24.05%

Asset Liability Management

	Liabilities			Assets					
	Borrowings			Advances	Investments (Net of provisions for diminution for value of investments)				
	As March 31, 2024	As March 31, 2023	As March 31, 2022 (Restated)	As March 31, 2024	As March 31, 2023	As March 31, 2022 (Restated)	As March 31, 2024	As March 31, 2023	As March 31, 2022 (Restated)
1 day to 30/31 (1 month)	1,007.08	732.60	754.72	5,189.49	4,214.86	3,361.39	749.04	487.51	291.22
Over 1 month to 2 months	832.67	714.50	669.70	4,627.26	3,706.00	2,808.35	341.14	445.76	196.77
Over 2 months to 3 months	3,201.97	2,059.72	2,099.88	5,699.56	4,477.96	3,479.06	447.79	408.94	176.83

Over 3 months to 6 months	5,278.74	3,434.94	2,834.73	11,319.15	8,723.93	7,211.52	1,123.38	1,379.86	310.96
Over 6 months to 1 year	21,708.58	25,202.45	20,273.85	17,042.59	14,618.78	11,026.70	2,430.70	2,062.03	601.10
Over 1 to 3 years	28,921.41	20,134.54	14,399.53	24,648.23	20,595.21	15,842.41	2,165.26	3,000.55	3,370.32
Over 3 to 5 years	9,379.36	5,249.07	3,459.30	3,116.68	2,547.57	1,629.35	4.31	130.85	118.20
Over 5 years	482.23	1,550.88	1,005.63	1,005.30	217.27	179.24	615.50	345.62	315.21
Grand Total	**70,812.04**	**59,078.70**	**45,497.34**	**72,648.26**	**59,101.58**	**45,538.02**	**7,877.12**	**8,261.12**	**5,380.61**

RELATED PARTY TRANSACTIONS

For details of the related party transactions entered into by our Company during the Financial Years ended March 31, 2024, March 31, 2023, March 31, 2022 as per the requirements under Indian Accounting Standard *(Ind AS) 24– Related Party Disclosures*, as applicable and notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules 2015, as amended, please see "***Financial Information***", on page 237.

RISK FACTORS

An investment in equity shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Placement Document, including the risks and uncertainties described below before making an investment decision in the Equity Shares.

We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, the Equity Shares, or the industry and segments in which we currently operate or propose to operate. While we have described the risks and uncertainties that our management believes are material, the risks set out in this Placement Document may not be exhaustive. Unless specified or quantified in the relevant risk factor below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section. If any or a combination of the following risks actually occur, or if any of the risks that are currently not known or deemed to be not relevant or material now actually occur or become material in the future, our business, results of operations, financial condition and cash flows could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment.

To obtain a more detailed understanding of our business and operations, see this section in conjunction with the sections titled "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 155, 144 and 103, respectively, as well as other financial and statistical information contained in this Placement Document.

Unless otherwise indicated or the context otherwise requires, the financial information included in this Placement Document for Fiscal 2023 and Fiscal 2024 have been derived from our Fiscal 2023 Audited Consolidated Financial Statements and Fiscal 2024 Audited Consolidated Financial Statements, respectively, while financial information included for Fiscal 2022 is derived from the comparative financial information for Fiscal 2022 included in our Fiscal 2023 Audited Consolidated Financial Statements. During the quarter ended March 31, 2023, we had received a directive from the Reserve Bank of India to book gain on assignment of financial assets upfront in the statement of profit and loss in accordance with Ind AS 109 instead of amortising it over the period of the underlying residual tenure of the assigned loan portfolio. As per the requirement of Ind AS 8, we had restated the financial information of previous financial year 2021-22 in the Fiscal 2023 Audited Consolidated Financial Statements to reflect the change in accounting policy as explained above. Accordingly, any reference to financials of Fiscal 2022 means the restated financials of Fiscal 2022 included as comparative in the Fiscal 2023 Audited Consolidated Financial Statements. Accordingly, our Fiscal 2022 Audited Consolidated Financial Statements are not directly comparable to the comparative numbers for Fiscal 2022 included in the Fiscal 2023 Audited Consolidated Financial Statements which includes restated adjustments for Fiscal 2022.

In making an investment decision, prospective investors must rely on their own examination of our business and the terms of the Issue, including the merits and risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences to them of an investment in our Equity Shares. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.

This Placement Document also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to the considerations described below. See "Forward-Looking Statements" beginning on page 16.

Our Financial Year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Financial Year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, financial information for the Financial Years ended March 31, 2022, 2023 and 2024 included herein is derived from the Consolidated Financial Information included in this Placement Document.

*Unless the context otherwise requires, in this section, references to "we", "us", or "our", refers to MAS Financial Services Limited along with our Subsidiaries, MAS Rural Housing & Mortgage Finance Limited ("**MRHMFL**") and MASFin Insurance Broking Private Limited ("**MIBPL**") on a consolidated basis and references to "Company" or "our Company" refers to MAS Financial Services Limited on a standalone basis.*

INTERNAL RISK FACTORS

1. Our business operations involve transactions with relatively high risk borrowers. Any default from our customers could adversely affect our business, results of operations and financial condition.

We offer a wide range of financial products and services that address the specific financing requirements of low and middle income individuals as well as micro, small, and medium enterprises. Similarly, our housing loans are focused on affordable housing and two-wheeler loans are principally focused on first time users with limited access to capital through formal banking channels. A significant portion of our customer base is typically self-employed and may be less economically stable than large corporates, and as a result, is usually adversely affected by declining economic conditions. Earning capacity of customers in these segments depends on various macro and micro economic factors that affect them from time to time. We have a greater risk of loan defaults and losses in the event there are adverse economic conditions which may have a negative effect on the ability of our borrowers to make timely payments of their loans.

A significant portion of our target customers typically have limited access to credit with limited to no prior credit history, and may not have tax returns, bank or credit card statements, statements of previous loan exposures, or other documents through which we can accurately assess their credit worthiness. We may not, therefore, in certain instances, receive information regarding any change in the financial condition of our customers or in certain cases our customers may provide inaccurate or incomplete information to us. The lack of availability of information or incomplete or inaccurate information, in connection with our customers may make it difficult for us to take an informed decision with regards to providing financial facilities to such persons. As a result, we are more vulnerable to customer default risks including delay in repayment of principal or interest on our loans. Although we have our own customised due diligence and credit analysis procedures, there can be no assurance that we will be able to ensure a lower delinquency rate. Our profitability depends on our ability to evaluate the right income levels of our customers, assess the credit risks and to price our loans accordingly. For further information, see *"Our Business – Financing Products"* on page 155. Our customers may default on their obligations as a result of various factors including bankruptcy, insolvency, lack of liquidity and/or failure of the business or commercial venture in relation to which such borrowings were sanctioned. Certain product segments and micro-enterprise loans in particular, are mostly unsecured and are susceptible to higher levels of credit risks. For further information, see "*Risk Factors – Some of our loans we provide are unsecured and are susceptible to certain operational and credit risks which may result in increased levels of Stage 3 Assets which may adversely affect our business, prospects, results of operations and financial condition."* on page 72. Additionally, although our SME, two-wheeler, Commercial Vehicle and housing loan segments involve certain collateral, we may still be exposed to defaults in payment, which we may not be able to fully recover. For further information, see "*Risk Factors – We may not be able to recover our secured loans on a timely basis, or at all, the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under such defaulted loans. Our inability to recover the outstanding amounts under the loans may adversely affect our business."* on page 72. If our borrowers fail to repay loans in a timely manner or at all, our business prospects, financial condition and results of operations will be adversely impacted.

2. We extend loans to other financial institutions such as MFIs, NBFCs and HFCs. If there is a default by these financial institutions or if we are unable to maintain our relationships with these institutions, our business, financial condition and results of operations may be adversely affected.

We extend loans to MFIs, HFCs and other NBFCs that operate in sectors similar to ours, particularly focused on geographical areas where we have limited or no direct operations. As of March 31, 2024 we extended loans to 183 such institutional borrowers. As of March 31, 2024, term loans extended to such borrowers was ₹ 33,861.18 million constituting 31.58% of our total consolidated AUM. Typically, a portion of their receivables and book debts are hypothecated to us (providing coverage of at least 100% of the outstanding loan amount). Additionally, these financial institutions are required to maintain an agreed percentage of the loan amount as lien marked fixed deposits along with promoter guarantees in certain cases, provide general repayment undertakings and pay penal interest in case of defaults in repayment. There can be no assurance that these financial institutions will not default in their payments. Also, there can be no assurance that we will not experience any default or deterioration in the performance of portfolio of receivables that is hypothecated to us under such arrangements.

We conduct due diligence on the hypothecated portfolio to ensure that the agreed credit policies are complied with. However, we have limited control on the quality of the underlying assets. In accordance with our arrangements with these institutions, we obtain a list of underlying portfolio of receivables within the periods stipulated in the sanction letter. If any of these underlying assets turns sub-standard, our arrangement with these institutions requires that they are replaced with standard assets. Personal guarantees from promoters/directors are the preferred form of security for these transactions and a portion of their receivables are hypothecated to us. Additionally, as agreed at the time of sanction, an agreed percentage of the loan amount is maintained as cash reserves or a specific amount is placed as a security deposit by these financial institutions. We also take demand promissory notes, letters of continuity and other general undertakings as collateral security. In the event such default or deterioration is not secured by guarantees or if we are unable to enforce such guarantees or other securities, our business and results of operations would be materially and adversely affected.

Our business depends on the continuity of our relationship with these financial institutions. While we believe that our long-term relationship with these financial institutions has been successful in developing a certain level of loyalty and establishing knowledge partnerships, there can be no assurance that we will be successful in maintaining such relationships over time or increasing the number of such relationships. If we are not able to maintain existing relationships or develop new relationships with such institutions or if we are unable to understand their funding requirements and provide funds on a timely basis or offer interest rates that meet their needs, our relationship with these institutions could decline and as a result, our business prospects, financial condition and results of operations could be adversely affected.

3. ***As an NBFC, we are subject to periodic inspections by the RBI. Non-compliance with observations made by RBI during these inspections could expose us to penalties and restrictions.***

We operate in a highly regulated industry, and we have to adhere to various laws, rules and regulations. NBFCs, and HFCs in India are subject to strict regulation and supervision by the RBI. We require various approvals, licenses, registrations and permissions for operating our business, including registration with the RBI as a NBFC.

Under section 45N of the Reserve Bank of India, 1934 ("**RBI Act**") we are subject to periodic inspections by the RBI to verify correctness or completeness of any statement, information or particulars furnished to the RBI for the purpose of obtaining any information or particulars which our Company has failed to furnish on being called upon to do so. In its final inspection report of our Company for Fiscal 2019, the RBI has observed (i) absence of a market risk management policy covering various risk management tools such as simulation, duration, sensitivity and stress testing and (ii) usage of security deposit for servicing loan instalments/ EMIs. Post Fiscal 2019, the inspections by the RBI for Fiscal 2022 is currently ongoing, and the RBI is yet to provide its final inspection report.

While we have responded to RBI and addressed such observations in the past; there can be no assurance that the RBI will not make similar or other observations in the future. If we are unable to resolve such deficiencies to RBI's satisfaction, our ability to conduct out business may be adversely affected. Imposition of any penalty or adverse findings by the RBI during the ongoing or any future inspections may have an adverse impact on our business prospects, financial condition and results of operations.

4. ***Our inability to maintain relationships with our sourcing intermediaries could have an adverse effect on our business, prospects, results of operations and financial condition.***

In addition to our sales team, we have entered into commercial arrangements with a large number of sourcing intermediaries, which include commission based DSAs, as well as revenue sharing arrangements with various NBFCs, dealers and distributors where part of loan default is guaranteed, by the sourcing partner. However, there can be no assurance that the guarantee provided by such sourcing partners would be sufficient to cover the loan defaults. If we are unable to provide services required by these sourcing intermediaries on a timely basis or offer products that meet the needs of their customers, the number of such arrangements and amount of loans originated by them, could decrease and adversely affect our business, prospects, financial condition and results of operations.

As of March 31, 2024, we had 185 sourcing intermediaries in the two-wheeler loan segment, 365 sourcing intermediaries in the Commercial Vehicle loan segment, and 113 sourcing intermediaries in housing loan segment. We have a partnership with 183 NBFC partners. These are non-exclusive arrangements and our loan origination is dependent to an extent on continuing such relationships on commercially reasonable terms. There can be no assurance that we will be successful in maintaining our relationships with these sourcing intermediaries or increasing the number of sourcing intermediaries we work with. These sourcing intermediaries could originate loans for our competitors thereby adversely affecting our business prospects. In addition, sourcing intermediaries may not be able to effectively market our loan products, and any misbehaviour or misrepresentation by these sourcing intermediaries to the customers may impair or harm our reputation. If our relationships with these sourcing intermediaries are discontinued or such arrangements are affected or modified, our ability to originate loans may be affected which may in turn adversely affect our business, prospects, financial condition and results of operations.

5. The quality of our portfolio may be impacted due to higher levels of Stage 3 Assets and our business may be adversely affected if we are unable to provide for such higher levels of Stage 3 Assets.

As of March 31, 2022, March 31, 2023, and March 31, 2024, our Gross Stage 3 Assets ratios were 2.00%, 1.96%, and 2.34% respectively, while our Net Stage 3 Assets ratios were 1.31%, 1.21%, and 1.44%, respectively. However, there can be no assurance that our future Stage 3 Assets ratios will be consistent with our past experience or at levels that will maintain our profitability. Also, there can be no assurance that we will be able to maintain our Stage 3 Assets ratios at levels with the credit performance of our customers, or at which our credit and our underwriting analysis, servicing and collection systems and controls will be adequate. We may not be successful in our efforts to improve collections and/or recover existing Stage 3 Assets. In addition, we may experience greater defaults in principal and/or interest repayments in future. Thus, if we are unable to maintain our level of Stage 3 Assets, the overall quality of our loan portfolio may deteriorate and our results of operations may be adversely affected.

Moreover, there can also be no assurance that there will be no deterioration in our provisioning coverage as a percentage of gross Stage 3 Assets or otherwise, or that the percentage of Stage 3 Assets that we will be able to recover will be similar to our past experience of recoveries of Stage 3 Assets. In the event of any further deterioration in our Stage 3 Assets portfolio, or if our provisioning coverage is insufficient to cover our existing or future levels of Stage 3 Assets, our ability to raise additional capital and debt funds as well as our business prospects, financial condition and results of operations could be adversely affected.

In addition, any adverse regulatory developments relating to the assessment and recognition of Stage 3 Assets and provisioning therefore may have an adverse effect on our financial performance. Our repayment schedules may not be adequate to cater to any losses that may arise out of unanticipated adverse regulatory developments. Growth of our business and AUM may be adversely affected in the event our Stage 3 Assets levels increase which could materially and adversely affect our business prospects, financial condition and results of operations.

6. Our business requires substantial funds, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.

Our liquidity and profitability are, in large part, dependent upon our timely access to, and costs associated with raising capital and obtaining loans and advances. Our funding requirements historically have been met from a combination of term loans, working capital facilities and assignment or co-lending or securitization of our portfolio to banks and financial institutions to meet their priority sector and retail lending commitments, commercial paper, cash credit/overdraft, convertible and non-convertible debentures, as well as equity contributions. On account of priority sector lending, we believe we have access to funds at relatively lower costs. Any change in RBI regulations on priority sector lending, or our inability to maintain relationships with such banks, could adversely affect our results of operations and financial condition. Our Gross Finance Costs was ₹ 4,425.78 million, ₹6,135.36 million, and ₹ 8,346.25 million in Fiscals 2022, 2023 and 2024. Our Average Cost of Borrowings (inclusive of off book portfolio) was 7.90%, 8.89%, and 9.46%, as of March 31, 2022, March 31, 2023, and March 31, 2024, respectively. Our business depends and will continue to depend on our ability to access diversified low-cost funding sources. As a financial services company, we face certain additional regulatory restrictions on our ability to obtain financing from banks.

Pursuing our growth strategy and introducing new product offerings to our customers will have an impact on our long-term capital requirements. With the growth of our business, we may be increasingly reliant on funding from debt capital markets. The market for such funds is competitive and our ability to obtain funds at competitive rates will depend on various factors. If we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates for our loans. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors, including the regulatory environment and policy initiatives in India, lack of liquidity in the market, developments in the international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition. If we are unable to obtain adequate financing or financing on terms satisfactory to us and in a timely manner, our ability to grow or support our business and to respond to business challenges could be limited and our business prospects, financial condition and results of operations would be materially and adversely affected.

7. ***Our Company , and our Subsidiaries, Promoters and Directors are involved in certain legal proceedings, any adverse developments related to which could materially and adversely affect our business, reputation and cash flows.***

There are outstanding legal proceedings involving our Company, and our Subsidiaries Promoters and Directors which are incidental to our business and operations. These proceedings are pending at different levels of adjudication before various courts, tribunals and appellate tribunals. We cannot assure you that these proceedings will be decided in our favour. A summary of the outstanding criminal proceedings, tax proceedings, statutory and regulatory authorities and other 'material' litigation, if any, involving our Company and our Subsidiaries is set out below:

Name of entity	Criminal proceedings	Tax proceedings*	Statutory or regulatory actions	Material civil litigation#	Other material litigation	Aggregate amount involved (in ₹ million) *#
Company						
Against our Company	2	Nil	Nil	Nil	Nil	-
By our Company	10,869*	Nil	Nil	Nil	Nil	1,973.27
Subsidiaries						
Against our Subsidiaries	1	Nil	Nil	Nil	Nil	1.44
By our Subsidiaries	173*#	Nil	Nil	Nil	Nil	121.03

**To the extent quantifiable, including interest and penalty thereon, and are approximate amounts, with respect to tax proceedings.*
#To the extent quantifiable, and not including interest, damages/mesne profit and penalty thereon, with respect to material civil litigations.

A summary of the outstanding criminal proceedings, statutory and regulatory authorities and other 'material' litigation, if any, involving our Directors and our Promoters is set out below:

Name of entity	Criminal proceedings	Statutory or regulatory actions	Other material litigation
Directors			
Against our Directors	1	-	-
By our Directors	-	-	-
Promoters			
Against our Promoters	1	-	-
By our Promoters	-	-	-

The amounts claimed in the abovementioned proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities. For further information on material legal proceedings involving our Company, our Directors, our Promoters and our Subsidiaries, see "*Legal Proceedings*" on page 229.

8. ***Our inability to compete effectively in an increasingly competitive industry may adversely affect our net interest margins, income and market share.***

The financial services market is being served by a range of financial entities, including, traditional banking institutions, captive finance affiliates of players in various industries, NBFCs and small finance banks approved by RBI to enhance credit penetration. Majority of small finance banks which received approval for commencement of operations from RBI are focused on the low and middle income individuals and micro, small and medium enterprises. Many of these competitors may have greater financial resources, may be larger in terms of business volume and may have significantly lower cost of funds compared to us. Many of them may also have greater geographical reach, long-standing partnerships and may offer their customers other forms of financing that we may not be able to provide. Moreover, interest rate is the most significant factor that determines customer decision making in selecting a financier, and certain captive finance affiliates of vehicle or equipment manufacturers or even real estate companies, may offer loans at lower rates to retain market share. There can be no assurance that we will be able to compete successfully with such competitors and gain market share.

Our ability to compete effectively will depend, in part, on our ability to maintain or increase our margins. Our margins are affected in part by our ability to continue to secure low-cost funding, and the interest rates at which we extend loans to our customers. Our ability to increase interest rates on the loans we extend, however, is limited by the increasing popularity of standardized and variable interest rate financing products, variable payment terms and lower processing fees introduced by our competitors. There can be no assurance that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive NBFC and HFC sectors. Our inability to compete effectively in the increasingly competitive market may adversely affect our net interest margins, income and market share. Increasing competition may also result in slower growth and a reduction in our net interest margin and market share, and consequently may have an adverse effect on our results of operations and financial condition.

9. ***As part of our business strategy, we have assigned or securitized or undertaken co-lending of a significant portion of the receivables from our loan portfolio to banks and other financial institutions. Any deterioration in the performance of any portfolio of receivables assigned to banks and other institutions may affect our ability to conduct further assignment and securitization and thus adversely impacting our business prospects, financial condition and results of operations.***

We have assigned or securitized or undertaken co-lending of a significant portion of the receivables from our loan portfolio (typically fixed interest loans that are standard assets) to banks and other institutions to obtain funding and minimise our risk. The banks purchase our portfolio to meet their priority sector and retail lending commitments. These securitization, co-lending arrangements and assignment transactions are conducted on the basis of our internal estimates of our funding requirements and may vary from time to time. As of March 31, 2022, March 31, 2023, and March 31, 2024, we had Off-book AUM of ₹ 12,285.66 million, ₹ 16,109.07 million, and ₹ 23,828.12 million, respectively, representing 18.71%, 18.94%, and 22.22%, respectively, of our AUM as of such dates. Any change in regulations framed by RBI or other regulators in relation to securitizations by NBFCs could have an adverse impact on our securitization program. Any deterioration in the performance of any batch of receivables assigned to banks could adversely affect our credibility and hence our ability to conduct further assignments, co-lending arrangements and securitizations. We may also be named as a co-plaintiff in legal proceedings initiated by an assignee in relation to the securitized assets. Also, there can be no assurance that our future Stage 3 Assets ratios will be consistent with prior experience or at levels that will enable us to maintain our current quality of loan portfolio. This could have an adverse impact on our business prospects, financial condition and results of operations and our assignment, co-lending arrangements and securitization plans in the future.

10. ***Our financial performance is subject to interest rate risk, and an inability to manage our interest rate risk may have a material adverse effect on our interest income from financing activities, thereby adversely affecting our business prospects and financial performance.***

Our results of operations, including our interest income from financing activities are dependent on our ability to manage our interest rate risk. Our various financing products provide a range of loans at fixed or floating rates of interest. Our funding arrangements also include both fixed and floating rate borrowings. Our Gross Finance Costs towards all our funding sources was ₹ 4,425.78 million, ₹ 6,135.36 million, and ₹ 8,346.25 million in Fiscals 2022, 2023 and 2024 respectively. Since our financing products involve both floating and fixed rates, an inability to match our borrowing profile with our loan product portfolio may lead to various risks such as, increase in interest rate. Our net interest income from financing activities and net interest margin would be adversely impacted in case of an increase in interest rate, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds. In the event of a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, it could adversely impact our interest income from financing activities and net interest margin. Additional risks arising from increasing interest rates, among others, include:

- increase in the rates of interest charged (where floating rates are typically used) on certain financing products in our product portfolio, which could result in the extension of loan maturities and higher monthly instalments due from borrowers which, in turn, could result in higher rates of default;
- increase in defaults resulting from extension of loan maturities and higher monthly instalments due from borrowers;
- reduction in the volume of loan disbursements as a result of a customer's inability to service high interest rate payments;
- inability to raise low-cost funds as compared to some of our competitors, who may have access to lower cost deposits; and
- inability to collect anticipated interest amount in case of prepayment of loans by our customers.

Interest rates are highly sensitive and fluctuations thereof are dependent upon many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic as well as international economic and political conditions, inflation and other factors, which have historically resulted in changes in interest rates in India. Interest rates in India have been volatile in the past. There can be no assurance that we will be able to adequately manage our interest rate risk. If we are unable to effectively manage our interest rate risks, it could have an adverse effect on our net interest margin, thereby adversely affecting our business prospects, financial condition and results of operations. We are affected by volatility in interest rates for both our lending and treasury operations, which could cause our net interest income and net interest margin to vary and consequently affect our profitability, result of operations and cash flows.

11. ***Our Company's business is highly regulated and we may be adversely affected by future regulatory changes. Our Company is subject to regulations in relation to minimum capital adequacy requirements and a decline in our CRAR will require us to raise fresh capital which may not be available on favourable terms, or at all. This in-turn may affect our business, prospects, results of operations and financial condition.***

As an NBFC, we have to mandatorily obtain a certificate of registration issued by the RBI. We are also required to have minimum net owned funds of ₹ 20 million. We are also required to create a reserve fund and transfer at least 20% of our net profit every year prior to any dividend being declared. We are also subject to regulations relating to the capital adequacy for NBFCs, which determine the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio and of the risk adjusted value of off-balance sheet items, as applicable. Pursuant to the Master Direction – Reserve Bank of India (Non-Banking Financial Company–Scale Based Regulation) Directions 2023, NBFCs are required to comply with a CRAR, consisting of Tier I capital and Tier II capital, that collectively shall not be less than 15% of the NBFC's aggregate risk-weighted assets and the risk adjusted value of off-balance sheet items, with a minimum requirement of Tier I capital of not less than 10% on risk weighted assets. Our Company's CRAR as at March 31, 2024, March 31, 2023 and March 31, 2022 on a standalone basis was 24.05% (Tier I Capital of 20.33%), 25.25% (Tier I Capital of 20.79%) and 26.35% (Tier I Capital of 23.08%), respectively. As we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us, and this may adversely affect the growth of our business. In addition, any change in RBI or other government regulations in relation to securitizations by NBFCs could have an adverse impact on our assignment, co-lending arrangements and securitization plans in the future. This could result in non–compliance with applicable capital adequacy ratios, which could have a material adverse effect on our business prospects, financial condition and results of operations.

In addition, we are also subject to the corporate laws, taxation laws and other laws in effect in India which require continued monitoring and compliance on our part. The introduction of additional government control or newly implemented laws and regulations, depending on the nature and extent thereof and our ability to make corresponding adjustments, may adversely affect our business, results of operations and financial condition. In particular, decisions taken by regulators concerning economic policies or goals that are inconsistent with our interests could adversely affect our results of operations. These laws and regulations and the way in which they are implemented and enforced may change from time to time and we cannot assure you that future legislative or regulatory changes will not have an adverse effect on our business, financial condition, cash flows and results of operations. Additionally, we are required to make various filings with the RBI, the Registrar of Companies and other regulatory authorities pursuant to the provisions of RBI regulations, the Companies Act and other regulations. If we fail to comply with these requirements, or a regulator alleges we have not complied with these requirements, we may be subject to penalties and compounding proceedings.

In addition, a number of States in India have enacted laws to regulate money lending transactions. These laws establish a maximum rate of interest that can be charged. There is ambiguity on whether or not NBFCs are required to comply with the provisions of these state money lending laws. There are severe civil and criminal penalties for non-compliance with the relevant money lending statutes. In the event that the government of any state in India requires us to comply with the provisions of their respective state money lending laws, or imposes any penalty against us for prior non-compliance, our business prospects, financial condition and results of operations could be adversely affected.

12. ***An inability to effectively manage and sustain our rate of growth, or maintain operational efficiencies, may adversely affect our business and we may not be able to increase our revenues or maintain our profitability.***

We have experienced consistent growth for over two decades of our operating history. Our AUM increased at a CAGR of 27.79%, from ₹ 65,651.49 million from March 31, 2022 to ₹ 107,219.02 million in March 31, 2024, and our Return on Average AUM was 2.64% in March 31, 2022 to 2.64% in March 31, 2024. Since we have maintained a consistent and stable growth, we believe that our prior growth rates are sustainable or a good indicator of our future performance. However, we cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to grow further, or at the same rate. Maintaining such levels of growth will continue to place demands on our management and other resources and there is no assurance that these demands will be met successfully. There can be no assurance that we would be able to increase revenue or maintain profitability on a quarterly or an annual basis. If this occurs, our business prospects, financial condition and results of operations will be adversely affected.

Our growth exposes us to a wide range of risks, including business risks, such as the possibility that the number of our Stage 3 Assets may grow faster than anticipated, as well as operational, fraud, regulatory and legal risks. As we move to newer geographies, we may not be able to maintain the level of our Stage 3 Assets or the quality of our portfolio and we may face difficulties such as lack of infrastructure in terms of connectivity, increased competition, different culture, regulatory and taxation regimes, business practices, customs, behaviour and preferences, and our current experience may not be applicable to new markets. It will require us to continuously develop and improve our information technology, administrative, supervisory mechanisms, risk management, accounting and operational infrastructure and internal capabilities to manage such growth of our business, which involves significant capital investment. There can be no assurance that we will be able to successfully pursue our growth strategies of penetrating deeper into our existing markets, expansion of our housing finance portfolio and cross-selling of our products to our existing customers and leveraging our technology platforms or that pursuing these strategies will provide us the anticipated benefits in terms of growth and profitability. Further, we may be unable to develop adequate infrastructure or devote sufficient financial resources or develop and attract talent to manage our growth. Our inability to pursue these strategies successfully or at all, or an inability to manage our growth, may adversely affect our prospects. There can be no assurance that we will be able to sustain our growth strategy successfully or that we will be able to further expand our operations or our financing product portfolio.

13. ***We may not be able to successfully diversify our product portfolio, which may materially and adversely affect our business prospects and impact our ability to conduct further assignments, co-lending and securitizations and consequently adversely impact our financial performance.***

As of March 31, 2024, our AUM in micro-enterprise loan segment constituted 40.91% and SME loan segment constituted 34.82% of our AUM as of such date. We intend to increasingly diversify our product portfolio by increasing focus on other product segments. Also, as part of our SME loan segment, we intend to finance working capital needs of manufacturers, retail and wholesale traders and service providers. Our inability to pursue this growth and expansion strategy successfully or at all, may adversely affect our future financial performance. We intend to increase the number of sourcing partners and DSAs that we have sourcing arrangements with. However, there can be no assurance that we will be able to negotiate such arrangements on commercially favourable terms or at all. In addition, we also intend to increase the number of financial institutions we extend loans to serve our objective of expanding our geographical reach while maintaining a relatively lower risk profile. We cannot assure you that we will successfully identify capable institutional borrowers or develop an ongoing relationship with them.

In order to expand our housing finance business, we intend to increase the geographic reach of MRHMFL's operations by establishing additional branch offices in the States that it currently operates and also launch branch offices in new States. There can be no assurance that we will be able to successfully implement our growth plans for our housing business. We cannot assure that any proposed diversification of our product portfolio or expansion of operations will in future yield and/or continue to yield favourable results, as our overall profitability and success will be subject to various factors, including, among others, our ability to obtain necessary statutory and/or regulatory approvals and licenses in connection with such businesses in a timely manner, and our ability to compete with banks and other NBFCs that are already established in these product segments or geographic areas.

14. ***Our Previous Statutory Auditors have issued a qualified opinion in their audit report on the audited consolidated financial information as at and for the year ended March 31, 2021 due to changes in our accounting policies. We have made further changes to our accounting policies due to a directive received***

from RBI during Fiscal 2023. Further, our current and Previous Statutory Auditors have included certain remarks in their audit reports and certain qualifications in the annexure to their audit reports on the Companies (Auditor's Report) Order, 2016 / Companies (Auditor's Report) Order, 2020, for the years ended March 31, 2021 and 2022 and 2023.

Our Previous Statutory Auditor have issued a qualified opinion in their audit reports on the audited consolidated financial information as at and for the year ended March 31, 2021.

As described in Note 30 to the consolidated financial information for the year ended March 31, 2021, during the year ended March 31, 2021, the Group had changed its accounting policy for recognising gain on derecognition of loans upon assignment. As per the previous policy, such gain was recognised immediately in the consolidated statement of profit and loss. As per the new policy adopted by the Group, such gain is recorded as 'unearned income on assigned loans' under the head 'other non-financial liabilities' and is amortised in the consolidated statement of profit and loss over the period of the underlying residual tenure of the assigned loan portfolio. This change in accounting policy would constitute a departure from the Indian Accounting Standards prescribed under section 133 of the Act (Ind AS 109 – 'Financial Instruments') which requires the gain / loss to be recognised immediately in the statement of profit and loss upon derecognition of assigned loans. As per our Previous Statutory Auditors, this change in accounting policy is not in compliance with the requirements of Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' that permits to change the accounting policy only if the change satisfies given criteria therein. If we had not revised our policy, 'other equity' would have increased by ₹ 331.96 million, 'non-controlling interest' would have increased by ₹ 5.33 million, 'deferred tax assets' would have decreased by ₹ 113.91 million and 'liability on unearned income' would have decreased by ₹ 451.19 million to Nil as at March 31, 2021. Further, 'gain on assignment of financial assets' would have decreased by ₹ 346.15 million and 'deferred tax credit' would have increased by ₹ 87.12 million for the year ended March 31, 2021. There was no impact on the net cash flows of our Company.

In addition to the above, till December 31, 2022, gain on assignment of financial asset was recognised as 'unearned income on assigned loans' under the head 'other non-financial liabilities' and was amortised in the statement of profit and loss over the period of the underlying residual tenure of the assigned loan portfolio. Such policy was adopted by our management for more prudent and fair presentation of financial statements by exercising their judgement under paragraph 19 of Ind AS 1 "Presentation of financial statements". During the quarter ended March 31, 2023, the Group had received a directive from the RBI to book such gain upfront in the statement of profit and loss in accordance with Ind AS 109 instead of amortising it over the period of the underlying residual tenure of the assigned loan portfolio. Pursuant to such directive from regulating authorities, our management has changed the accounting policy as directed and advised by the RBI to book such gain upfront in the statement of profit and loss in accordance with Ind AS 109 instead of amortising it over the period of the underlying residual tenure of the assigned loan portfolio.

The new accounting policy has been implemented retrospectively and presented from the beginning of the earliest period i.e. April 1, 2021. On account of adopting such revised accounting policy, in case of derecognition of loans upon assignment prior to March 31, 2021, where underlying residual terms of the assigned portfolio was falling on or after March 31, 2021, the Group has increased other equity by ₹ 324.72 million, increased non-controlling interest by ₹ 0.42 million, decreased the deferred tax assets by ₹ 109.40 million, decreased spread on assigned assets by ₹ 16.64 million and decreased unearned income on assigned loans under the head other non-financial liabilities of ₹ 451.18 million.

For further information, see, "*Financial Information*", "*Management's Discussion and Analysis of Financial Conditions and Results of Operations – Change in Accounting Policies*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations - Reservations, qualifications or adverse remarks by Statutory Auditors*" on pages 237, 123 and 137, respectively.

Further, in addition to the above, our current and Previous Statutory Auditors have included the following reservations, qualifications and adverse remarks or emphasis of matters in their respect audit reports in the last five fiscal years:

<table>
<tr><th>Fiscal (standalone/ consolidated Financial information)</th><th>Details of reservation, qualification or adverse remarks</th><th>Details of impact on Financial Statements and financial position of the Company</th><th>Corrective steps taken and/or proposed to be taken by the Company</th></tr>
<tr><td>Standalone Financials for the year ended on March 31, 2024 (Audit Report)</td><td>The Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software except that, audit trail feature was not enabled at database level for accounting software to log any direct data changes. Further, during the course of the audit, the auditor did not come across any instance of the audit trail feature being tempered with in respect of such accounting software where such feature is enabled.</td><td>No impact on the financial statement.</td><td>-</td></tr>
<tr><td>Standalone Financials for the year ended on March 31, 2024 (CARO)</td><td>There are 10 instances of fraud by customers relating to availment of loans by falsifying the records and documents. The total amount of such frauds amounts to Rs. 8.65 million.</td><td>Necessary impact has been taken in books of account.</td><td>-</td></tr>
<tr><td>Standalone Financials for the year ended on March 31, 2024 (CARO)</td><td>There are no statutory dues referred in above sub-clause, which have not been deposited with the appropriate authorities on account of any disputes except for the following:
<table>
<tr><th>Sr. No.</th><th>Name of Statute</th><th>Nature of Dues</th><th>Amount [₹ in Millon]</th><th>Period to which the amount relates</th><th>Forum where dispute is pending</th></tr>
<tr><td>1</td><td>Income tax Act, 1961</td><td>Income Tax</td><td>1.19 [*]</td><td>AY 2017-2018</td><td>Deputy Commission of Income Tax (A)</td></tr>
</table>
[*] after adjusting the amount of refund claimed by the company amounting Rs. 3.26 million.</td><td>It is a disputed liability.</td><td>-</td></tr>
<tr><td>Consolidated Financials for the year ended on March 31, 2024 (Audit Report)</td><td>The Company and its subsidiary companies incorporated in India have used accounting software for maintaining books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software except that in case of holding company and a subsidiary, audit trail feature was not enabled at database level for accounting software to log any direct data changes. Further, during the course of the audit, we and the respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with in respect of such accounting software where such feature is enabled.</td><td>No impact on the financial statement.</td><td>-</td></tr>
<tr><td>Standalone Financials for the year ended on March 31, 2023 (CARO)</td><td>The Company is required to strengthen the internal audit function by expanding the scope and coverage to include Risk Based Internal Audit to commensurate the internal audit system with the size and nature of its business.</td><td>No impact on the financial statement.</td><td>Company has started Risk based internal audit from March 31 2023.</td></tr>
<tr><td>Standalone Financials for the year ended on March 31, 2023 (CARO)</td><td>There are no statutory dues referred in above sub-clause, which have not been deposited with the appropriate authorities on account of any disputes except for the following:
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[*] after adjusting the amount of refund claimed by the company amounting Rs. 3.26 million.</td><td></td><td></td></tr>
<tr><td>Standalone Financials for the year ended on March 31, 2023 (CARO)</td><td>There are 17 instances of fraud by customers relating to availment of loans by falsifying the records and documents. The total amount of such frauds amounts to Rs. 18.92 million.</td><td>Necessary impact has been taken in books of account.</td><td>-</td></tr>
<tr><td>Standalone Financials for the year ended on March 31, 2022 (CARO)</td><td>There are no statutory dues referred in above sub-clause, which have not been deposited with the appropriate authorities on account of any disputes except for the following:
<table><tr><th>Sr. No.</th><th>Name of Statute</th><th>Nature of Dues</th><th>Amount [₹ in Million]</th><th>Period to which the amount relates</th><th>Forum where dispute is pending</th></tr>
<tr><td>1</td><td>Income tax Act, 1961</td><td>Income Tax
DDT</td><td>76.86
3.71</td><td>AY 2013-2014</td><td>Assistant Commissioner of Income Tax</td></tr>
<tr><td>2</td><td>Income tax Act, 1961</td><td>Income Tax
DDT</td><td>3.91
23.42</td><td>AY 2018-2019</td><td>Assistant Commissioner of Income Tax</td></tr></table></td><td>It is a disputed liability.</td><td>-</td></tr>
<tr><td>Standalone Financials for the year ended on March 31, 2021 (Audit Report)</td><td>As described in Note 30 to the standalone financial statements, during the year ended 31 March 2021, the Company had changed its accounting policy for recognising gain on derecognition of loans upon assignment. As per the previous policy, such gain was recognised immediately in the standalone statement of profit and loss. As per the new policy adopted by the Company, such gain is recorded as ‘unearned income on assigned loans’ under the head ‘other non-financial liabilities’ and is amortised in the standalone statement of profit and loss over the period of the underlying residual tenure of the assigned loan portfolio. This change in accounting policy would constitute a departure from the Indian Accounting Standards prescribed under section 133 of the Act (Ind AS 109 – ‘Financial Instruments’) which requires the gain / loss to be recognised immediately in the statement of profit and loss upon derecognition of assigned loans. In our view, this change in accounting policy is not in compliance with the requirements of Ind AS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors’ that permits to change the accounting policy only if the change satisfies given criteria therein.</td><td>Had the Company not revised its policy, ‘other equity’ would have increased by Rs. 324.07 million, ‘deferred tax assets’ would have decreased by Rs. 109.02 million and liability on account of ‘unearned income on assigned loans’ would have decreased by Rs. 433.09 million to Nil as at 31 March 2021. Further, ‘gain on assignment of financial assets’ would have decreased by Rs. 339.46 million and ‘deferred tax credit’ would have increased by Rs. 85.44 million for the year ended 31</td><td>Company has already started complying with the Ind AS 109 – ‘Financials Instruments’ which requires the gain/loss to be recognized immediately in the statement of profit and loss upon de-recognition of assigned loans since quarter ended March 2023.</td></tr>
</table>

Fiscal (standalone/ consolidated Financial information)	Details of reservation, qualification or adverse remarks	Details of impact on Financial Statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
		March 2021. There is no impact on the net cash flows of the Company.	
Standalone Financials for the year ended on March 31, 2021 (CARO)	There are instances of delay in payment of professional tax. The amount of delay is not material [i.e. less than round off adjustment of Rs. 50,000].	There is no material impact on the Financials statements of the company.	This delay in payment is due to delay in registration of one branch. However, company has complied with the same by making payment with delayed interest (if any).
Consolidated Financials for the year ended on March 31, 2021(Audit Report)	As described in Note 30 to the consolidated financial statements, during the year ended March 31, 2021, the Group had changed its accounting policy for recognising gain on derecognition of loans upon assignment. As per the previous policy, such gain was recognised immediately in the consolidated statement of profit and loss. As per the new policy adopted by the Group, such gain is recorded as 'unearned income on assigned loans' under the head 'other non-financial liabilities' and is amortised in the consolidated statement of profit and loss over the period of the underlying residual tenure of the assigned loan portfolio. This change in accounting policy would constitute a departure from the Indian Accounting Standards prescribed under section 133 of the Act (Ind AS 109 – 'Financial Instruments') which requires the gain / loss to be recognised immediately in the statement of profit and loss upon derecognition of assigned loans. In our view, this change in accounting policy is not in compliance with the requirements of Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' that permits to change the accounting policy only if the change satisfies given criteria therein.	Had the Group not revised its policy, 'other equity' would have increased by Rs. 331.96 million, 'non-controlling interest' would have increased by Rs. 5.33 million, 'deferred tax assets' would have decreased by Rs. 113.91 million and 'liability on unearned income' would have decreased by Rs. 451.19 million to Nil as at 31 March 2021. Further, 'gain on assignment of financial assets' would have decreased by Rs. 346.15 million and 'deferred tax credit' would have increased by Rs. 87.12 million for the year ended 31 March 2021. There is no impact on the net cash flows of the Group	Group has already started complying with the Ind AS 109 – 'Financials Instruments' which requires the gain/loss to be recognized immediately in the statement of profit and loss upon de-recognition of assigned loans since quarter ended March 2023.
Standalone Financials for the year	There are no statutory dues referred in above sub-clause, which have not been deposited with the appropriate authorities on account of any disputes except for the following:	It is a disputed liability.	-

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<tr><td>ended on March 31, 2021 (CARO)</td><td><table><tr><th>Sr. No.</th><th>Name of Statute</th><th>Nature of Dues</th><th>Amount [₹ in Million]</th><th>Period to which the amount relates</th><th>Forum where dispute is pending</th></tr><tr><td>1</td><td>Income tax Act, 1961</td><td>Income Tax</td><td>39</td><td>AY 2018-2019</td><td>Assistant Commissioner of Income Tax</td></tr></table></td><td></td><td></td></tr>
<tr><td>Standalone Financials for the year ended on March 31, 2020</td><td>There are instances of delay in payment of professional tax. The amount of delay is not material [i.e. less than round off adjustment of Rs. 50,000].
There are arrears in professional tax for a period of more than six months from the date they became payable. The amount of delay is not material [i.e. less than round off adjustment of Rs. 50,000].</td><td>There is no material impact on the Financials statements of the company.</td><td>This delay in payment is due to delay in registration of two branches. However, company has complied with the same by making payment with delayed interest (if any).</td></tr>
<tr><td>Standalone Financials for the year ended on March 31, 2020 (CARO)</td><td>There are no statutory dues referred in above sub-clause, which have not been deposited with the appropriate authorities on account of any disputes except for the following:<table><tr><th>Sr. No.</th><th>Name of Statute</th><th>Nature of Dues</th><th>Amount [₹ in Million]</th><th>Period to which the amount relates</th><th>Forum where dispute is pending</th></tr><tr><td>1</td><td>Income tax Act, 1961</td><td>Income Tax</td><td>5.95</td><td>AY 2017-2018</td><td>Deputy Commission of Income Tax</td></tr></table></td><td>It is a disputed liability.</td><td></td></tr>
</table>

Fiscal (Consolidated/standalone Financial information)	Details of matter of emphasis or other observations or modifications	Details of impact on financial statements	Corrective steps taken and/or proposed to be taken by the Company/Group
Standalone Financials for the year ended on 31st March, 2023	The change in accounting policy in respect of Gain / loss on derecognition of loans upon assignment and related disclosures in accordance with the applicable requirements of Ind AS.	For the details of impact of change in accounting policy, please refer Note 32 of standalone financial statements	No corrective steps is required by the company as it complies with the Indian Accounting Standards prescribed under section 133 (Ind AS 109 – Financial Instruments) of the Companies Act 2013.
Consolidated Financials for the year ended	The change in accounting policy in respect of Gain / loss on derecognition of loans upon assignment and related disclosures	For the details of impact of change in accounting policy, please refer Note 32 of standalone financial statements	No corrective steps is required by the Group as it complies with the Indian Accounting Standards

Fiscal (Consolidated/Standalone Financial information)	Details of matter of emphasis or other observations or modifications	Details of impact on financial statements	Corrective steps taken and/or proposed to be taken by the Company/Group
on 31st March, 2023	in accordance with the applicable requirements of Ind AS.		prescribed under section 133 (Ind AS 109 – Financial Instruments) of the Companies Act 2013.
Standalone Financials for the year ended on 31st March, 2020	As per the RBI COVID '19 Regulatory Package, in respect of accounts overdue as at 31st March 2020 but were standard as at February 29, 2020 where moratorium benefit has been granted, the staging of those accounts are considered based on the days pass due status as on 29th February, 2020.	The extent to which the COVID-19 pandemic will impact future results of the Company will depend on future developments, which are highly uncertain.	Reserve Bank of India has issued guidelines relating to COVID-19 Regulatory Package dated 27 March 2020 and 17 April 2020 and in accordance with the same company took necessary steps as required in compliance to the same guidelines.
Consolidated Financials for the year ended on 31st March, 2020	As per the RBI COVID '19 Regulatory Package, in respect of accounts overdue as at March 31, 2020 but were standard as at February 29, 2020 where moratorium benefit has been granted, the staging of those accounts are considered based on the days pass due status as on 29th February, 2020.	The extent to which the COVID-19 pandemic will impact future results of the Group will depend on future developments, which are highly uncertain.	Reserve Bank of India has issued guidelines relating to COVID-19 Regulatory Package dated 27 March 2020 and 17 April 2020 and in accordance with the same group took necessary steps as required in compliance to the same guidelines.

For further information, see, "*Financial Information*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations - Reservations, qualifications or adverse remarks by Statutory Auditors*" on pages 237 and 137, respectively.

Further, there have been certain income tax dues that have not been deposited as of March 31, 2022. For further details please refer see, "*Financial Information*" on page 237.

There can be no assurance that any similar emphasis of matters, remarks or other matters prescribed under the Companies (Auditor's Report) Order, 2020, will not form part of our financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected.

15. ***Our growth may be materially and adversely affected by an inability to respond promptly and effectively to new technological innovations.***

Our ability to respond to technological advances on a cost-effective and timely basis may have an impact on our growth. Technological innovation such as digital wallets, mobile operator banking, advancements in blockchain technology could disrupt the financial services industry and increase competition as a whole. If we fail to adapt to such technological advances quickly and effectively it could affect the performance and features of our products and services and reduce our attractiveness to existing and potential customers hereby adversely affecting our business, financial condition, results of operations, and cash flows. For instance, automated lending has revolutionized the way lenders manage risk, providing them with more effective tools and strategies to mitigate potential losses. Automated lending platforms integrate with various data sources, including credit bureaus and financial institutions, to access real-time information about borrowers. This enables lenders to assess the risk associated with a loan application promptly and disburse loans instantly. If we fail to adopt the automated lending platform before our competition, it could significantly impact our operations.

Our competitors may also make more significant and effective investments in innovation, growth of their businesses and enhancing their customer reach and engagement and may outcompete us in any of these areas. Increased investments made or innovative services offered by our competitors may require us to divert significant managerial, financial and human resources in order to remain competitive, and ultimately may reduce our market share and negatively impact the revenues.

16. ***Some of our loans we provide are unsecured and are susceptible to certain operational and credit risks which may result in increased levels of Stage 3 Assets which may adversely affect our business, prospects, results of operations and financial condition.***

Our micro-enterprise loans are given to customers who primarily include small and medium sized manufacturers, traders and service providers and are mostly unsecured in nature. Similarly, our salaried personal loans are also largely unsecured in nature. We may not be able to recover these loans through our standard recovery proceedings. As of March 31, 2024, our unsecured loan portfolio was ₹ 23,032.56 million out of On-book AUM of ₹ 83,390.90 million. These unsecured loans present a higher risk of loss in case of a credit default as compared to loans to customers in other asset-backed financing products. In addition, there can be no assurance that our monitoring and risk management procedures will succeed in effectively predicting the right income levels of these customers or that our loan loss reserves will be sufficient to cover any actual losses. If our recovery team is unable to recover payments under these unsecured loans, we typically initiate legal action in respect of dishonoured non-cash instruments. However, there can be no assurance that these legal proceedings would be commercially feasible or conclude in a manner favourable to us in a timely manner or at all. If there is a default by customers on repayment of such unsecured loans or if we are unable to recover our principal and interest through such legal proceedings, we may experience increased levels of Stage 3 Assets and we may be required to make related provisions and write-offs that may have an adverse effect on our business prospects, financial condition and results of operations.

17. ***We may not be able to recover our secured loans on a timely basis, or at all, the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under such defaulted loans. Our inability to recover outstanding amounts under loans may adversely affect our business.***

As collateral for loans extended, machinery, stock, vehicles or receivable/book debt are hypothecated in our favour, immovable property is mortgaged for housing loans or other guarantee is obtained on a case by case basis. We collect NACH or direct debit instructions authorisation letters from our customers at the time of disbursement. However, there can be no assurance that these instruments would be honoured when submitted to the respective banks for clearance. In case of a dishonour of instrument, we liaise with customers to work out a payment plan; however, there can be no assurance that we would be able to successfully retrieve payments due to us.

There can be no assurance that we will be able to sell such machinery, stock, vehicles or properties provided as collateral at prices sufficient to cover the amounts under default, or that we would be able to invoke other securities, such as personal guarantees. In addition, there may be delays associated with such processes. Further, certain ownership documents of the immovable properties that are mortgaged to us may not be duly registered or adequately stamped. Failure to adequately stamp and register a document renders the document inadmissible in evidence. Consequently, should any default arise in relation to the corresponding loans, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such mortgaged properties. Further, if any of our borrowers take recourse of arbitration or litigation against our repayment claims, it may cause a further delay in our recovery process leading to depreciation of the secured asset. A failure or delay in recovering the expected value from sale of collateral security could expose us to a potential loss. Any such losses could adversely affect our business prospects, financial condition and results of operations.

Although a majority of our collection takes place through non-cash models such as NACH or direct debit instructions, in certain cases, payment in cash is collected directly from customers by our recovery team. We mostly outsource such recovery and collection processes to independent contractors. Such cash collections expose us to the risk of loss, theft, fraud, misappropriation or unauthorized transactions by our employees or such independent contractors. In addition, any misbehaviour or use of any unauthorised or illegal collection methods by our third party collection agencies could adversely affect our reputation and/or result in legal or regulatory proceedings against us. Our internal control measures to detect and prevent any unauthorized transactions, fraud or misappropriation by our employees may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our business prospects, financial condition and results of operations. In addition, we may be subject to regulatory or other proceedings in connection with any such unauthorized transaction, fraud or misappropriation by independent contractors or employees.

18. ***Our risk management measures may not be fully effective in mitigating our risks in all market environments or against all types of risks, which may adversely affect our business and financial performance.***

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. Our internal audit functions make an evaluation of the adequacy and effectiveness of our internal risk management, control and governance processes. The effectiveness of our risk management is limited by the quality and timeliness of available data. Our hedging strategies and other risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, current, or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events.

Many of our customers may not have any credit history supported by tax returns, bank or credit card statements, statements of previous loan exposures, or other related documents, have limited formal education, and may only be able to furnish limited information for us to assess their creditworthiness accurately. In addition, we may not receive updated information regarding any change in their financial condition or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation. It is therefore, difficult to carry out credit risk analyses on our customers. For instance, in the Financial Year ended March 31, 2024, there were 10 instances of fraud by our customers relating to availment of loans by falsifying the records and documents, amounting to ₹ 8.65 million. Although we have established stringent policies and procedures, they may not be fully effective. For further information, see "*Our Business - Risk Management"* on page 155.

Although we have established policies and procedures, they may not be fully effective. Our future success will depend, in part, on our ability to respond to new technological advances and evolving NBFC standards and practices on a cost-effective and timely basis. The development and implementation of standards and practices entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies or adapt our transaction-processing systems to customer requirements or evolving market standards.

19. ***Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and lending markets and, as a result, would negatively affect our net interest margin and our business.***

The cost and availability of capital is dependent on our short-term and long-term credit ratings. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Set forth below are the ratings that we have received as on the date of this Placement Document:

Rating Agency	Type of Instrument	Amount in ₹ million	Rating as of the date of the PPD
Acuite Ratings & Research Limited	Long Term Bank Facilities	60,000.00	ACUITE AA-/Stable
Acuite Ratings & Research Limited	Non-Convertible Debentures	2,000.00	ACUITE AA-/Stable
Acuite Ratings & Research Limited	Short Term Commercial Papers	3,000.00	ACUITE A1+
Care Ratings Limited	Long Term Bank Facilities	80,000.00	CARE AA-; Stable
Care Ratings Limited	Commercial Papers issue	2,500.00	CARE A1+
Care Ratings Limited	Non-Convertible Debentures	6,500.00	CARE AA-; Stable
Care Ratings Limited	Market Linked Debentures	3,000.00	CARE PP-MLD AA-; Stable
Care Ratings Limited	Subordinated Debt	4,000.00	CARE AA-; Stable

For further information about credit ratings, see "*Our Business – Credit Ratings*" on page 168. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and debt markets and, as a result, negatively affect our net interest margin and our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. The ratings provided by the rating agencies may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions.

20. ***We may face asset-liability mismatches, which could affect our liquidity and consequently may adversely affect our operations and profitability.***

Assets and liability mismatch ("**ALM**") represents a situation when financial terms of an institution's assets and liabilities do not match. ALM is a key financial parameter indicative of an NBFC's performance. We cannot assure you that we will be able to maintain a positive ALM at all times. We may rely on funding options with short term maturity periods for extending long term loans, which may lead to a negative ALM. For further details please refer to "*Selected Statistical Information"* appearing on page 46. Further, mismatches between our assets and liabilities are compounded in case of pre-payment of financing facilities we grant to customers. Any mismatch in our ALM, may lead to a liquidity risk and have an adverse effect on our business prospects, financial condition, results of operations and profitability.

21. If we do not generate sufficient amount of cash from operations, our liquidity and our ability to service our indebtedness and fund our operations would be adversely affected.

While we believe that our cash flow from operations, available cash and borrowings will be adequate to meet our future liquidity needs, we have substantial debt service obligations and working capital requirements. We cannot assure you that our business will generate sufficient cash flow from operations such that our anticipated revenue growth will be realized or that future borrowings will be available to us under credit facilities in amounts sufficient to enable us to repay our existing indebtedness, fund our expansion efforts or fund our other liquidity needs. If we are unable to service our existing debt, our ability to raise debt in the future will be adversely affected which will have a significant adverse effect on our business prospects, financial condition and results of operations.

Further, we face potential asset liability mismatches creating liquidity shortage or surplus and depending upon the interest rate movement, such situations may adversely affect our interest income from financing activities. As is typical for NBFCs, a portion of our funding requirements is met through short-term funding sources such as cash credit and short-term loans from banks. If we do not generate sufficient cash flow from operations to service our debt obligations and working capital requirements, it may have an adverse effect on our business prospects, financial condition and results of operations.

22. System failures or inadequacy and security breaches in computer systems may adversely affect our business.

Our business is increasingly dependent on operational aspects like our ability to process, on a daily basis, a large number of transactions as well as for the scalability and growth of our business. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communications services.

Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. The information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of products. Our information technology support systems connect our branches and aid us in performing the processes involved in a loan transaction. This ensures centralization of the operations and customer database. We have developed proprietary software, which we use to efficiently link and manage our operations. Our operations rely on the secure processing, storage and transmission of these confidential and other information in our computer systems and networks. Our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security.

Any failure to effectively maintain or improve or upgrade our management information systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems. Any of the foregoing could affect our operations or result in financial losses, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located.

23. Our business relies significantly on our operations in the States of Gujarat and Maharashtra, and any adverse changes in the conditions affecting these States can adversely impact our business, financial condition and results of operations.

As of March 31, 2024, we had over 12,000 Customer Locations in Gujarat, Maharashtra, Madhya Pradesh, Rajasthan, Karnataka, Chhattisgarh, Uttarakhand, Punjab, Haryana, Telangana, and Tamil Nadu and the NCT of Delhi served through 252 branches. A significant portion of our AUM originates from Gujarat and our entire organisation network is monitored from our head office in Gujarat. Our business is dependent on the overall performance of the state of Gujarat. We currently have 115 and 37 branches in Gujarat and Maharashtra, respectively amounting to 45.63% and 14.68% of our total branches respectively. In the event of a regional slowdown in the economic activity in Gujarat or Maharashtra or a slowdown in sectors we finance, or any other developments that make our products in Gujarat or Maharashtra less economically beneficial, we may experience more pronounced effects on our financial condition and results of operations. While we have expanded our operations to other States such as Madhya Pradesh, Chhattisgarh, Uttarakhand, Karnataka, Rajasthan, Delhi, Tamil Nadu, Punjab, Haryana ,Telangana, and Uttar Pradesh our branches, products and customer base continues to be concentrated in the States of Gujarat and Maharashtra.

Our business, financial condition and results of operations have been and will continue to be largely dependent on the performance of, and the prevailing conditions affecting these States. The market for our products in Gujarat and Maharashtra may perform differently from, and be subject to, market and regulatory developments that are different from requirements in other Indian States. We cannot assure you that the demand for our products will grow, or will not decrease, in the future, in this region and these may have an adverse effect on our business prospects, financial condition and results of operations.

24. ***Our Subsidiary, MRHMFL, is an HFC and operates in an extensively regulated environment and is subject to any changes in laws and regulations applicable to HFCs. If our Subsidiary is unable to comply with such regulatory requirements, it could have a material and adverse effect on our business.***

MRHMFL, our Subsidiary operates in the housing finance business and is registered with the NHB. Pursuant to RBI Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (“**RBI Master Directions – HFC**”), HFCs are under the purview of RBI suppressing Master Circular - The Housing Finance Companies (NHB) Directions, 2010. Accordingly, activities of HFCs, are primarily regulated by the RBI Master Directions - HFC, including various aspects of our business such as what constitutes housing finance and housing finance company, net owned fund requirement, capital adequacy, sourcing of funds, on-boarding of customers, credit approval and risk management and asset classification and provisioning. The RBI Master Directions – HFC also require that HFCs shall maintain a minimum capital adequacy ratio, consisting of Tier I capital and Tier II capital of not lower than 15% of its aggregate risk weighted assets and risk adjusted value of off-balance sheet items, as applicable. Further the total Tier II capital at any point of time shall not exceed 100% of the Tier I capital. At a minimum, Tier I capital shall not be less than 10% of risk weighted assets. There can be no assurance that our Subsidiary will be able to raise adequate additional capital required under these regulations in the future on favourable terms, and this may adversely affect the growth of our business.

MRHMFL is subject to periodic inspections by the NHB and RBI with respect to such controls and regulations and any irregularities found during such investigations could expose MRHMFL to penalties. In recent inspection reports of MRHMFL for Fiscals 2021 and 2022, the NHB has advised MRHMFL to (i) revise the valuation reports in line with Annex XIV of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and adhere to the same for future compliance, and (ii) avoid sharing un-demarcated premises and common servers with our Company. While MRHMFL has responded to NHB and RBI and addressed such observations, there can be no assurance that the NHB and RBI will not make similar or other observations in the future.

Further, there can be no assurance that MRHMFL will be able to timely adapt to new laws, regulations or policies that may come into effect from time to time with respect to the housing finance sector. The notification of new regulations and policies, may require us to obtain approvals and licenses from the government and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently, or change the manner in which we conduct KYC or authenticate our customers. Any such changes and the related uncertainties with respect to the implementation of new regulations may have an adverse effect on our business, financial condition and results of operations. There can be no assurance that MRHMFL will not be subject to any adverse regulatory action in the future. The costs of compliance may be high, which may affect the profitability of MRHMFL. If MRHMFL is unable to comply with any such regulatory requirements in a timely manner or at all, our business prospects, financial condition and results of operations may be materially and adversely affected.

25. MRHMFL, our Subsidiary's affordable housing finance business is subject to certain tax and fiscal benefits which may be discontinued in the future by the Government of India ("GoI") or by state governments relating to financing of purchase or construction of property.

Our Subsidiary, MAS Rural Housing & Mortgage Finance Limited, is in the affordable housing finance business carrying on its operations in Gujarat, Maharashtra, Rajasthan and Madhya Pradesh. HFCs' credit growth to the housing sector accelerated in 2022-23 due to the post-COVID shift in preference for homeownership, government initiatives to promote affordable housing, and attractive tax incentives. *(Source: Report on Trend and Progress of Banking in India 2022-23 by Reserve Bank of India).* Tax reliefs have been instrumental in driving growth in the housing and housing finance sectors. The GoI has also provided incentives to the housing finance industry which are aimed at providing low-cost, long-term credit to the low and middle income segments in rural and urban parts of India. Pursuant to these initiatives, the NHB provides refinance for certain qualifying loans at reduced rates to qualifying HFCs through its schemes. In addition, the RBI has provided certain incentives to the housing finance industry by extending priority sector status to certain housing loans and making funds available to housing finance companies at lower rates. Certain other key measures taken by the RBI to assist in fulfilling the GoI's objectives include reduction in risk weights applicable for affordable housing loans for the purpose of calculation of CRAR.

In addition, availing of housing loans for residential properties has become attractive due to certain government schemes and income tax exemptions on the repayment of loans and interest payments. Principal repayment qualifies for tax deduction under section 80C of the Income Tax Act, 1961 and interest payment qualifies for a reduction in taxable income as per the maximum limit specified in Income Tax Act, 1961. There can be no assurance that the NHB, RBI and the GoI will continue to offer such tax benefits to borrowers at the current levels or at all, which may adversely affect the demand for housing and consequently housing finance. In addition, the GoI may not implement proposals to facilitate investment in affordable housing. If there is any discontinuation or modification to the tax and fiscal benefits available to MRHMFL, its business prospects, financial condition and results of operations may be adversely affected.

26. Our inability to expand our business into new regions and markets in India or the sub-optimal performance of our new branches could adversely affect our business, results of operations, financial condition and cash flows.

As we plan to expand our geographic footprint, we may be exposed to additional challenges, including identifying and collaborating with local business partners with whom we may have no previous business relations, obtaining necessary governmental approvals, successfully marketing our brand and products in markets in which we have no familiarity, attracting customers in a market in which we do not have significant experience or visibility, being subject to additional local taxes, attracting and retaining new employees, expanding our technological infrastructure, maintaining standardized systems and procedures and adapting our marketing strategy and operations to new markets in India in which different languages are spoken. To address these challenges, we may have to make significant investments that may not yield desired results or incur costs that we may not be able to recover. Our inability to expand our current operations or the sub-optimal performance of our new branches may adversely affect our business, financial condition, results of operations and cash flows.

27. Some of our corporate records are not traceable. There have been certain instances of discrepancies in statutory filings and records made by our Company with the RoC under applicable law.

Certain corporate records and regulatory filings made by us, including those in relation to filings made in relation to (i) reclassification of authorised share capital of the Company, pursuant to shareholders' resolutions dated February 16, 1998 and March 29, 2001, respectively, and (ii) redemption of 9,550 (13.5%) redeemable cumulative preference shares on October 10, 2000, are not traceable. Further we and our Promoters have been unable to trace a significant number of share-transfer forms pertaining to transfer of Equity Shares by and to our Promoters since our incorporation till 2013. Additionally, we are unable to trace our board and shareholders resolution for some of the allotments made including (i) preferential allotment of 95,500 Equity Shares on November 1, 1995, (ii) preferential allotment of 232,000 Equity Shares on December 15, 1995 etc. Despite having conducted an extensive search of our records, and a search in the records of the RoC, we have not been able to retrieve the aforementioned documents, and accordingly, have relied on other documents, including minutes of meetings of our board of directors and shareholders, our statutory registers of members and share transfer, annual reports and audited financial statements for such matters. We had commissioned a physical and online search of the RoC records through Ravi Kapoor & Associates, Practicing Company Secretaries ("**PCS**"), to retrieve missing documents in relation to, inter alia, issuances of Equity Shares by the Company. Pursuant to the foregoing, PCS has issued a certificate dated May 22, 2024 ("**PCS Certificate**"). We cannot assure you that the abovementioned form filings and resolutions will be available in the future.

Further, there have been certain discrepancies in relation to statutory filings and records required to be made by us with the RoC, as stated below:

S. No.	Relevant corporate action and date	Particulars
1.	Allotment of 8,800 Equity Shares dated March 31, 1998	The return of allotment filed with the RoC erroneously recorded that 500 equity shares were allotted to Mamtaben P. Shah, jointly with Pareshkumar M. Shah, three times, instead of 500 Equity Shares allotted to Mamtaben P. Shah (jointly with Pareshkumar M. Shah), 500 Equity Shares allotted to Jainy Rajeshkumar Shah (jointly with Rajeshkumar M. Shah) and 500 Equity Shares allotted to Lilaben Manilal Shah (jointly with Manilal Mansukhlal Shah), respectively.
2.	Allotment of 250,000 Equity Shares dated March 31, 2001	The return of allotment filed with the RoC erroneously recorded the face value per equity share as ₹ 100, instead of ₹ 10.
3.	Allotment of 3,000,000 Equity Shares dated August 16, 2007	The return of allotment filed with the RoC erroneously recorded the total nominal value of equity shares issued including the present allotment as ₹ 95,000,000, instead of ₹ 90,000,000.
4.	Allotment of 500,000 Equity Shares dated March 31, 2008	The return of allotment filed with the RoC erroneously recorded the total nominal value of equity shares issued including the present allotment as ₹ 308,747,640, instead of ₹ 95,000,000.
5.	Bonus issue of equity shares dated December 28, 2011	The board resolution dated December 28, 2011 approving the bonus issue erroneously recorded the premium per equity share as ₹ 120, instead of *nil*.
6.	Allotment of 20,000,000 preference shares dated April 23, 2008	The total nominal value of preference shares issued including the present allotment was not recorded in the return of allotment filed with the RoC. This should have been recorded as ₹ 265,000,000.
7.	Allotment of 20,000,000 preference shares dated June 23, 2008	The return of allotment filed with the RoC erroneously recorded the total nominal value of preference shares issued including the present allotment as ₹ 400,000,000, instead of ₹ 465,000,000
8.	Allotment of 25,141,290 preference shares dated August 19, 2008	Two returns of allotment were inadvertently filed with the RoC. Further, in the correct return, the total nominal value of preference shares issued including the present allotment was erroneously recorded as ₹ 651,412,900, instead of ₹ 716,412,900

We cannot assure you that we will not be subject to proceedings initiated against any authority (including the RoC) in relation to such discrepancies in future.

28. The success of our business operations is dependent on our Senior Management Personnel and Key Management Personnel as well as our ability to attract, train and retain employees.

The continued success of our business operations is attributable to our Senior Management Personnel and Key Management Personnel. We believe that the experience of our senior management team has enabled us to experience consistent growth and profitability as well as maintain a robust liquidity and capital position. Our ability to sustain our growth depends upon our ability to attract and retain key personnel, developing managerial experience to address emerging business and operating challenges and ensuring a high standard of customer service. Hiring and retaining such personnel who are qualified and experienced in credit-appraisal and asset valuation may be difficult. We may also face attrition of our existing workforce as a result of increased competition or other factors relating to our businesses. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline.

We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us. We also have temporary sales, marketing and recovery personnel (including proprietorships) who work for us on a commission basis. However, a change in law or regulations which may result in these employees being regarded as a part of our work force, hence making us liable for social welfare payments. Any inability to attract and retain talented employees, or the resignation or loss of key management personnel, or retain our temporary personnel at commercially viable terms, may have an adverse impact on our business, future financial performance and the price of our Equity Shares.

29. ***We depend on the accuracy and completeness of information about customers and counterparties for our credit assessment and risk management. Any misrepresentation, errors in or incompleteness of such information could adversely affect our business and financial performance.***

In deciding whether to extend credit or enter into other transactions with customers, we rely on information furnished to us by or on behalf of customers (including in relation to their financial transactions and past credit history). We may also rely on certain representations from our customers as to the accuracy and completeness of that information. For ascertaining the creditworthiness and encumbrances on collateral we may depend on the respective registrars and sub-registrars of assurances, credit information companies or credit bureaus such as CIBIL, and on independent valuers in relation to the value of the collateral, and our reliance on any misleading information given may affect our judgement of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, prospects, results of operations and financial condition. In case of financial institutions we extend loans to, we rely on information provided by them for our due diligence purposes. We may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation. Our reliance on any misleading information may affect our judgement of credit worthiness of potential customers, and the value of and title to the collateral. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business prospects, financial condition and results of operations.

Further, we target self-employed small business owners who primarily belong to low and middle-income groups and such customers may not have credit histories supported by sufficient documentary evidence such as tax returns, that would enable us to accurately assess their creditworthiness. Moreover, the availability of accurate and comprehensive credit information on retail customers and small businesses in India is more limited than for larger corporate customers, which reduces our ability to accurately assess the credit risk associated with such lending. Although as part of our credit policy, we are required to conduct credit checks of all our customers, including with credit bureaus, and conduct site-visits and personal discussions, there can be no assurance that such credit information will be accurate or comprehensive. Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our non-performing and restructured assets, which could materially and adversely affect our business prospects, financial condition and results of operations.

30. ***We require certain statutory and regulatory approvals and licenses for conducting our business and an inability to obtain or maintain such approvals and licenses in a timely manner, or at all, may adversely affect our operations***.

We require various approvals, licenses, registrations and permissions for operating our business, including a registration for our Company with the RBI as a NBFC and our subsidiary, MRHMFL, with NHB as an HFC. We are also required to comply with the prescribed requirements including exposure limits, classification of Stage 3 Assets, Know Your Customer ("**KYC**") requirements and other internal control mechanisms. In the future, we will be required to maintain such permits and approvals and obtain new permits and approvals for any proposed expansion strategy or diversification into additional business lines or new financial products. There can be no assurance that the relevant authorities will issue any of such permits or approvals in a timely manner, or at all, and/or on favourable terms and conditions. Our failure to comply with the terms and conditions, to which such permits or approvals are subject, and/or to maintain or obtain the required permits or approvals may result in an interruption of our business operations and may have a material adverse effect on our business operations, future financial performance and price of our Equity Shares.

In the event that we are unable to comply with the requirements within the specified time limit, or at all, we may be subject to regulatory actions by the RBI or MRHMFL may be subject to regulatory actions by NHB/RBI including the levy of fines or penalties and/or the cancellation of our license to operate as an NBFC or MRHMFL's license to operate as an HFC, as the case may be. Any levy of fines or penalties or the cancellation of our license to operate as an NBFC or MRHMFL's license to operate as an HFC, due to the breach of exposure or other applicable norms, may adversely affect our business, prospects, results of operations, financial condition and the trading price of our Equity Shares. In addition, we require various registrations to operate our branches in the ordinary course of our business. These registrations typically include those required to be obtained or maintained under legislations governing shops and establishments, professional tax and GST registrations of the particular state in which they operate. Currently, we are in process of applying for GST registration for Haryana, Telangana, Chandigarh and New Delhi. Further, in relation to our branch at Noida, Uttar Pradesh we are in process of applying for registration under relevant legislations governing shops and establishments and professional tax registration. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, we may be liable to fines and/or penalties, our certificates of registration may be suspended or cancelled and we shall not be able to carry on such activities.

31. Our indebtedness and the conditions and restrictions imposed by our financing arrangements could restrict our ability to obtain additional financing, raise capital, conduct our business and operations in the manner we desire.

Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business, which depends on the timely repayment by our customers. We will continue to incur additional indebtedness in the future. Our indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flow may be used towards servicing of our existing debt, which will reduce the availability of our cash flow to fund growth, working capital, capital expenditures and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted;
- fluctuations in market interest rates may affect the cost of our borrowings, as our indebtedness is at variable interest rates; and
- there could be a material adverse effect on our business, prospects, results of operations and financial condition if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements.

Some of the financing arrangements entered into by us include conditions and covenants that require our Company to obtain lender's consents prior to carrying out certain activities and entering into certain transactions including certain actions and matters in relation to the Offer. Some of these covenants include, consequential changes to our capital structure; and shareholding pattern (including dilution in the shareholding of the Promoters, Directors and other shareholders of the Company); change in our constitution; appointment of intermediaries for the Issue including merchant bankers, escrow banks, credit rating agency to monitor the proceeds of the Issue; opening of accounts with other banks including for deposit of proceeds from the Issue and using the proceeds of the Issue for such other purpose as may be decided by us at our own discretion, in each case, in compliance with applicable laws and amending constitutional documents, for which we have to obtain consent from lenders. We are also required to maintain certain financial ratios and ensure compliance with regulatory requirements. We have received consents from all relevant lenders for consent to undertake the Offer.

A failure to observe the covenants under our financing arrangements or failure to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities, trigger cross-default provisions and the enforcement of security provided. There can be no assurance that we will be able to persuade our lenders to grant extensions or refrain from exercising such rights which may adversely affect our operations and cash flows. As a result, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Additionally, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing or generate sufficient cash to fund our liquidity requirements. Our future borrowings may also contain similar restrictive provisions. If we fail to meet our debt service obligations or covenants provided under the financing agreements, the relevant lenders could declare us to be in default under the terms of our agreements or accelerate the maturity of our obligations. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay the borrowings.

In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms or at all. Occurrence of any of the above contingencies with respect to our indebtedness could materially and adversely affect our business prospects, financial condition and results of operations.

32. The interests of our Promoters and Directors may cause conflicts of interest in the ordinary course of our business.

Our Promoter Director, namely, Kamlesh Chimanlal Gandhi is bound by non-compete obligations under agreements entered with our Company for appointment as Managing Director and Whole-time Director, respectively, not (without previous consent of our Board) engage, directly or indirectly in any similar or competing business as our Company. However, we cannot assure you that such arrangements would be enough to protect the interest of our Company against any current or potential conflict of interests. Further, certain of our individual Promoters and Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. We cannot assure you that these individuals will exercise their rights as shareholders to the benefit and best interest of our Company.

Our Promoter Director, holds 11.50% shareholding in our Subsidiary, MRHMFL as at March 31, 2024, through which we operate our housing finance business. Our Promoter Director may be able to influence the operations of MRHMFL. We cannot assure you that the actions of our Promoter Director in MRHMFL will be aligned with the interests of shareholders in our Company, thereby directly limiting the ability of investors to benefit from the growth of MRHMFL. Such factors may have an adverse effect on our business prospects, financial condition and results of operations.

33. Some of our Promoters and Directors have provided personal guarantees for loan facilities obtained by our Company and MRHMFL, and any failure or default by our Company or MRHMFL to repay such loans could trigger repayment obligations on them, which may impact their ability to effectively service their obligations as our Promoters and Directors and thereby, adversely impact our business and operations.

Our Promoters, Kamlesh Chimanlal Gandhi and Shweta Kamlesh Gandhi have guaranteed certain term loans and cash credit facilities availed by our Company, of which as on March 31, 2024, an amount of ₹ 39,980.29 million and ₹ 39,980.29 million, respectively, is currently outstanding. Kamlesh Chimanlal Gandhi and Shweta Kamlesh Gandhi have also guaranteed facilities availed by the Subsidiary, of which as of March 31, 2024, an amount of ₹ 2,111.28 million and ₹ 321.44 million is currently outstanding, respectively. As of March 31, 2024, outstanding amounts from credit facilities personally guaranteed by Kamlesh Chimanlal Gandhi and Shweta Kamlesh Gandhi amounted to ₹ 42,091.57 million and ₹ 40,301.73 million, which constituted 56.28% and 53.88 % respectively of our consolidated indebtedness as on such date.

Based on the latest available tax returns for Fiscal 2023, the net worth of Kamlesh Chimanlal Gandhi and Shweta Kamlesh Gandhi was ₹ 411.47 million and ₹ 504.17 million, respectively.

Any default or failure by our Company or the Subsidiary to repay its loans in a timely manner or at all could trigger repayment obligations on the part of Kamlesh Chimanlal Gandhi in respect of such loans. This, in turn, could have an impact on their ability to effectively service their obligations as Promoters and Directors of our Company, thereby having an adverse effect on our business, results of operation and financial condition. Furthermore, in the event that any of these individuals withdraw or terminate their guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our business prospects, financial condition, results of operations and cash flows.

34. We have in this Placement Document included certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial performance. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Placement Document. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. We have also included in the Preliminary Placement Document, financial information including, but not limited to our Average AUM, Total Borrowed Funds, and Cost of Borrowings that may be different from those followed by other financial services companies. For further information, see "*Selected Statistical Information*" on page 46. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other NBFCs, HFCs and financial services companies.

35. Our measures to prevent money laundering may not be completely effective and we may be subject to scrutiny and penalties by the RBI for failure to implement effective measures. Moreover, various state government laws regulating money lending transactions could adversely affect our business, prospects, results of operations and financial condition.

Our implementation of anti-money laundering ("**AML**") measures required by the RBI and NHB (with respect to our Subsidiary, MRHMFL) including KYC policies and the adoption of anti-money laundering and compliance procedures in all our branches, may not be effective, and anti-terrorism laws and other regulations in India. In the ordinary course of our operations, we run the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers and assessment of penalties or imposition of sanctions against us for such compliance failures despite having implemented systems and controls designed to prevent the occurrence of these risks. Although we believe that we have adequate internal policies, processes and controls in place to prevent and detect any AML activity and ensure KYC compliance, such as video-based customer identification process, OTP based Aadhaar e-KYC authentication, there can be no assurance that attempts to launder money using us as a vehicle will not be made and we will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions including imposition of fines and other penalties by the RBI and other relevant governmental authorities to whom we report. If we were associated with money laundering, our reputation may be adversely affected. Additionally, certain States in India have enacted laws to regulate money lending transactions, which may for instance establish a maximum rate of interest that can be charged. In the event we are required to comply with the provisions of these state money lending laws, there may be severe civil and criminal penalties for non-compliance with the relevant money lending statutes. In the event that the government of any state in India requires us to comply with the provisions of their respective state money lending laws, or imposes any penalty against us for prior non-compliance, our business prospects, financial condition and results of operations could be adversely affected.

36. We have certain contingent liabilities and commitments, which may adversely affect our financial condition.

The following table sets forth certain information relating to our contingent liabilities and commitments not provided for:

Particulars	**Amount (₹ in million)**
	As of March 31, 2024
Contingent Liabilities	
In respect of disputed income-tax matters:	1.19
Commitments	
Estimated amount of contracts remaining to be executed on capital account and not provided for:	
Property, plant & equipment and Capital work in progress	1.17
Loan commitments for sanctioned but not disbursed amount	222.54

For further information on such contingent liabilities, see "*Financial Information*" on page 237.

In the event that any of these contingent liabilities materialize, our business prospects, financial condition and results of operations may be adversely affected.

37. Our business may be affected by seasonal trends in the Indian economy. Any significant event such as unforeseen floods, earthquakes, epidemics/pandemics or economic slowdowns during peak seasons would materially and adversely affect our results of operations and growth strategies.

Our business operations may be affected by seasonal trends in the Indian economy. We cater to customers from lower income brackets and small entrepreneurs whose business is highly dependent upon the micro and macroeconomics factors. We intend to expand our presence across all our retail products and the borrowers in these asset class will be significantly impacted by any adverse event which disrupts the overall supply chain. This increased or seasonal activity is the result of several holiday periods, improved weather conditions, crop harvests and the business conditions our customers operate in. We generally experience higher volumes of business during this period. Any significant event such as unforeseen floods, earthquakes, epidemics/pandemics such as COVID-19, or economic slowdowns during this peak season would materially and adversely affect our business prospects, financial condition and results of operations. During these periods, we may continue to incur operating expenses, but our revenue from operations may be delayed or reduced.

38. We may not be able to adequately protect our intellectual property rights.

Our ability to compete effectively depends in part upon protection of our intellectual property rights that we use. We have registered two trademarks under class 36 with the Trade Marks Registry, Ahmedabad which shall remain valid until July 8, 2029 and May 16, 2026, respectively. MRHMFL, our Subsidiary has also registered a trademark which shall remain valid till February 22, 2029. There is no assurance that we would be able to renew these registrations upon expiry of their terms. If we are unable to renew the registration of our trademarks, our operations could be adversely affected. For further information, see "*Our Business*" on page 155. There can be no assurance that we will be able to effectively protect our trademarks from infringement or recover damages for any such infringement through legal proceedings.

39. We have entered into certain transactions with related parties on arm's length in the past and any such transactions or any future related party transactions may potentially involve conflicts of interest, which may adversely affect our business, prospects, financial conditions, and results of operation.

We have entered into certain transactions with related parties, on arm's length including our Promoters and Directors and may continue to do so in future. In Fiscal 2022, 2023 and 2024, the total amount of such related party transactions was ₹ 372.70 million, ₹ 229.25 million, and ₹ 458.54 million respectively. While we believe that all such transactions are in compliance with applicable laws and are on arms-length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties, or that we will be able to maintain existing terms in cases where the terms are more favourable than if the transaction had been conducted on arm's length basis. It is likely that we will enter into other related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our business prospects, financial condition and results of operations, including because of potential conflicts of interest or otherwise. For further information in relation to transactions with related parties, see "*Related Party Transactions*" on page 57.

40. We have experienced negative cash flows in relation to our operating activities and investment activities in recent years/ periods. Any negative cash flows in the future would adversely affect our results of operations and financial condition.

We had a negative cash flow from operating activities of ₹ 8,052.70 million, ₹ 14,879.51 million and ₹ 13,660.63 million for Fiscal 2022, 2023 and 2024, respectively. Further, we had a negative cash flow from investing activities of ₹8,198.92 million and ₹ 2,420.32 million, respectively for Fiscal 2022 and Fiscal 2023, respectively. If we experience any negative cash flows in the future, this could adversely affect our business prospects, financial condition and results of operations. For further information, see "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 237 and 103, respectively.

41. We have provided corporate guarantees in relation to certain loans obtained by our Subsidiary (MRHMFL) and any default by our Subsidiary may result in invocation of the parent guarantee.

We have provided corporate guarantees as security in relation to certain loans obtained by MRHMFL, our Subsidiary, from one of our lender, namely, National Housing Bank. As on March 31, 2024, an amount of ₹ 4.58 million was outstanding in respect of the facilities. Any default by MRHMFL in meeting its obligations under any of these loans may result in the invocation of the corresponding corporate guarantee against us. We may accordingly be obligated to undertake the obligations of MRHMFL in relation to this loan, which may affect our business prospects, financial condition, results of operations and cash flows.

42. Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.

After the completion of the Offer, our Promoters and Promoter Group will own, directly and indirectly, approximately 66.63% of our outstanding Equity Shares. Any future equity issuances by us, including in a primary offering, may lead to the dilution of your shareholdings. Any future equity issuances by us or sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares. There can be no assurance that our Company will not issue Equity Shares or that our significant shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

43. Insurance obtained by us may not adequately protect us against all losses and could adversely affect our business prospects, financial condition and results of operations.

We maintain insurance coverage that we believe is in accordance with industry standards. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We have taken a corporate cover policy including a fidelity guarantee policy which covers all our employees , a money insurance policy in respect of cash-in-safe and in-transit. We have a money insurance policy in respect of cash in safe and in transit. In addition, our directors are insured under a directors' and officers' liability insurance policy. We also maintain insurance coverage against losses occasioned by fire, burglary for the premises and equipment in our offices, electronic equipment insurance, public liability insurance, group and personal accident insurance covering our employees. For further information, see "*Our Business - Insurance*" on page 155. There can however be no assurance that the terms of our insurance policies will be adequate to cover any loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business prospects, financial condition and results of operations.

44. Majority of our branches are located on leased premises and non-renewal of lease or license agreements or their renewal on terms unfavourable to us could adversely affect our operations.

Majority of our branches are located on leasehold or licensed premises. If any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavourable to us, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations. All or any of the leases or licenses may not be renewed on similar terms or at all, or we may be evicted from all or a number of these premises and be required to pay damages to the landlord. This may adversely impact our business prospects, financial condition and results of operations.

45. Some of the information disclosed in this Placement Document is based on information from industry sources and publications which have not been independently verified by us.

The information disclosed in the "*Risk Factors*", "*Summary of Business*", "*Industry Overview*", "*Our Business*", and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" sections of this Placement Document is based on certain publicly available sources by RBI and Ministry of Finance which have not been verified by us independently. Industry sources and publications generally state that the information contained therein has been obtained from sources considered to be reliable, but their accuracy, adequacy or completeness are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

46. Our Promoters and Promoter Group will continue to retain majority shareholding in our Company after the Offer, which will allow them to exercise significant influence over our Company.

Upon completion of the Offer, our Promoters and Promoter Group will control approximately 66.63 % of our outstanding Equity Shares. Accordingly, our Promoters and Promoter Group will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholder approval, including the composition of our Board, the adoption of amendments to our articles of association, the approval of mergers, strategic acquisitions and joint ventures and the sale of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoters and Promoter Group. The interests of our Promoters and Promoter Group as our controlling shareholder may not be aligned with the interests of other shareholders.

47. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control. Further, our management will have flexibility over the use of the Net Proceeds and they may not apply the Net Proceeds in a manner that increases the value of your investment.

We intend to use the Net Proceeds for the purposes described in "*Use of Proceeds*" on page 95 of this Placement Document. As on the date of this Placement Document, our funding requirements are based on management estimates in view of past expenditures and have not been appraised by any bank or financial institution. They are based on current conditions and are subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies. While we will use the Net Proceeds towards augmenting our Company's Tier I Capital base to meet our Company's future capital requirements and for general corporate purposes in the manner specified in "*Use of Proceeds*" on page 95, the amount of Net Proceeds to be actually used will be based on our management's discretion. Our internal management estimates may exceed fair market value or the value that would have been determined by third-party appraisals, which may require us to reschedule or reallocate our capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and the results of operations.

48. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

The amount of future dividend payments, if any, will depend upon a number of factors, including but not limited to our future earnings, financial condition, cash flows, working capital requirements, contractual obligations, applicable Indian legal restrictions and capital expenditures. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing agreements our Company may enter into to finance our fund requirements for our business activities. There can be no assurance that we will be able to pay dividends in the future. For further information relating to our dividend policy, see "*Dividend Policy*" on page 101.

49. Our operations could be adversely affected by strikes or labour unrest.

As of March 31, 2024, we employed a total of 1,892 full-time employees and 1,800 persons on contract labour. While we have not experienced any material strikes or labour unrest in the past, we cannot assure you that we will not experience such strikes, labour unrest or other disruptions relating to our workforce in the future, which may adversely affect our ability to continue our operations. Any strikes or labour unrest directed against us could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to work stoppages and disruptions in our operations, which in turn could adversely affect our business, financial condition, cash flows and results of operations.

50. Negative publicity could damage our reputation and adversely impact our business and financial results. Reputational risk arising from negative publicity is inherent in our business.

Negative publicity may include public opinion about the banking and financial services industry generally or about us specifically, which could materially adversely affect our ability to attract and retain customers and may expose us to litigation and regulatory action. Further, negative publicity may arise from our own or our third-party service providers' actual or alleged conduct in any number of activities, including lending practices, mortgage servicing and foreclosure practices, technological practices, corporate governance, regulatory compliance, mergers and acquisitions, and related disclosure, sharing or inadequate protection of customer information, and actions taken by government regulators and community organizations in response to that conduct. While we have not experienced any negative publicity that has had a material adverse effect on our reputation, business or financial results in the last three financial years, any adverse publicity in relation to our industry in general or specifically in relation to our Company and our third-party service providers could rapidly erode customer trust and confidence in us. Although we take steps to minimize reputational risk in dealing with customers and other constituencies, we, as a large financial services organization with a high industry profile, are inherently exposed to this risk.

EXTERNAL RISK FACTORS

Risks Related to India

51. A substantial portion of our business and operations are located in India and as such, we are subject to economic, political and market conditions in India, many of which are beyond our control.

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally. We are incorporated in India, and all of our business and our personnel are located in India. Consequently, our business, results of operations, financial condition and cash flows will be affected by a number of macroeconomic and demographic factors in India which are beyond our control. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian consumers and Indian corporates;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges• changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters (such as hurricanes, typhoons, floods, earthquakes, tsunamis and fires) which may cause us to suspend our operations;
- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war may adversely affect the Indian markets as well as result in a loss of business confidence in Indian companies;
- epidemics, pandemics or any other public health concerns in India or in countries in the region or globally, including in India's various neighbouring countries, such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and, more recently, the COVID-19 pandemic;
- prevailing regional or global economic conditions, including in India's principal export markets;
- geopolitical tensions/ wars;
- climate risk;
- cyberattacks; and
- any downgrading of India's debt rating by a domestic or international rating agency.

In particular, our total income and profitability are correlated to consumer discretionary spending in India, which is influenced by general economic conditions, salaries, employment levels and consumer confidence. Recessionary economic cycles, a protracted economic slowdown, a worsening economy, increased unemployment, rising interest rates or other industry-wide cost pressures could also affect consumer behavior and spending for consumer products and lead to a decline in our total income and profitability.

While our results may not necessarily track India's economic growth figures, the Indian economy's performance affects the environment in which we operate. Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations, financial condition, cash flows and the price of the Equity Shares.

52. Changing laws, rules and regulations and legal uncertainties, including any adverse application of corporate and tax laws, may adversely affect our business, results of operations, financial condition, cash flows and prospects.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition, cash flows and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

For instance, GoI has announced the Union Budget for the Financial Year 2023-24 pursuant to which the Finance Act, 2023 has introduced various amendments to taxation laws in India. Unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

In India, the Supreme Court, in a judgment delivered on August 24, 2017, has held that the right to privacy is a fundamental right. Following this judgment, the Government of India passed the Digital Personal Data Protection Act, 2023. The Act aims to balance the rights of individuals to protect their personal data with the need to process personal data for lawful and other incidental purposes. All data fiduciaries, determining the purpose and means of processing personal data, are mandated to provide an itemized notice in plain and clear language containing a description of the personal data sought to be collected along with the purpose of processing such data. This act further provides that where consent is the basis of processing personal data, the data principal providing the consent, may withdraw such consent at any time.

Further, the GoI introduced new laws relating to social security, occupational safety, industrial relations and wages namely, the Code on Social Security, 2020 ("**Social Security Code**"), the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020 and the Code on Wages, 2019, which consolidate, subsume and replace numerous existing central labor legislations, were to take effect from April 1, 2021 (collectively, the "Labour Codes"). The GoI has deferred the effective date of implementation of the respective Labour Codes, and they shall come into force from such dates as may be notified. Different dates may also be appointed for the coming into force of different provisions of the Labour Codes. While the rules for implementation under these codes have not been finalized, as an immediate consequence, the coming into force of these codes could increase the financial burden on our Company, which may adversely impact our profitability. For instance, under the Social Security Code, a new concept of deemed remuneration has been introduced, such that where an employee receives more than half (or such other percentage as may be notified by the Central Government) of their total remuneration in the form of allowances and other amounts that are not included within the definition of wages under the Social Security Code, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Social Security Code and the compulsory contribution to be made towards the employees' provident fund.

Unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, financial condition, cash flows and prospects. Uncertainty in the application, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our businesses in the future.

53. A downgrade in ratings of India may affect the trading price of the Equity Shares

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, all which are beyond our control. Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. Any adverse revisions to India's credit ratings for domestic and overseas debt by international rating agencies may adversely impact our ability to raise additional external financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

54. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States of America, Europe and certain emerging economies in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

The ongoing Russia-Ukraine conflict and Israeli-Palestinian conflict could result in increased volatility in, or damage to, the worldwide financial markets and economy. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition, cash flows and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. The sovereign rating downgrades for Brazil and Russia (and the imposition of sanctions on Russia) have also added to the growth risks for these markets. These factors may also result in a slowdown in India's export growth. Any significant financial disruption could have an adverse effect on our business, results of operations, financial condition and cash flows.

55. If inflation rises in India, increased costs may result in a decline in profits and result of operations may be adversely affected.

Inflation rates in India have been volatile in recent years, and such volatility may continue. Increasing inflation in India could cause a rise in the costs of third party suppliers, rents, wages, raw materials and other expenses. In recent years, India has experienced consistently high inflation, especially and increasingly so in recent months, which has increased the price of, among other things, our rent, raw materials and wages. Further, while the Government of India has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not worsen and rise in the future. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, results of operations, financial condition, cash flows and prospects.

56. Significant differences exist between the Indian Accounting Standards (Ind AS) used to prepare our financial information and other accounting principles, such as the United States Generally Accepted Accounting Principles (U.S. GAAP) and the International Financial Reporting Standards (IFRS), which may affect investors' assessments of our Company's financial condition.

Our Consolidated Financial Information for Fiscals 2024, 2023 and 2022 included in this Placement Document are prepared under Ind AS, which differs from accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP.

Accordingly, the degree to which the Consolidated Financial Information for Fiscals 2024, 2023 and 2022 included in this Placement Document, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Persons not familiar with Indian accounting practices, Ind AS, the Companies Act and the SEBI ICDR Regulations should limit their reliance on the financial disclosures presented in this Placement Document.

57. A third party could be prevented from acquiring control of us post the Issue, because of anti-takeover provisions under Indian Law.

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the SEBI Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Issue. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of SEBI Takeover Regulations.

***58. Our business and activities may be regulated by the Competition Act, 2002 and proceedings may be enforced* against us.**

The Competition Act, 2002, as amended (the "Competition Act") was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India (the "CCI") to separate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties.

Further, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of consumers in the relevant market is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. Further, the Competition Act prohibits abuse of dominant position by any enterprise.

The combination regulation (merger control) provisions under the Competition Act require that the acquisition of shares, voting rights, assets or control or mergers or amalgamations which exceed any of the prescribed asset and turnover based thresholds shall be mandatorily notified to and pre-approved by the CCI. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. Any breach of the provisions of the Competition Act by our Company may attract substantial monetary penalties.

The applicability or impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. However, if we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, any enforcement proceedings initiated by the CCI, any adverse publicity that may be generated due to scrutiny or prosecution by the CCI, or any prohibition or substantial penalties levied under the Competition Act, which would adversely affect our business, results of operations, financial condition, cash flows and prospects. We are not currently party to any outstanding proceedings, nor have we ever received any notice in relation to non-compliance with the Competition Act. Any enforcement proceedings initiated by the CCI in future, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI may affect our business, results of operations, financial condition and cash flows.

59. Our ability to raise foreign debt may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on raising foreign debt may have an adverse effect on our business growth, results of operations, financial condition and cash flows.

Risks Related to the Equity Shares and the Issue

60. The trading volume and market price of the Equity Shares may be volatile following the Issue, and you may not be able to sell your Equity Shares at or above the Issue Price.

The Indian securities markets are smaller and more volatile than securities markets in more developed economies. The Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. The governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. The market price of the Equity Shares may decline or fluctuate significantly due to a number of factors, some of which may be beyond our control, including:

- actual or anticipated fluctuations in our operating results;
- announcements about our earnings that are not in line with analyst expectations;
- the public's reaction to our press releases, other public announcements and filings with the regulator;

- significant liability claims, complaints from our customers, shortages or interruptions in the availability of raw materials, or reports of incidents of tampering of raw materials;
- changes in senior management or key personnel;
- macroeconomic conditions in India;
- fluctuations of exchange rates;
- the operating and stock price performance of comparable companies;
- changes in our shareholder base;
- changes in our dividend policy;
- issuances, exchanges or sales, or expected issuances, exchanges or sales;
- changes in accounting standards, policies, guidance, interpretations or principles; and
- changes in the regulatory and legal environment in which we operate;

Any of these factors may result in large and sudden changes in the volume and trading price of the Equity Shares. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. We cannot assure you that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

61. Rights of shareholders under Indian law may differ or may be more limited than under the laws of other jurisdictions.

The Companies Act and related regulations, the rules and regulations issued by SEBI and other regulatory authorities, the Memorandum of Association, the Articles of Association and the SEBI Listing Regulations govern the corporate affairs of the Company. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder in India than as a shareholder of a corporation in another jurisdiction.

62. The investors' ability to acquire and sell Equity Shares is restricted by Indian law and the distribution and transfer restrictions set forth in this Placement Document and may be subject to delays if the RBI or any other government agency's approval is required.

Indian laws contain restrictions on the acquisition and transfer of Indian securities by persons, resident outside of India. The Equity Shares have not and will not be registered under the Securities Act, any state securities laws or the law of any jurisdiction other than India. Furthermore, the Equity Shares are subject to restrictions on transferability and resale. The investors are required to be informed about and observe these restrictions. The information below has been provided for the benefit of investors. However, the information below does not purport to be a complete analysis of the restrictions under Indian laws for the acquisition and/or transfer of securities in an Indian company by a person resident outside India.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing and reporting requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the Indian income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilising the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities.

We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all. Prior to the repatriation of sale proceeds, certain filings must be made with an authorized dealer (bank) remitting the proceeds along with certain documents and undertakings. We cannot guarantee that any approval, if required, will be obtained in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increases or limiting losses during periods of price declines.

63. Foreign investors are subject to foreign investment restrictions under Indian laws which limit our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required for the transfer of shares. Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all. Additionally, the Government of India may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Government of India experiences extreme difficulty in stabilising the balance of payments, or where there are substantial disturbances in the financial and capital markets in India.

64. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by shareholders of such company.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing a placement document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to make such a filing, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value that such custodian would receive upon the sale of such securities, if any, and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in our Company may be reduced.

65. Fluctuations in the exchange rate between the Rupee and the U.S. dollar could have an adverse effect on the value of the Equity Shares, independent of our operating results.

The Equity Shares are quoted in Rupees on the Stock Exchanges. Any dividends in respect of the Equity Shares will be paid in Rupees and subsequently converted into U.S. dollars for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders. The exchange rate between the Rupee and the U.S. dollar has changed substantially in the last two decades and could fluctuate substantially in the future, which may have an adverse effect on the value of the Equity Shares and returns from the Equity Shares, independent of our operating results.

66. Applicants to the Issue are not allowed to withdraw their Bids after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw their Bids after the Issue Closing Date. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of commencement of trading in the Equity Shares Allotted pursuant to the Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of the Equity Shares. However, we may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

67. Any future issue of Equity Shares may dilute the investor's shareholding and sales of our Equity Shares by our promoter or other major shareholders may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares by the Company could dilute your shareholding. Any such future issuance of the Equity Shares (including the issuance of Equity Shares through ESOP Scheme) or future sales of the Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares and impact our ability to raise capital through an offering of our securities. Any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. Additionally, the disposal, pledge or encumbrance of our Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of our Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

68. There is no guarantee that the Equity Shares will be listed on BSE and NSE in a timely manner or at all, which may affect a shareholder's ability to sell any of the Equity Shares.

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. While we have received in-principle approvals from the BSE and NSE on June 19, 2024, the final listing and trading approval requires all relevant documents authorizing the issue of Equity Shares to be submitted in a timely manner to BSE and NSE. There could be a failure or delay in the submission of required documents to BSE and NSE, and the subsequent listing of the Equity Shares, which would restrict your ability to dispose of your Equity Shares.

69. An investor will not be able to sell any of the Equity Shares subscribed in the Issue other than on a recognised stock exchange in India for a period of 12 months from the date of the Issue of Equity Shares.

Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the Allotment of Equity Shares in the Issue, QIBs subscribing to the Equity Shares in the Issue may only sell their Equity Shares on the recognised stock exchanges in India and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares.

MARKET PRICE INFORMATION

As on the date of this Placement Document, 163,986,129 Equity Shares of face value of ₹ 10 each are issued, subscribed and fully paid-up. The Equity Shares have been listed on the BSE and NSE since October 18, 2017 and are available for trading.

On June 21, 2024, the closing price of the Equity Shares on NSE and BSE was ₹ 311.80 and ₹ 312.60, respectively per Equity Share. Since the Equity Shares are available for trading on the Stock Exchanges, the market price and other information for each of BSE and NSE has been given separately.

Our Company undertook bonus issue of Equity Shares on February 24, 2024 (ex-date) and accordingly, the market price and other information for the periods prior to and post the said corporate actions have been given separately.

(i) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading volumes for the Financial Years ended March 31, 2024, March 31, 2023, and March 31, 2022:

BSE									
Financial Year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the year (₹)**
2024	1,066	20-Jan-2024	31,469.00	32.53	265.50	27-Feb-24	13,082	4.20	786.44
2023	938.25	07-Nov-22	14,918.00	13.49	485.00	15-Jul-22*	4,172.00	2.05	710.70
2022	975.00	27-May-21	5,342.00	4.94	469.05	02-Feb-22	21,749.00	10.53	739.35

**The lowest price also appeared on 20-Jun-22 and 15-Jul-22 with 2,196 and 4,172 Equity Shares traded on BSE respectively. The date considered in the table above is 15-Jul-22, since the volume traded on 15-July-22 at the lowest price i.e ₹ 485.00 is higher.*

NSE									
Financial Year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the year (₹)**
2024	1,068	20-Jan-24	437,251.00	453.01	269.45	14 -Mar-24	205,542.00	57.03	786.52
2023	937.95	07-Nov-22	182,340.00	166.45	480.50	15-Jul-22	23,048.00	11.29	710.85
2022	975.10	27-May-21	101,039.00	94.11	460.30	01-Feb-22	246,876.00	120.06	739.11

(Source: www.bseindia.com and www.nseindia.com)
Notes:
1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year presented.*
3. *In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.*

The following table sets forth the details of the number of Equity Shares traded on the Stock Exchanges and the turnover during Fiscals 2024, 2023 and 2022:

Fiscal	**Number of Equity Shares Traded**		**Turnover (In ₹ million)**	
	BSE	**NSE**	**BSE**	**NSE**
2024	1,960,985	24,637,098	1,434.20	18,084.03
2023	1,239,418	14,436,516	862.69	10,114.66

Fiscal	Number of Equity Shares Traded		Turnover (In ₹ million)	
	BSE	NSE	BSE	NSE
2022	1,650,517	22,789,130	1,130.92	15,083.98

(ii) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months:

BSE											
Month year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ million)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ million)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ million)
May, 2024	309.35	03-May-24	9,616	2.91	280.05	29-May-24	2,502	0.71	290.47	249,566.00	72.60
April, 2024	331	25-Apr-24	93,146.00	29.70	282.90	19-Apr-24	6,944.00	1.99	296.59	343,952.00	104.30
March, 2024	344.90	01-Mar-24	4,953.00	1.66	270.30	14-Mar-24	42,660	11.88	293.55	296,910.00	86.49
February 22, 2024 – February 29, 2024(4)	387.70	22-Feb-24	185,571	65.34	265.50	27-Feb-24	13,082.00	4.20	330	273,689.00	94.28
February 1, 2024 – February 21, 2024(4)	1,047.7	19-Feb-24	21482.00	22.03	970.35	14-Feb-24	5,336	5.25	1,000.44	201,054.00	201.92
January, 2024	1,066.00	20-Jan-24	31,469.00	32.53	864.25	01-Jan-24	6,667.00	5.81	942.06	426,079.00	414.56
December, 2023	915.95	18-Dec-23	8,507.00	7.67	821.55	01-Dec-23	3,344.00	2.79	862.66	88,607.00	76.71

NSE											
Month year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ million)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ million)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ million)
May, 2024	307.95	03-May-24	138,460	41.90	281.3	30-May-24	48,118	13.62	290.68	2,079,712	606.56
April, 2024	331.50	25-Apr-24	2,855,021.00	912.15	283.35	19-Apr-24	104,476	30.04	296.54	5,371,243.00	1,660.26
March, 2024	343.50	01-Mar-24	145,869.00	48.73	269.45	14-Mar-24	205,542	57.03	293.48	3,788,455.00	1,109.26
February 22, 2024 – February 29, 2024(4)	387.95	22-Feb-24	1767479	621.27	317.55	27-Feb-24	129,204.00	41.66	330.01	2,586,269	890.47
February 1, 2024 – February 21, 2024(4)	1,048.00	19-Feb-24	359,091.00	367.95	959.10	20-Feb-24	245,244	246.64	1,000.09	1,682,032	1,695.55
January, 2024	1,068.00	20-Jan-24	437,251.00	453.01	865.10	01-Jan-24	38,124.00	33.32	942.20	4,324,209.00	4,197.76
December, 2023	916.65	18-Dec-23	47,991.00	43.30	822.05	01-Dec-23	105,621.00	88.07	863.30	1,758,039.00	1,513.27

(Source: www.bseindia.com and www.nseindia.com)
Notes:
1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year presented.*
3. *In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.*
4. *Stock market data has been shown separately for the periods prior and post the ex-bonus date i.e., February 22, 2024 for the bonus issue undertaken pursuant to a board resolution dated January 17, 2024.*

(iii) The following table sets forth the market price on the Stock Exchanges on January 18, 2024 that is, the first trading day following the approval dated January 17, 2024 of our Board of Directors for the Issue:

Date	**BSE**					
	Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹ million)**
January 18, 2024	982.00	993.85	962.00	970.50	31,072	30.37

(Source: www.bseindia.com)

Date	**NSE**					
	Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹ million)**
January 18, 2024	980.00	995.00	962.00	970.50	3,44,856	336.67

(Source: www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from the Issue shall be approximately ₹5,000.00 million.

The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, are approximately ₹4,800.00 million (the "**Net Proceeds**").

Purpose of the Issue

Subject to compliance with applicable laws and regulations, our Company intends to use the Net Proceeds for augmenting our Company's Tier I capital base to meet our future capital, funding and business requirements ("**Augmenting Tier 1 Capital Base**"), and for general corporate requirements as approved by our Board (or duly constituted committees) in its discretion and in compliance with Applicable law.

Our main objects and objects incidental or ancillary to the attainment of the main objects of our Memorandum of Association enables us to undertake the Objects contemplated by us in this Issue.

Schedule of deployment of funds

Our Company currently proposes to deploy the Net Proceeds as stated below:

S. No	Particulars	Amount to be funded from Net Proceeds	Proposed schedule for deployment of the Net Proceeds	
			Fiscal 2025	Fiscal 2026
1.	Augmenting Tier 1 Capital Base	4,800	4,800	Nil
	Total	**4,800**	**4,800**	**Nil**

While our Company's funding requirements, proposed deployment of funds and the intended use of the Net Proceeds are based on internal management estimates, we may have to revise our estimates on account of factors beyond our control including market conditions or regulatory climate. This may also entail rescheduling of the proposed deployment of the Net Proceeds at the discretion of our management, subject to compliance with applicable laws. Further, these fund requirements and proposed deployment of Net Proceeds have not been appraised by any bank or financial institution. For details, see "*Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control. Further, our management will have flexibility over the use of the Net Proceeds and they may not apply the Net Proceeds in a manner that increases the value of your investment*" on page 84.

Monitoring of utilisation of funds

Pursuant to Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited, a credit rating agency registered with the SEBI, as the monitoring agency ("**Monitoring Agency**") by way of an agreement dated March 18, 2024, as amended by way of an amendment of an amendment agreement dated June 19, 2024, for monitoring the utilisation of the Net Proceeds as the size of our Issue will exceed ₹ 1,000 million. Our Audit Committee and the Monitoring Agency will monitor the utilization of the Net Proceeds The Monitoring Agency shall submit its report to our Company in the format specified in Schedule XI of the SEBI ICDR Regulations on a quarterly basis, till 100% of the Net Proceeds of the Issue have been utilised. The Board of Directors and the management of our Company will provide their comments on the findings of the Monitoring Agency as specified in Schedule XI. Our Company shall, within 45 days from the end of each quarter, upload the report of the Monitoring Agency on our website and also submit the same to the Stock Exchanges. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On a quarterly basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Placement Document, certified by the Statutory Auditor of our Company and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects as stated above. The explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee. In terms of Regulation 32(7A) of the SEBI Listing Regulations, our Company will also disclose every year, the utilization of such funds during that year in its Annual Report until such funds are fully utilized.

Other confirmations

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by our Board and/ or a duly authorized committee of our Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed Objects as disclosed above and other applicable laws.

Pending utilisation of the Net Proceeds for the Objects described above, our Company intends to temporarily invest funds in creditworthy instruments including money market mutual funds and deposits in scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, or in short term debt and/or long-term debt. Such investments would be in accordance with the investment policies as approved by our Board from time to time and applicable laws.

Neither our Promoters, Promoter Group nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the Objects. Further, neither our Promoters nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel or members of Senior Management are not eligible to subscribe in the Issue.

CAPITALISATION STATEMENT

The following table sets forth our capitalization and total borrowings, on a consolidated basis, as at March 31, 2024 which has been derived from our Financial Statements and as adjusted to give effect to the receipt of the Gross Proceeds of the Issue. This table should be read in conjunction with the sections titled "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and "***Financial Information***" on pages 103 and 237, respectively.

(amount in ₹ million)

Particulars	Pre-Issue as at March 31, 2024(1)	As adjusted for the Issue(1)(2)
Debt		
Borrowings (I)	65,381.26	65,381.26
Secured Non-convertible Debentures (II)	5,312.50	5,312.50
Secured Market Linked Debentures (III)	1,000.00	1,000.00
Unsecured Debentures (IV)	3,100.00	3,100.00
Total Debt (V = I + II + III + IV)	74,793.76	74,793.76
Equity		
Equity share capital(2) (VI)	1,639.86	1,814.53
Other Equity (VII)	16186.73	21,012.06
Total Equity(2) (VIII = VI + VII)	17,826.59	22,826.59
Ratio: Total Debt/ Total Equity (IX = V/ VIII)	4.19	3.28

(1) *These terms shall carry the meaning as per Schedule III to the Companies Act, 2013 (as amended).*

(2) *As per the resolution passed in the finance committee meeting dated June 21, 2024, the shares are to be issued at an issue price at ₹286.25. 'As adjusted for the Issue' column in the above table has been adjusted for the number of equity shares issued pursuant to the issue and the proceeds from the issue thereon. It reflects changes in Equity only on account of proceeds from the fresh issue of 17,467,248 equity shares of face value of ₹ 10 each aggregating to ₹ 174.67 million in Equity Share Capital, at an issue price of Rs 286.25 per equity share, including securities premium of ₹ 276.25 per equity share aggregating to ₹ 4,825.33 million in Other Equity. The adjustments do not include any adjustment for issue related expenses and for any other transactions or movement subsequent to March 31, 2024.*

(3) *"Other Equity" is considered as the Equity attributable to the owners of the parent. i.e. non-controlling interest is not considered above.*

(4) *The debt above considered is excluding "Unamortised borrowing Cost".*

[*Remainder of page intentionally left blank*]

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Placement Document is set forth below:

(in ₹, except share data)

	Particulars	Aggregate value at face value (except for securities premium account)
A	**AUTHORISED SHARE CAPITAL**	
	200,000,000 Equity Shares of face value of ₹ 10 each	2,000,000,000
B	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE**	
	163,986,129 Equity Shares of face value of ₹ 10 each	1,639,861,290
C	**PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT**	
	Up to 17,467,248 Equity Shares aggregating to ₹ 5,000.00 million (1)	174,672,480
D	**ISSUED AND SUBSCRIBED SHARE CAPITAL AFTER THE ISSUE**	
	181,453,377 Equity Shares of face value of ₹ 10 each	1,814,533,770
	PAID-UP SHARE CAPITAL AFTER THE ISSUE	
	181,453,377 Equity Shares of face value of ₹ 10 each	1,814,533,770
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (as of the date of this Placement Document)	3,175,501,873
	After the Issue(2)	8,000,829,133

(1) *This Issue has been authorised and approved by our Board of Directors pursuant to its resolution passed on January 17, 2024. The Shareholders of our Company have authorised and approved the Issue by way of a special resolution held on February 9, 2024.*

(2) *The securities premium account after the Issue has been calculated on the basis of Gross Proceeds. Adjustments do not include Issue related expenses.*

Equity Share capital history of our Company

The following table sets forth details of allotments of Equity Shares of our Company since the date of incorporation:

Date of allotment	Number of Equity Shares allotted	Face value per equity share (in ₹)	Issue price per Equity Share (in ₹.)	Nature of consideration
May 25, 1995	700	10	10	Cash
November 1, 1995	95,500	10	10	Cash
December 15, 1995	232,000	10	10	Cash
January 12, 1996	227,200	10	10	Cash
March 30, 1996	221,600	10	10	Cash
March 31, 1996	914,800	10	-	Other than cash
May 2, 1996	50,500	10	10	Cash
July 1, 1996	601,000	10	10	Cash
September 30, 1996	631,400	10	10	Cash
March 31, 1997	454,600	10	10	Cash
July 22, 1997	12,700	10	10	Cash
March 31, 1998	8,800	10	10	Cash
October 10, 1998	3,800	10	10	Cash
March 31, 2001	250,000	10	10	Cash
March 31, 2004	295,400	10	10	Cash
December 1, 2006	2,000,000	10	-	Bonus
August 16, 2007	3,000,000	10	-	Bonus
March 31, 2008	500,000	10	10	Cash
December 28, 2011	500,000	10	-	Bonus
July 30, 2012	125	10	1,200	Cash
January 28, 2014	6,000,000	10	-	Bonus
November 18, 2016	24,000,188	10	-	Bonus
March 30, 2017	2,955,869	10	338.31	Cash

Date of allotment	Number of Equity Shares allotted	Face value per equity share (in ₹)	Issue price per Equity Share (in ₹.)	Nature of consideration
April 19, 2017	1,034,553	10	338.31	Cash
September 12, 2017	1,739,865	10	124.93	Cash
September 12, 2017	1,280,723	10	169.71	Cash
September 12, 2017	87,716	10	456	Cash
September 21, 2017	2,470,175	10	202.33	Cash
October 16, 2017	4,923,747	10	459	Cash
	169,082	10	414	Cash
February 24, 2024	109,324,086	10	-	Bonus

** We have been unable to trace attachments to certain forms filed with the RoC and have erroneously passed resolutions for these issuances. See "Risk Factors - Some of our corporate records are not traceable. There have been certain instances of discrepancies in statutory filings made and resolutions passed by our Company with the RoC under applicable law" on page 76*

Except as stated in "*Capital Structure – Equity Share capital history of our Company"* on page 98, our Company has not made any allotment of Equity Shares or preference shares in the one year immediately preceding the date of this Placement Document, including for consideration other than cash, or made any allotment of Equity Shares pursuant to a preferential issue, private placement or a rights issue.

Employee Stock Option Scheme

As on date of this Placement Document, our Company does not have any active employee stock option plan or employee stock option scheme.

Proposed Allottees in the Issue

In compliance with the requirements prescribed under the SEBI ICDR Regulations, Allotment shall be made by our Company in consultation with the BRLMs to Eligible QIBs. For details regarding the names of the proposed Allottees and the percentage of the post-Issue Equity Share capital that may be held by them, please see the section titled "***Details of Proposed Allottees***" on page 240.

Preference shares capital history of our Company

As on the date of this Placement Document, our Company does not have any outstanding preference shares.

Warrants

As on the date of this Placement Document, our Company does not have any outstanding warrants.

Pre-Issue and post-Issue Equity Shareholding Pattern

The following table provides the pre-Issue shareholding pattern as of June 14, 2024, and the post-Issue shareholding pattern:

S. No.	Category	Pre-Issue^		Post-Issue^	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
A.	**Promoters' holding****				
1.	Indian				
	Individual/ Hindu undivided family	116649309	71.13%	11,66,49,309	64.29%
	Bodies corporate	4252653	2.59%	42,52,653	2.34%
	Others	-	-	-	0.00%
	Sub-total	**120901962**	**73.73%**	12,09,01,962	66.63%
2.	Foreign promoters	-	-	-	0.00%
	Sub-total (A)	**120901962**	**73.73%**	**12,09,01,962**	**66.63%**
B	**Non-Promoter holding**				
1.	Institutional investors (Indian and Foreign)	26565817	16.20%	4,40,33,065	24.27%
2.	Non-Institutional investors	-	-		
	Private corporate bodies	0	-	-	0.00%

S. No.	Category	Pre-Issue^		Post-Issue^	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
	Directors and relatives	101091	0.06%	1,01,091	0.06%
	Indian public	13084482	7.98%	1,30,84,482	7.21%
	Others including Non- resident Indians (NRIs)	3332777	2.03%	33,32,777	1.84%
	Sub-total (B)	**43084167**	**26.27%**	**6,05,51,415**	**33.37%**
	Grand Total (A+B)	**163986129**	**100.00%**	**18,14,53,377**	**100.00%**

^Based on beneficiary position data of our Company as on June 14, 2024.
*** Includes shareholding of our promoter group as well.*

Other confirmations

- The Shareholders of our Company have, by a special resolution dated February 9, 2024 authorized the Issue.
- Since the Issue is only being made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel, and members of the Senior Management of our Company will not participate in the Issue.
- There will be no change in control in our Company consequent to the Issue.
- Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of the Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of Allotment, except on the Stock Exchanges.
- Our Equity Shares have been listed for a period of at least one year prior to the date of the issuance of the EGM Notice to our Shareholders, i.e., January 17, 2024, for approving the Issue.
- The Equity Shares held by our Company and Promoters, along with the members of the Promoter Group, are subject to a lock-up commencing on the date of Allotment. For further details, see *"**Placement – Lock-Up**"* on page 206.
- There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Placement Document.

DIVIDENDS

The declaration and payment of dividends by our Company is governed by applicable provisions of the SEBI Listing Regulations, RBI guidelines on declaration of dividends by the NBFCs, Companies Act and our Articles of Association. Our Board has approved and adopted a formal dividend distribution policy on January 30, 2019 (*further reviewed on November 1, 2023*), in terms of Regulation 43A of the SEBI Listing Regulations. For further information, please see the section titled "***Description of the Equity Shares***" on page 222.

Following dividends paid by our Company for Fiscal 2024 until the date of filing of this Placement Document and Financial Years ended March 31, 2024, March 31, 2023, March 31, 2022:

Particulars	From April 1, 2024 till the date of this Placement Document*	Fiscal 2024	Fiscal 2023	Fiscal 2022
Number of equity shares at year/period ended	163,986,129	163,986,129	54,662,043	54,662,043
Number of shares on the date of declaration of dividend	-	54,662,043	54,662,043	54,662,043
Face value per equity share (in ₹)	10	10	10	10
Dividend per equity share (in ₹)	-	4.85	3.55	2.75
Dividend Declared (in ₹ Millions)	-	265.11	194.05	150.32
Rate of dividend (%)	-	48.50	35.50	27.50
Mode of payment	-	Bank	Bank	Bank

** The Board of Directors through a resolution dated April 24, 2024, proposed a final dividend of Rs. 0.51 per equity share. This is subject to approval of shareholders in the Annual General Meeting. The total number of Equity Shares outstanding on the date of proposed dividend was 163,986,129.*

Further, except as disclosed below, there are no dividends that have been declared but are yet to be paid out by our Company for Fiscals 2024, 2023, 2022, and the period from April 1, 2024 until the date of this Placement Document.

Particulars	As on the date of the filing of the PPD	Fiscal 2024	Fiscal 2023	Fiscal 2022
Unpaid Dividend (in ₹ Millions)	0.24	0.24	0.22	0.20

Future Dividends

The dividend pay-outs in the past are not necessarily indicative of dividend amounts, if any, in the future. The frequency and amount of future dividend pay-out decision of our Company will depend on a number of internal and external factors, including, but not limited to, profits earned during the year, loan repayment and working capital requirements, business expansion, uncertainty in business conditions, volatility in the capital markets, regulatory restrictions, and any other factor that the Board may deem fit. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. There is no assurance that any future dividends will be declared or paid or that the amount thereof will not be decreased.

The Equity Shares to be issued in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared after Allotment.

Please also see the sections titled "***Taxation***" and "***Risk Factors- Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures***" on pages 226 and 84, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our Fiscal 2023 Audited Consolidated Financial Statements and Fiscal 2024 Audited Consolidated Financial Statements, including the schedules, annexures and notes thereto and the reports thereon, included in "Financial Statements" on page 237.

Unless otherwise indicated or the context otherwise requires, the financial information included in this Placement Document for Fiscal 2023 and Fiscal 2024 have been derived from our Fiscal 2023 Audited Consolidated Financial Statements and Fiscal 2024 Audited Consolidated Financial Statements, respectively, while financial information included for Fiscal 2022 is derived from the comparative financial information for Fiscal 2022 included in our Fiscal 2023 Audited Consolidated Financial Statements. During the quarter ended March 31, 2023, we had received a directive from the Reserve Bank of India to book gain on assignment of financial assets upfront in the statement of profit and loss in accordance with Ind AS 109 instead of amortising it over the period of the underlying residual tenure of the assigned loan portfolio. As per the requirement of Ind AS 8, we had restated the financial information of previous financial year 2021-22 in the Fiscal 2023 Audited Consolidated Financial Statements to reflect the change in accounting policy as explained above. Accordingly, any reference to financials of Fiscal 2022 means the restated financials of Fiscal 2022 included as comparative in the Fiscal 2023 Audited Consolidated Financial Statements. Accordingly, our Fiscal 2022 Audited Consolidated Financial Statements are not directly comparable to the comparative numbers for Fiscal 2022 included in the Fiscal 2023 Audited Consolidated Financial Statements which includes restated adjustments for Fiscal 2022.

The Fiscal 2022 Audited Consolidated Financial Statements, Fiscal 2023 Audited Consolidated Financial Statements and Fiscal 2024 Audited Consolidated Financial Statements have been prepared in accordance with the Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013, and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Companies Act, 2013. Further, we have complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC).CC.PD.No.109/22. 10.106/2019-20 dated March 13, 2020. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the twelve-month period ended on March 31 of that year.

Ind AS differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Placement Document, nor do we provide a reconciliation of our financial information to those of U.S. GAAP or IFRS. Accordingly, the degree to which the Ind AS financial information included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices.

This discussion contains forward-looking statements and reflects our current views with respect to future events andfinancial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "Forward-Looking Statements" and "Risk Factors" on pages 16 and 58.

In this section, unless the context otherwise requires, references to "we", "us", "our", or "the Group" refers toMAS Financial Services Limited on a consolidated basis and reference to "our Company" or "the Holding Company" refers to MAS Financial Services Limited on a standalone basis.

Overview

We are a Gujarat-headquartered NBFC with more than 25 years of business operations and as of March 31, 2024, we directly operate across 11 States and the NCT of Delhi through our branches and have a pan India presence through our NBFC partnerships. Our business and financing products are primarily focused on middle and low income customer segments, and include six principal categories: (i) micro-enterprise loans; (ii) SME loans; (iii) two-wheeler loans; (iv) Commercial Vehicle loans (which include new and used commercial vehicle loans and used car loans); (v) salaried personal loans; and (vi) housing loans. Our Promoter Director, Kamlesh Chimanlal Gandhi has significant operational experience of more than 35 years and has witnessed multiple cycles in the financial services sector in India. We conduct our housing loans segment through our subsidiary, MAS Rural Housing & Mortgage Finance Limited.

As of March 31, 2024, our consolidated AUM was ₹ 107,219.02 million. Our consolidated AUM increased at a CAGR of 27.79% from ₹ 65,651.49 million as of March 31, 2022 to ₹ 107,219.02 million as of March 31, 2024. As of March 31, 2024, we had more than 875,000 active loan accounts, across more than 12,000 Customer Locations in 11 States and the NCT of Delhi, served through our pan India network of 252 branches and 183 NBFCs partnerships.

Our financing products include:

Micro-Enterprise Loans. We provide two categories of micro-enterprise loans: (i) loans up to ₹ 5,00,000 typically to self-employed individuals engaged in trading or manufacturing business; and (ii) mortgage backed – MEL loans, where mortgage the immovable property, up to ₹ 25,00,000. In Fiscal 2024, the Average Disbursement in our micro-enterprise loan segment was ₹ 44,396. As on March 31, 2024, our AUM from this segment was ₹ 43,851.10 million which represented 40.91% of our consolidated AUM.

Small and Medium Enterprise (SME) Loans. We provide loans up to ₹ 50 million to our SME customers, which category primarily includes small and medium sized traders, manufacturers, distributors, and service providers engaged in various industries. The SME loan segment includes working capital loans (up to ₹ 50 million), loans for machinery and facilities (up to ₹ 15 million) and includes loans against property (up to ₹ 50 million) and supply chain financing (limit up to ₹ 200 million). In Fiscal 2024, the Average Disbursement in our SME loan segment was ₹ 1.83 million. As on March 31, 2024, our AUM from this segment was ₹ 37,338.60 million which represented 34.82% of our consolidated AUM.

Two-wheeler Loans. We provide two-wheeler loans primarily to self-employed, salaried individuals, and farmers as well as professionals. In Fiscal 2024, the Average Disbursement in our two-wheeler loan segment was ₹ 62,807. As on March 31, 2024, our AUM from this segment was ₹ 6,701.18 million which represented 6.25% of our consolidated AUM.

Commercial Vehicle Loans. We provide loans up to ₹ 1,000,000 for the purchase of new and used commercial vehicles, used cars. In this segment, our customers primarily include small traders and manufacturers (for loading vehicles), small road transport operators and first time owners (FTOs). In Fiscal 2024, the Average Disbursement in our Commercial Vehicle loan segment was ₹ 0.42 million. As on March 31, 2024, our AUM from this segment was ₹ 7,476.60 million which represented 6.97% of our consolidated AUM.

Salaried Personal Loans. We provide loans up to ₹ 10,00,000 to salaried individuals for satisfaction of their personal needs. In Fiscal 2024, the Average Disbursement in our salaried personal loan segment was ₹ 77,546. As on March 31, 2024, our AUM from this segment was ₹ 5,888.64 million which represented 5.49% of our consolidated AUM.

Housing Loans. We provide housing loans to customers for the purchase of new and old houses, construction of houses on owned plots, home improvement and for the purchase and construction of commercial property. Our customers in this segment typically include salaried and self-employed individuals and farmers having multiple source income. We also extend loans to developers for construction of affordable housing projects. The loan amount typically ranges between ₹ 50,000 and ₹ 5 million for residential property and between ₹ 0.10 million and ₹ 10 million for commercial property. Our housing finance business is primarily operated through our Subsidiary, MRHMFL. In Fiscal 2024, Average Disbursement in our housing loan segment was ₹ 0.87 million. As on March 31, 2024, our AUM from this segment was ₹ 5,962.90 million which represented 5.56% of our consolidated AUM.

In addition to our sales team, we have entered into commercial arrangements with an adequate number of sourcing intermediaries, including commission based DSAs and revenue sharing arrangements with various dealers and distributors where part of loan default is guaranteed by such sourcing partners. As of March 31, 2024, we had 185 such sourcing intermediaries for our two-wheeler loan segment and 365 such sourcing intermediaries for our Commercial Vehicle loan segment. As of March 31, 2024, we had entered into arrangements with 113 sourcing intermediaries for our housing loan segment, who typically are affordable housing project developers or property agents.

A significant part of our business origination in various segments is directly through our own direct retail distribution channels accounting for 68.42% of our consolidated AUM as of March 31, 2024. Our consolidated AUM for business originated through our direct retail distribution channels has steadily increased from ₹ 35,002.23 million as of March 31, 2022 to ₹ 73,357.84 million as of March 31, 2024. In addition to the above, we also have extended loans to MFIs, HFCs and other NBFCs that provide financing products including micro-enterprise loans, SME loans, Commercial Vehicle loans(new and used), two-wheeler loans, salaried personal loans and housing loans, enabling us to have a geographical reach extending beyond our direct Customer Locations. As of March 31, 2024, we had extended loans to 183 such financial institutions.

The following table sets forth certain information relating to our operations and financial performance in the periods specified:

(in ₹ million, except ratios and percentages)

	As of March 31, 2022 (Restated)	As of March 31, 2023	As of March 31, 2024
AUM			
Micro-Enterprise Loans	32,446.57	38,741.61	43,851.10
SME Loans	22,854.40	29,866.61	37,338.60
Two-wheeler Loans	3,757.37	5,543.51	6,701.18
Commercial Vehicle Loans	3,451.67	3,724.85	7,476.60
Salaried Personal Loans	-	3,048.98	5,888.64
Total AUM (Standalone)	62,510.01	80,925.56	101,256.12
Home Loans (Subsidiary)	3,141.48	4,133.36	5,962.90
Total AUM (Consolidated)	65,651.49	85,058.92	107,219.02
Year on year growth (%)	16.08%	29.56%	26.05%
Total Disbursement (Consolidated)	61,805.94	93,039.85	104,830.87
Gross Stage 3 Assets	1,065.19	1,352.05	1,953.54
Gross Stage 3 ratio (%)	2.00%	1.96%	2.34%
Net Stage 3 Assets	699.15	831.95	1,197.31
Net Stage 3 ratio (%)	1.31%	1.21%	1.44%
	For Fiscal 2022 (Restated)	**For Fiscal 2023**	**For Fiscal 2024**
Total Income	6,911.76	9,902.57	12,856.76
Profit /(Loss) after tax	1611.97	2,058.23	2,540.09
Return on Equity (%)	12.37%	14.11%	15.11%
Return on Average AUM (%)	2.64%	2.73%	2.64%

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Our Company's CRAR as of March 31, 2022, March 31, 2023, and March 31, 2024 were 26.35%, 25.25%, and 24.05 %, respectively.

The quality of our loan portfolio, stringent credit appraisal and risk management processes have improved our credit status with our lenders. As on the date of this Placement Document, our long term bank facilities and NCDs have been assigned a ACUITE AA-/Stable by Acuite Ratings & Research and CARE AA- Stable by Care Ratings. As of March 31, 2024, our Total Borrowings was ₹ 74,593.22 million, and our finance costs for Fiscal 2024 amounted to ₹ 6,467.12 million. Around 80% of our loan portfolio as of March 31, 2024 comprises MSME loans which qualify as priority sector ending. As on March 31, 2024, 22.22% of our consolidated AUM is off book through direct assignment and co-lending transactions.

Significant Factors Affecting Our Results of Operations and Financial Condition

We offer a diverse range of financial products and services targeted at the middle and lower income customer segments, including micro-enterprise loans, SME loans, two-wheeler loans, Commercial Vehicle loans, salaried personal loans and housing loans. We also generate additional income from services we provide as part of our financing products to supplement interest income. Interest expense on borrowings and debt securities represents a majority of our expenses. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant impact on our results of operations.

Geographic reach and distribution network

Our growth has historically been driven by a combination of expansion of our operational network as well as an increase in loans extended to financial institutions. Our sales team and sourcing partners engage with customers to offer financing products as well as ancillary services. As of March 31, 2024, we had more than 875,000 Active Loan Accounts across more than 12,000 Customer Locations in 11 States and the NCT of Delhi, served through our pan India network of 252 branches and 183 NBFC partners. Since commencement of operations, we have significantly expanded our operations from Gujarat to Maharashtra, Rajasthan, Madhya Pradesh, Tamil Nadu, Karnataka, Chhatisgarh, Uttarakhand and the NCT of Delhi.

We enter into commercial arrangements with an adequate number of sourcing intermediaries, which include commission based DSAs, as well as revenue sharing arrangements with various dealers and distributors where a part of the loan default is guaranteed by such sourcing partners. As of March 31, 2024, we had 185 such two-wheeler sourcing intermediaries and 365 Commercial Vehicle sourcing intermediaries. For our housing finance business, as of March 31, 2024 we have sourcing arrangements with 113 affordable housing project developers and property agents.

We have increasingly extended loans to financial institutions operating in similar sectors, in order to diversify our portfolio within the micro-enterprise, SME, two-wheeler, Commercial Vehicle, salaried personal and housing loan segments. This ensures a diversified and quality portfolio, diversification of business origination channels, expansion of geographic reach as well as ensuring guaranteed repayment of the loan we extend to them. As of March 31, 2024, we had extended loans to 183 such institutional borrowers. The large amount of loans we extend to such institutional borrowers result in lower interest rates being offered to them. However, such lower interest rates are offset by reduction in our operating costs as a result of additional markets which we are able to access through such institutional borrowers. We have introduced stringent credit checks for the underlying loan portfolios associated with loans to our institutional borrowers, including inspection of the hypothecated loan portfolio to ensure that they meet the credit policies stipulated by us and replace any substandard underlying asset.

Availability of cost effective funding sources

The availability of cost-effective funding sources significantly affects our results of operations. Our funding requirements are predominantly sourced through term loans (short term and long term) from banks and other financial institutions. We have established long term relationships with various banks and financial institutions which provide ease of access to funding from such institutions. Our quality loan portfolio, stringent credit appraisal and risk management processes and stable credit history have resulted in improved credit status with our lenders over the years, thereby enabling us to reduce our cost of borrowings from banks and other financial institutions. Our credit status with our lenders is determined primarily by our Stage 3 Assets. We have low Stage 3 Assets due to the quality of our asset portfolio, which is maintained by our robust internal process of evaluation. We also access funds through working capital and cash credit and overdraft facilities from banks repayable on demand. We have diversified our funding sources through direct assignment arrangements and issuance of subordinate non-convertible debentures to reduce our dependence on term loans. Funding through direct assignments represented 24.16% of our sources of funds as of March 31, 2024 compared to 20.71% as of March 31, 2023 and 21.58% as of March 31, 2022. Further, funding from subordinate debentures represented 3.14% of our sources of funds as of March 31, 2024 compared to 3.34% as of March 31, 2023 and 2.46% as of March 31, 2022. In addition to debt funding, we also support our funding requirements from internal accruals and securitization transactions.

Our revenue from operations depends significantly on the level of our interest income from our financing activities. Finance costs represent a majority of our expenses and represented 49.07%, 50.21%, and 50.56% of our revenue from operations in Fiscals 2022, 2023 and 2024, respectively. Our Total Borrowings increased by 56.74% from ₹ 47,589.20 million as of March 31, 2022 to ₹ 74,593.22 million as of March 31, 2024, while finance costs increased by 90.95% from ₹ 3,386.83 million in Fiscal 2022 to ₹ 6,467.12 million in Fiscal 2024.

We believe that we have been able to maintain relatively stable finance costs as a result of our effective fund-raising and asset management strategy. As a systemically important NBFC focusing on middle and lower income customer segments, we assign or securitize our portfolio to banks, which helps banks meet their priority sector lending commitments. We believe priority sector lending and long-term relationships with public/private sector banking institutions improves our credibility and provides ease of access to funds from such institutions at relatively lower costs. This enables us to maintain low debt servicing costs, which in turn allows us to offer our financial products at competitive interest rates. Our ability to maintain our finance costs at optimum levels will continue to have a direct impact on our profitability, results of operations and financial condition.

Interest rate volatility

Interest income is the largest component of our total revenue, and represented 85.98%, 85.37% and 84.20% of our revenue from operations in Fiscals 2022, 2023 and 2024, respectively. Similarly, finance costs comprise a significant majority of our expenses, representing 49.07%, 50.21% and 50.56% of our revenue from operations in Fiscals 2022, 2023 and 2024, respectively. Net interest margin, i.e., the ratio of net interest income for the year/ period to the Average AUM for the period/year is an important parameter across our business. For further information on our net interest margins, finance cost, yields, and spread, see "*Selected Statistical Information*" on page 46. Any adverse change to net interest margins, yield or cost of borrowing will have a significant impact on our results of operations.

Our finance costs are dependent on various external factors, including Indian and global credit markets and, in particular, interest rate movements and adequate liquidity in the debt markets. Changes in RBI repo rates could affect the interest charged on interest-earning assets and the interest rates paid on interest-bearing liabilities. Adverse conditions in the global and Indian economy resulting from economic dislocations or liquidity disruptions may adversely affect availability of credit, and decreased liquidity may lead to an increase in interest rates.

Interest rates have a substantial effect on our cost of funding, our business volumes and our profit margins. Declining interest rates may lead to increased prepayments and repricing of our loans as borrowers seek to take advantage of the more attractive interest rate environment to reduce their borrowing costs. Declining interest rates may also lead to a greater demand for additional borrowings as business owners seek to take advantage of lower interest rates, resulting in an increase in volume of financing business. Conversely, when interest rates rise, there are typically less prepayments and less pressure to reprice loans; there is also less demand for new funds, resulting in a decrease in volume of our financing activities. In a rising interest rate scenario, our profit margins are therefore primarily dependent on our ability to attract new business, either through existing customers or new customers, than it is in a declining interest rate scenario. In addition, changes in interest rates also affect the interest rates we pay on our interest-bearing liabilities. However, in the past we have observed that such changes have a limited impact as our target customers are in the middle and lower income groups. Varying maturity periods applicable to our interest- bearing assets and interest-bearing liabilities and a consequent change in interest rates may result in an increase in interest expense relative to interest income leading to a reduction in our interest income from financing activities.

Diversification of asset portfolio and customer segments

While we are focused on middle and low income customer segments, we believe that diversification of our business and revenue base with respect to our product offerings and the markets which we serve is a key component of our success. In the past we have strategically improved the diversity of our asset portfolio to cater to various asset classes and customer segments. We offer a range of financial loans and services including micro-enterprise loans, SME loans, Commercial Vehicle loans, salaried personal and housing loans, which provide us with significant cross-selling and up-selling opportunities with respect to our target customer segments. Our housing finance business is primarily conducted by MRHMFL, one of our Subsidiaries. Our business is also dependent on the services we provide along with our financing products to our target customers on competitive terms.

As of March 31, 2024, micro-enterprise loans represented 40.91%, SME loans represented 34.82%, two-wheeler loans represented 6.25%, Commercial Vehicle loans represented 6.97%, salaried personal loans represented 5.49% and housing loans represented 5.56% of our total AUM. We offer loans to the expanding retail borrower section, mostly from the middle- and lower-income group, who otherwise have little access to formal means of credit. With their incomes and aspirations on the rise, they have increased need for funds creating a significant growth opportunities for our business. Any change in the relative mix of assets financed by us may affect our profitability. Our revenues and profitability may be affected as we promote new financing products and alter our asset portfolio mix as a result of implementation of our growth strategies, market conditions, customer demand and other macroeconomic and industry related factors. We expect our product offerings along with our services to require increasing management supervision and operational control. Our future revenue and profitability may be impacted by the expansion of our existing services as we implement our business strategies and address market opportunities. Our ability to maintain our diversified asset portfolio and serve varied customer segments in a cost-effective manner will have an impact on our results of operations and financial condition.

Expansion of our customer base

Our financial performance is directly impacted by the number of customers we service. As of March 31, 2024, we had more than 875,000 Active Loan Accounts. Our total income increased at a CAGR of 36.39%, from ₹ 6,911.76 million in Fiscal 2022 to ₹ 12,856.76 million in Fiscal 2024, while profit after tax increased at a CAGR of 25.53%, from ₹ 1,611.97 million in Fiscal 2022 to ₹ 2,540.09 million in Fiscal 2024. Our total AUM increased by 16.08%, 29.56% and 26.05% in Fiscals 2022, 2023 and 2024, respectively. In Fiscals 2022, 2023 and 2024, we recorded interest income of ₹ 5,934.50 million, ₹ 8,432.75 million and ₹ 10,770.93 million, respectively. Increase in our customer base directly impacts our interest income from financing activities. Other operating revenues also depend on the nature and number of customers and type of loan availed. Conversely, prepayment of loans by our customers may have an adverse impact on our revenues. Our results of operations are therefore dependent on our ability to offer and sell to our target customers relevant financial products on competitive terms; offer our existing customers diverse financial products and additional loans; and increase our customer base for our existing and new products. Acquisition of new customers and retention of existing customers is critical for the growth of our customer base and will directly impact our results of operations and financial condition.

Credit quality, provisions and write-offs

Our Stage 3 Assets level is a function of our credit quality, which is further dependent upon our credit appraisal processes, internal process of evaluation of income levels of customers and recovery mechanism. The credit quality of our loans directly affects our results of operations, as the quality of our loan portfolio determines our ability to reduce the risk of losses from loan impairment. With the growth of our business, our ability to manage the credit quality of our loans will be a key driver of our results of operations, as quality loans help reduce the risk of losses from loan impairment and write-offs. We maintain credit quality based on verification of risk profile of borrowers, source of repayment and the underlying collateral.

The following table illustrates our asset quality ratios as of the dates indicated:

(*₹ million, except ratios and percentages*)

Metric	As of March 31,		
	2022	2023	2024
Gross Stage 3 Assets [(1)]	1,065.19	1,352.05	1,953.54
Gross Stage 3 Assets Ratio(%)[(2)]	2.00%	1.96%	2.34%
Net Stage 3 Assets [(3)]	699.15	831.95	1,197.31
Net Stage 3 Assets Ratio[(4)]	1.31%	1.21%	1.44%

[(1)] *Refers to Gross Stage 3 Assets, represented by the gross carrying amount of Stage 3 On-Book Portfolio as of the last day of the relevant year*
[(2)] *Refers to Gross Stage 3 Assets Ratio, represented by Gross Stage 3 Assets to On-book Portfolio represented as a percentage*
[(3)] *Refers to Net Stage 3 Assets, represented by Gross Stage 3 Assets reduced by Gross Stage 3 provisions as of the last day of relevant year*
[(4)] *Refers to Net Stage 3 Assets Ratio, represented by the ratio of Net Stage 3 Assets to On-book Portfolio, represented as a percentage*

Various factors, such as a deterioration in macroeconomic factors (including a rise in unemployment, a sharp and sustained rise in interest rates, developments in the Indian economy, movements in global commodity markets and exchange rates), regulatory hurdles and competition, as well as customer specific factors, such as wilful default and mismanagement of a customer's operations, may cause a further increase in the level of Stage 3 assets and have an adverse impact on the quality of our loan portfolio. Any increase in the level of final credit losses or an inability to maintain our asset quality may adversely affect our Stage 3 Assets levels and require us to increase our provisions and write-offs and adversely affect our financial condition.

Macroeconomic conditions in India and competition

As an NBFC operating in India, our financial performance is dependent on the overall economic condition in India, including the GDP growth rate, the economic cycle and the condition of the securities markets, and perception of these conditions and future economic prospects. Our financial results are influenced by macroeconomic factors relating to growth of the Indian economy in general, which may lead to an increase in demand for our loan products. Conversely, a slowdown in the Indian economy could adversely affect our business and our borrowers, especially if such a slowdown were to be continued and prolonged. Several factors beyond our control, such as developments in the Indian economy including the regulatory landscape and domestic employment levels, conditions in the world economy, pandemics such as COVID-19, fluctuations in interest rates, movements in global commodity markets and exchange rates could have either a positive or an adverse impact on the quality of our loan portfolio. Further, the financing industry in India is highly competitive. The factors on which we compete include loan approval rates, interest rates charged for loans, turn-around times and customer relationships. Competitive pressures can impact the performance of all aspects of our business and financial performance, and market conditions in India may incentivise additional financial institutions to enter the market.

The pace of expansion in the balance sheet of NBFCs accelerated in 2022-23. This was led by double digit credit growth, mainly on account of unsecured loans. Growth in investments decelerated while cash and bank balances contracted. NBFCs improved their capital positions to cater to the rise in credit demand. Amidst tightening liquidity conditions and increasing competition from banks in segments like vehicle loans and loans against gold, NBFCs focused on lending to segments such as unsecured loans, micro-finance loans and MSMEs. The growth of unsecured loans (28.1%) was more than twice that of secured loans (11.5%). As a result, the share of secured loans in total NBFCs credit fell from 72.4% at end-March 2022 to 69.5% at end-March 2023, while that of unsecured loans inched up from 27.6% to 30.5% over the same period. NBFCs-D have a relatively higher share of secured loans in their lending portfolio, in contrast to NBFCs-ND-SI. Credit growth accelerated further at end-September 2023, while investments declined. *(Source: Report on Trend and Progress of Banking in India 2022-23 by Reserve Bank of India)*

The Government's monetary policy is influenced by the condition of the Indian economy. The prevailing interest rates and changes in the monetary policy affect the interest rates of our advances and borrowings. The RBI responds to fluctuating levels of economic growth, liquidity concerns and inflationary pressures in the economy by adjusting monetary policy. If general economic conditions in India deteriorate or are not in line with our expectations, if our business operations are impacted in a manner that vary from our expectations, or if favourable trends in the financial services industry in India slow down or are reversed, our financial condition and results of operations may be materially impacted.

We face competition from other NBFCs as well as scheduled commercial banks. In addition to NBFCs and banks, we face competition from unorganized small market participants who are prevalent in the areas in which we operate, who are also focused on lending to middle and lower income segments and MSEs. If we are unable to access funds at an effective cost that is comparable to, or lower than our competitors, or expand our reach and build our brand, we may lose existing as well as potential customers to competition, resulting in a decline in our market share. Our competitors may have more resources, a wider branch and distribution network, access to cheaper capital, superior technology and may develop a better understanding of and relationships with customers in these markets. They might also be able to withstand adverse changes in the economic climate of India better than us, through reliance on the reach of affiliated group companies or banks.

Regulatory framework

As an NBFC, we have to mandatorily obtain a certificate of registration issued by the RBI. We are also required to have minimum net owned funds of ₹ 20 million and minimum CRAR of 15%. We are also required to create a reserve fund and transfer at least 20% of our net profit every year prior to any dividend being declared. We are also subject to regulations relating to the capital adequacy for NBFCs, which determine the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio. As of March 31, 2024 our Company's CRAR was 24.05% on a standalone basis, of which Tier I capital was 20.33%.

Further, we are also required to measure our impairment losses on the basis of the ECL method under Ind AS 109. Under this standard, our ECL calculations are made through complex models with numerous underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models considered for accounting judgements and estimates include our criteria for assessing significant increases in credit risk, formulas and choice of inputs for models, determination of associations between macroeconomic scenarios and economic inputs and selection of forward-looking macroeconomic scenarios and their probability weightings. In Fiscals 2022, 2023 and 2024, our impairment on loans (which comprises our ECL on financial instruments measured at FVOCI and amortised cost, write offs (net of recoveries) and loss on repossessed assets) amounted to ₹ 352.74 million, ₹ 533.62 million and ₹ 906.03 million, respectively. Any change in the regulatory or accounting framework affecting NBFCs or HFCs, and in particular those requiring us to maintain certain financial ratios, placement restrictions on securitization, accessing funds or lending to financial institutions among others, would adversely affect our results of operations and growth.

Basis of Preparation

The Fiscal 2022 Audited Consolidated Financial Statements, Fiscal 2023 Audited Consolidated Financial Statements and Fiscal 2024 Audited Consolidated Financial Statements have been prepared in accordance with the recognition and measurement principles laid down in Ind AS prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules thereunder, and other accounting principles generally accepted in India and in compliance with Regulations 33 and 52 of the SEBI Listing Regulations. Any application guidance/ clarifications/ directions issued by the RBI and other regulators are implemented as and when the are issued/ applicable.

Principles of Consolidation

The Fiscal 2022 Audited Consolidated Financial Statements, Fiscal 2023 Audited Consolidated Financial Statements and Fiscal 2024 Audited Consolidated Financial Statements have been prepared on the following basis in accordance with Ind AS 110 on 'Consolidated Financial Statements' specified under Section 133 of the Companies Act, 2013.

Subsidiary: Subsidiary in an entity controlled by the holding company. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which controls commences until the date on which control ceases.

Non-controlling interest ("NCI"): NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control: When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value on the date the control is lost. Any resulting gain or loss is recognized in profit or loss.

Transactions eliminated on consolidation: The financial statements of the Holding Company and its subsidiary used in the consolidation procedure are drawn up to the same reporting date i.e. March 31, 2024. The financial statements of the Holding Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. The Group follows uniform accounting policies for like transactions and other events in similar circumstances.

The following subsidiaries have been considered in preparation of the Fiscal 2023 Audited Consolidated Financial Statements and Fiscal 2024 Audited Consolidated Financial Statements:

Name of the entity	Relationship	Country of incorporation	Ownership held by	% holding and voting power as of March 31,		
				2022	2023	2024
MAS Rural Housing & Mortgage Finance Limited	Subsidiary company	India	Our Company	59.67%	59.67%	60.77%
MASFIN Insurance Broking Private Limited	Subsidiary company	India	Our Company	-	69.00%	69.00%
	Associate company	India	MAS Rural Housing & Mortgage Finance Limited	-	30.00%	30.00%

Significant Accounting Policies

<u>Recognition of interest income</u>

A. EIR Method

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

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

The Company calculates interest income by applying EIR to the gross carrying amount of financial assets other than credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as stage 3, the Company calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

Financial instrument - initial recognition

A. Date of recognition

All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, transaction costs are added to or subtracted from this amount, except in the case of financial assets and financial liabilities recorded at FVTPL.

C. Initial measurement of financial instruments

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

(i) Amortised cost
(ii) Amortised cost
(iii) FVTPL

Financial assets and liabilities

A. Financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

(a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.
(b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
(c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
(d) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

SPPI test

As a second step of its classification process, the Company assesses the contractual terms of financial asset to identify whether they meet SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

(i) **Financial assets carried at amortised cost**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) **Financial assets measured at FVOCI**

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) **Financial assets at FVTPL**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

(iv) **Equity investment in subsidiaries**

The Company has accounted for its equity investments in subsidiaries at cost.

B. Financial liability

(i) **Initial recognition and measurement**

All financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

(ii) **Subsequent measurement**

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

<u>Reclassification of financial assets</u>

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the circumstances in which the Company changes in its business model for managing those financial assets.

<u>Derecognition of financial assets and liabilities</u>

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

B. Derecognition of financial assets other than due to substantial modification

(i) **Financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.
On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109.

As per the guidelines of RBI, the Company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continue to recognise the portion retained by it as MRR.

(ii) **Financial liability**

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

<u>Impairment of financial assets</u>

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets together with loan commitments other than those measured at FVTPL.

Expected credit losses are measured through a loss allowance at an amount equal to:

(i) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
(ii) Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

Both LTECLs and 12 months ECLs are calculated on collective basis for retail loans.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1:	When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant increase in credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2.
Stage 2:	When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL.
Stage 3:	Loans considered credit impaired are the loans which are past due for more than 90 days. Borrowers are also classified under stage 3 bucket under instances like fraud identification and legal proceeding. Further, stage 3 loan accounts are identified at customer level (i.e. a Stage 1 or 2 customer having other loans which are in Stage 3). The Company records an allowance for life time ECL. There is a curing period with Stage 3 loan, where even if the DPD days are reduced by 90 days the same will not be upgraded to Stage 1 until the loan is 0 DPD.
Loan Commitments:	When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

B. Calculation of ECLs

For retail loans

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

PD	Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
EAD	Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, expected drawdowns on committed facilities and accrued interest. Further, the EAD for stage 3 retail loan is the outstanding exposure at the time loan is classified as Stage 3 for the first time.
LGD	LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods. % Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total outstanding) % LGD = 1 – recovery rate

For retail asset channel ("RAC") loan portfolio

For RAC loan portfolio, the Company has developed internal rating based approach for the purpose of ECL. The credit rating framework of the Company consists of various parameters based on which RAC loan portfolio is evaluated and credit rating is assigned.

The Company has developed its PD matrix based on the benchmarking of various external reports, ratings and Basel norms. This PD matrix is calibrated with its historical data and major events at a regular time interval in accordance with its ECL policy.

The LGD has been considered based on Basel-II Framework for all the level of RAC credit rating portfolio.

The Company calculates PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated EADs are reviewed. While at every year end, LGDs and PDs are reviewed and changes in the forward looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1:	The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.
Stage 2:	When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
Stage 3:	For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%. Credit impairment loans are determined at borrower level.
Loan Commitments	When estimating ECL for undrawn loan commitments, the Company estimates the amount sanctioned that will be disbursed after the reporting date. The ECL is then calculated using PD and LGD.

Management overlay is used to adjust the ECL allowance in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios. Emerging local or global macroeconomic, micro economic or political events, and natural disasters that are not incorporated into the current parameters, risk ratings, or forward looking information are examples of such circumstances. The use of management overlay may impact the amount of ECL recognized.

Significant increase in credit risk

The Company monitors all financial assets, including loan commitments issued that are subject to impairment requirements, to assess whether there has been a significant increase in credit risk since initial recognition. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience that is available without undue cost or effort. However, when a financial asset becomes 30 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is classified in Stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL. Further, a stage 2 customer having other loans which are in stage 1 are considered to have significant increase in credit risk.

Definition of default

The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL.

Financial assets in default represent those that are at least 90 DPD in respect of principal or interest and/or where the assets are otherwise considered to be unlikely to pay, including those that are credit-impaired.

C. Loans and advances measured at FVOCI

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the statement of profit and loss upon derecognition of the assets.

D. Forward looking information

In its ECL models, the Company relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time. For this purpose, the Company has used the data source of Economist Intelligence Unit.

Write-offs

The gross carrying amount of a financial asset is written off when the chances of recoveries are remote. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in Statement of profit and loss.

Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;

- Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and

- Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

Recognition of other income

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

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

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

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

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

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

A. Dividend income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

B. Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

C. Other interest income

Other interest income is recognised on a time proportionate basis.

D. Fees and commission income

Fees and commission income such as stamp and document charges, guarantee commission, service income, due diligence and evaluation charges and portfolio monitoring fees etc. are recognised on point in time basis.

<u>Recognition of other expense</u>

A. Finance cost

Finance costs are the interest and other costs that the Company incurs in connection with the borrowing of funds. Interest expenses are computed based on effective interest rate method.

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortized cost. Financial instruments include bank term loans, non-convertible debentures, commercial papers, subordinated debts, perpetual debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Finance costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other finance costs are charged to the statement of profit and loss for the period for which they are incurred.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the Company and the cost of the item can be measured reliably.

Depreciation is calculated using the straight line method to write down the cost of property, plant and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act. Land is not depreciated. All assets individually costing less than Rs. 5,000 are fully depreciated in the year of purchase.

The estimated useful lives are, as follows:

(i) Buildings - 60 years
(ii) Office equipments - 3 to 10 years
(iii) Furniture and fixtures - 10 years
(iv) Vehicles - 8 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date. Capital work-in- progress is stated at cost, net of impairment loss, if any.

Intangible assets

The Company’s intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives (three years) using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as ‘Intangible assets under development'.

Impairment of non financial assets - property, plant and equipments and intangible assets

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less

Lease payments associated with short term leases or low value leases are recognised as an expense on a straight-line basis over the lease term.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

Corporate guarantees

Corporate guarantees are initially recognised in the standalone financial statements (within "other non-financial liabilities") at fair value, being the notional commission. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss. The notional commission is recognised in the statement of profit and loss under the head fees and commission income on a straight line basis over the life of the guarantee.

Retirement and other employee benefits Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Company to the Life insurance corporation of India who administers the fund of the Company.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees’ services.

As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
(b) in case of non-accumulating compensated absences, when the absences occur.

Provisions, contingent liabilities and contingent assets

A. Provisions

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

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised not disclosed in the financial statements.

Taxes

A. Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or equity.

B. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Earnings per share

Basic earnings per share ("EPS") is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when the it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

Repossessed asset

In the normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle the outstanding debt.

Foreign Currency Transactions

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency at rates of exchange on the reporting date.

Exchange difference on restatement of all other monetary items is recognised in the Statement of Profit and Loss.

Derivatives

A derivative is a financial instrument or other contract with all three of the following characteristics:

(i) Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').

(ii) It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.

(iii) It is settled at a future date.

The Company enters into derivative transactions with various counterparties to hedge its foreign currency exchange rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes forward contracts.

Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are recognised in the Statement of Profit and Loss.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Changes in Accounting Policies

Except as stated below, there have been no changes in our accounting policies in Fiscals 2022, 2023 and 2024:

Till December 31, 2022, gain on assignment of financial asset was recognised as 'unearned income on assigned loans' under the head 'other non-financial liabilities' and was amortised in the statement of profit and loss over the period of the underlying residual tenure of the assigned loan portfolio. Such policy was adopted by our management for more prudent and fair presentation of financial statements by exercising their judgement under paragraph 19 of Ind AS 1 "Presentation of financial statements". During the quarter ended March 31, 2023, the Group had received a directive from the RBI to book such gain upfront in the statement of profit and loss in accordance with Ind AS 109 instead of amortising it over the period of the underlying residual tenure of the assigned loan portfolio. Pursuant to such directive from regulating authorities, our management has changed the accounting policy as directed and advised by the RBI to book such gain upfront in the statement of profit and loss in accordance with Ind AS 109. The new accounting policy has been implemented retrospectively and presented from the beginning of the earliest period i.e. April 1, 2021. On account of adopting such revised accounting policy, in case of derecognition of loans upon assignment prior to March 31, 2021, where underlying residual terms of the assigned portfolio was falling on or after March 31, 2021, the Group has increased other equity by ₹ 324.72 million, increased non-controlling interest by ₹ 0.42 million, decreased the deferred tax assets by ₹ 109.40 million, decreased spread on assigned assets by ₹ 16.64 million and decreased unearned income on assigned loans under the head other non-financial liabilities of ₹ 451.18 million.

Principal Components of Income and Expenditure

Income

Total income comprises of revenue from operations and other income.

Revenue from Operations

Revenue from operations comprises of (i) interest income, (ii) gain on assignment of financial assets, (iii) fees and commission income and (iv) net gain on fair value changes.

Interest income: Our interest income comprises primarily of interest income on (i) loans disbursed by us, (ii) investments, (iii) deposits with banks. Interest income also includes other interest income.

Gain on assignment of financial assets: Gain on assignment of financial assets is earned when financial assets are derecognized on account of direct assignment of our loans to banks/ financial institutions. Such gain comprises of the difference between the carrying amount of the assigned loan (measured on the date of derecognition) and the consideration received for the assignment.

Fees and commission income: Our fee and commission income is earned primarily from associated charges on loans disbursed by us, such as loan processing fees, stamp and document charges, guarantee commission, service income, due diligence and evaluation charges and portfolio monitoring fees.

Net gain on fair value changes: Our realized net gain on fair value changes on financial instruments comprises net gain on fair value changes on FVTPL with respect to income from treasury investments such as debentures and mutual funds.

Other income

Other income primarily includes net gain on sale of investments on amortized cost and income from non-financing activity.

Expenditure

Total expenditure comprises of (i) finance costs, (ii) fee and commission expense; (iii) impairment of financial assets, (iv) employee benefits expenses, (v) depreciation, amortization and impairment, and (vi) other expenses.

Finance Costs

Finance costs include interest expense on (i) bank borrowings, (ii) debt securities, (iii) subordinated liabilities, and (iv) others. It also includes other borrowing costs and lease liability interest obligation.

Fees and Commission Expense

Fees and commission expense comprises of commission paid to off-roll employees working for us on contractual basis as well as commission paid to DSAs and NBFC partners for sourcing of business.

Impairment of Financial Assets

Impairment expenses on financial assets includes (i) impairment on loans, which, in turn, comprises primarily of write-offs of loans and loss on sale of repossessed assets, and (ii) impairment on investments.

Employee Benefits Expense

Employee benefits expense includes (i) salaries and wages, (ii) contribution to provident fund and other funds, (iii) gratuity expense and (iii) staff welfare expenses relating to our employees.

Depreciation and Amortization Expense

Depreciation represents depreciation on our fixed assets including buildings, improvements, furniture and fittings, vehicle, and office equipment as well as depreciation on right-of-use assets. Amortization represents amortization of intellectual property on proprietary technology- software.

Other Expenses

Professional fees, CSR expenses, rent and travel expenses represents a significant portion of our other expenses. Other expenses also include bank charges, legal expenses and other miscellaneous expenses.

Results of Operations

The following table sets forth certain information with respect to our results of operations on a consolidated basis for the years/ periods indicated.

Particulars	**Fiscal**					
	2022 (Restated)		**2023**		**2024**	
	₹ million	**% of total income**	**₹ million**	**% of total income**	**₹ million**	**% of total income**
Revenue from Operations						
Interest income	5,934.50	85.86%	8,432.75	85.16%	10,770.93	83.78%
Gain on assignment of financial assets	655.51	9.48%	714.74	7.22%	1,223.20	9.51%
Fees and commission income	212.16	3.07%	508.98	5.14%	664.79	5.17%
Net gain on fair value changes	100.24	1.45%	221.85	2.24%	132.66	1.03%
Total revenue from operations	**6,902.41**	**99.86%**	**9,878.32**	**99.76%**	**12,791.58**	**99.49%**
Other income	9.35	0.14%	24.25	0.24%	65.18	0.51%
Total Income	**6,911.76**	**100.00%**	**9,902.57**	**100.00%**	**12,856.76**	**100.00%**
Expenses						
Finance costs	3,386.83	49.00%	4,960.12	50.09%	6,467.12	50.30%
Fees and commission expense	230.94	3.34%	572.44	5.78%	487.99	3.80%
Impairment on financial assets	352.74	5.10%	533.62	5.39%	906.03	7.05%
Employee benefits expenses	477.90	6.91%	706.94	7.14%	1,004.50	7.81%
Depreciation, amortization and impairment	20.72	0.30%	27.13	0.27%	42.97	0.33%

Particulars	Fiscal					
	2022 (Restated)		2023		2024	
	₹ million	% of total income	₹ million	% of total income	₹ million	% of total income
Other expenses	277.15	4.01%	385.82	3.90%	551.44	4.29%
Total expenses	**4,746.28**	**68.67%**	**7,186.07**	**72.57%**	**9,460.05**	**73.58%**
Profit before exceptional items and tax	**2,165.48**	**31.33%**	**2,716.50**	**27.43%**	**3,396.71**	**26.42%**
Exceptional items	-	-	-	-	-	-
Profit before tax	**2,165.48**	**31.33%**	**2,716.50**	**27.43%**	**3,396.71**	**26.42%**
Tax expense						
Current tax	558.31	8.08%	672.32	6.79%	830.63	6.46%
Excess provision for tax relating to prior years	(5.08)	(0.07) %	(24.73)	(0.25)%	(2.08)	(0.02%)
Net current tax expense	553.23	8.00%	647.59	6.54%	828.55	6.44%
Deferred tax expense/ (credit)	0.28	0.00%	10.68	0.11%	28.07	0.22%
Net tax expense	**553.51**	**8.01%**	**658.27**	**6.65%**	**856.62**	**6.66%**
Profit for the year/ period	**1,611.97**	**23.32%**	**2,058.23**	**20.78%**	**2,540.09**	**19.76%**
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Re-measurement of the defined benefit liabilities	(0.86)	(0.01)%	0.78	0.01%	(5.08)	(0.04)%
Income tax impact on above	0.23	0.00%	(0.20)	(0.00)%	1.28	0.01%
Total (A)	**(0.63)**	**(0.01) %**	**0.58**	**0.01%**	**(3.80)**	**(0.03)%**
Items that will be reclassified to profit or loss						
Loans and advances through other comprehensive Income	(102.96)	(1.49)%	(246.85)	(2.49)%	190.79	1.48%
Income tax impact on above	25.91	0.37%	62.13	0.63%	(48.02)	(0.37)%
Total (B)	**(77.05)**	**(1.11)%**	**(184.72)**	**(1.87)%**	**142.77**	**1.11%**
Other comprehensive income (A+B)	**(77.68)**	**(1.12)%**	**(184.14)**	**(1.86)%**	**138.97**	**1.08%**
Total comprehensive income for the year/ period	**1,534.29**	**22.20%**	**1,874.09**	**18.93%**	**2,679.06**	**20.84%**

FISCAL 2024 COMPARED TO FISCAL 2023

Total income

Our total income increased by 29.83% from ₹ 9,902.57 million in Fiscal 2023 to ₹ 12,856.76 million in Fiscal 2024 primarily due to an increase in revenue from operations.

Revenue from operations

Our revenue from operations increased by 29.49% from ₹ 9,878.32 million in Fiscal 2023 to ₹ 12,791.58 million in Fiscal 2024 due to the following reasons.

- Interest income increased by 27.73% from ₹ 8,432.75 million in Fiscal 2023 to ₹ 10,770.93 million in Fiscal 2024 primarily due to increase in disbursements in our loan portfolio as well as subscription to debt instruments, driven by our strategic focus of growing our direct sales channels to customers. Our Disbursements increased by 12.67% from ₹ 93,039.85 million in Fiscal 2023 to ₹ 104,830.87 million in

Fiscal 2024. Our heightened focus on direct sales efforts was reflected in (a) an increase in our direct retail distribution of AUM from 63.57% of our total AUM as of March 31, 2023 to 68.42% of our total AUM as of March 31, 2024, and (b) an increase in our direct retail distribution of Disbursements from 60.60% of our total Disbursements in Fiscal 2023 to 65.37% of our total Disbursements in Fiscal 2024.

In addition, interest income also increased on account of higher interest rates charged to our borrowers resulting from an increase in our cost of borrowings. This was reflected by (a) an increase in average yield from 14.70% in Fiscal 2023 to 15.33% in Fiscal 2024, and (b) increase in our average cost of borrowings (inclusive of off-book portfolio) from 8.89% in Fiscal 2023 to 9.46% in Fiscal 2024.

- Gain on assignment of financial assets increased by 71.14% from ₹ 714.74 million in Fiscal 2023 to ₹ 1,223.20 million in Fiscal 2024 primarily due to an increase in direct assignment transactions undertaken by our Company and MRHMFL, our Subsidiary in Fiscal 2024.

- Fees and commission income increased by 30.61% from ₹ 508.98 million in Fiscal 2023 to ₹ 664.79 million in Fiscal 2024 primarily due to increase in our direct sales efforts to customers as well as collection of portfolio monitoring fees and due diligence fees from our NBFC partners.

- Net gain from fair value changes decreased by 40.20% from ₹ 221.85 million in Fiscal 2023 to ₹ 132.66 million in Fiscal 2024 primarily due to a significant decrease in our investments in market linked debentures in Fiscal 2024 (even with an increase in investment in treasury products in the year).

Other income

Other income increased by 168.78% from ₹ 24.25 million in Fiscal 2023 to ₹ 65.18 million in Fiscal 2024 primarily due to an increase in net gain on sale of investments measured at amortized cost in Fiscal 2024 due to higher amount of sales of pass-through certificates by us at a premium in Fiscal 2024.

Expenses

Total expenses increased by 31.64% from ₹ 7,186.07 million in Fiscal 2023 to ₹ 9,460.05 million in Fiscal 2024.

Finance costs

Finance costs increased by 30.38% from ₹ 4,960.12 million in Fiscal 2023 to ₹ 6,467.12 million in Fiscal 2024 primarily due to an increase in our interest expenses on borrowings from banks and financial institutions and on our debt securities. This was primarily due to (a) an increase of 20.31% in our Total Borrowings from ₹ 62,000.74 million as of March 31, 2023 to ₹ 74,593.22 million as on March 31, 2024, and (b) increase in our average cost of borrowings (inclusive of off-book portfolio) from 8.89% in Fiscal 2023 to 9.46% in Fiscal 2024, due to increase in the RBI repo rates.

Fees and commission expenses

Fees and commission expenses decreased by 14.75% from ₹ 572.44 million in the Fiscal 2023 to ₹ 487.99 million in Fiscal 2024 primarily due to decrease in new AUM sourced through NBFCs and fintech partners in Fiscal 2024, as well as the EIR effect of amortisation of fees and commissions paid to DSAs for sourcing retain customers.

Impairment of financial assets

Impairment expense on financial assets increased by 69.79% from ₹ 533.62 million in the Fiscal 2023 to ₹ 906.03 million in Fiscal 2024 in line with increase in our overall business with a focus on building our direct retail distribution channels.

Employee benefits expense

Employee benefits expense increased by 42.09% from ₹ 706.94 million in Fiscal 2023 to ₹ 1,004.50 million in Fiscal 2024 primarily on account of an increase in the number of our on-roll employees as well as increments in the compensation of existing on-roll employees.

Depreciation, amortization and impairment

Depreciation, amortization and impairment expenses increased by 58.39% from ₹ 27.13 million in Fiscal 2023 to ₹ 42.97 million in Fiscal 2024 primarily on account of increase in depreciation on our fixed assets as well as amortization of software expenses.

Other expenses

Other expenses increased by 42.93% from ₹ 385.82 million in Fiscal 2023 to ₹ 551.44 million in Fiscal 2024 primarily on account of increase in expenses related to rent, stationery, travelling, conveyance, advertisement and sales promotion, professional fees and legal expenses. These were incurred primarily on account of strengthening of our existing branches and opening of new branches, reflected in the increase in our branches from 201 as of March 31, 2023 to 252 as of March 31, 2024.

Profit before tax

For the reasons discussed above, our profits before tax increased by 25.04% from ₹ 2,716.50 million in Fiscal 2023 to ₹ 3,396.71 million in Fiscal 2024.

Tax expense

Our net tax expense increased by 30.13% from ₹ 658.27 million in Fiscal 2023 to ₹ 856.62 million in Fiscal 2024 primarily due to an increase in current tax expense by 23.55% from ₹ 672.32 million in Fiscal 2023 to ₹ 830.63 million in Fiscal 2024 due to a corresponding increase in profit before tax.

Profit for the year

For the reasons described above, our profit for the year increased by 23.41% from ₹ 2,058.23 million in Fiscal 2023 to ₹ 2,540.09 million in Fiscal 2024.

FISCAL 2023 COMPARED TO FISCAL 2022

Total income

Our total income increased by 43.27% from ₹ 6,911.76 million in Fiscal 2022 to ₹ 9,902.57 million in Fiscal 2023 primarily due to an increase in revenue from operations.

Revenue from operations

Our revenue from operations increased by 43.11% from ₹ 6,902.41 million in Fiscal 2022 to ₹ 9,878.32 million in Fiscal 2023 due to the following reasons.

- Interest income increased by 42.10% from ₹ 5,934.50 million in Fiscal 2022 to ₹ 8,432.75 million in Fiscal 2023 primarily due to increase in disbursements in our loan portfolio as well as subscription to debt instruments, driven by our strategic focus of growing our direct sales channels to customers. Our Disbursements increased by 50.54% from ₹ 61,805.94 million in Fiscal 2022 to ₹ 93,039.85 million in Fiscal 2023. Our heightened focus on direct sales efforts was reflected in (a) an increase in our direct retail distribution of AUM from 53.32% of our total AUM as of March 31, 2022 to 63.57% of our total AUM as of March 31, 2023, and (b) an increase in our direct retail distribution of Disbursements from 50.30% of our total Disbursements in Fiscal 2022 to 60.60% of our total Disbursements in Fiscal 2023.

  In addition, interest income also increased on account of higher interest rates charged to our borrowers resulting from an increase in our cost of borrowings. This was reflected by (a) an increase in average yield from 13.01% in Fiscal 2022 to 14.70% in Fiscal 2023, and (b) increase in our average cost of borrowings (inclusive of off-book portfolio) from 7.90% in Fiscal 2022 to 8.89% in Fiscal 2023.

- Gain on assignment of financial assets increased by 9.04% from ₹ 655.51 million in Fiscal 2022 to ₹ 714.74 million in Fiscal 2023 primarily due to a marginal increase in direct assignment transactions undertaken by our Company and MRHMFL, our Subsidiary in Fiscal 2023.

- Fees and commission income increased by 139.90% from ₹ 212.16 million in Fiscal 2022 to ₹ 508.98 million in Fiscal 2023 primarily due to increase in our direct sales efforts to customers as well as collection of portfolio monitoring fees and due diligence fees from our NBFC partners. In addition, in Fiscal 2023, we also bifurcated the processing fees on loans into two parts, whereby a certain part of the processing fees of a loan was booked upfront and the other was amortised over the period of the underlying loan.

- Net gain from fair value changes increased by 121.32% from ₹ 100.24 million in Fiscal 2022 to ₹ 221.85 million in Fiscal 2023 primarily due to a significant increase in our treasury investments on account of high liquidity in Fiscal 2023.

Other income

Other income increased by 159.36% from ₹ 9.35 million in Fiscal 2022 to ₹ 24.25 million in Fiscal 2023 primarily due to an increase in net gain on sale of investments measured at amortized cost from ₹ 2.33 million in Fiscal 2022 to ₹ 13.46 million in Fiscal 2023 due to higher amount of sales of pass-through certificates by us at a premium in Fiscal 2023.

Expenses

Total expenses increased by 51.40% from ₹ 4,746.28 million in Fiscal 2022 to ₹ 7,186.07 million in Fiscal 2023.

Finance costs

Finance costs increased by 46.45% from ₹ 3,386.83 million in Fiscal 2022 to ₹ 4,960.12 million in Fiscal 2023 primarily due to an increase in our interest expenses on borrowings from banks and financial institutions and on our debt securities. This was primarily due to (a) an increase of 30.28% in our Total Borrowings from ₹ 47,589.20 million as of March 31, 2022 to ₹ 62,000.74 million as on March 31, 2023, and (b) increase in our average cost of borrowings (inclusive of off-book portfolio) from 7.90% in Fiscal 2022 to 8.89 % in Fiscal 2023, due to increase in the RBI repo rates.

Fees and commission expenses

Fees and commission expenses increased by 147.87% from ₹ 230.94 million in the Fiscal 2022 to ₹ 572.44 million in Fiscal 2023 primarily due to increase in our overall lending business (and particularly on our retail business) as well as our partnerships with certain NBFCs which involved payment of commissions on business sourced by them rather than interest spreads.

Impairment of financial assets

Impairment expense on financial assets increased by 51.28% from ₹ 352.74 million in the Fiscal 2022 to ₹ 533.62 million in Fiscal 2023 in line with increase in our overall business.

Employee benefits expense

Employee benefits expense increased by 47.93% from ₹ 477.90 million in Fiscal 2022 to ₹ 706.94 million in Fiscal 2023 primarily on account of an increase in the number of our on-roll employees as well as increments in the compensation of existing on-roll employees.

Depreciation, amortization and impairment

Depreciation, amortization and impairment expenses increased by 30.94% from ₹ 20.72 million in Fiscal 2022 to ₹ 27.13 million in Fiscal 2023 primarily on account of increase in depreciation on our fixed assets as well as amortization of software expenses.

Other expenses

Other expenses increased by 39.21% from ₹ 277.15 million in Fiscal 2022 to ₹ 385.82 million in Fiscal 2023 primarily on account of increase in expenses related to rent, stationery, travelling, conveyance, advertisement and sales promotion, professional fees and legal expenses. These were incurred primarily on account of strengthening of our existing branches and opening of new branches, reflected in the increase in our branches from 173 as of March 31, 2022 to 201 as of March 31, 2023.

Profit before tax

For the reasons discussed above, our profits before tax increased by 25.45% from ₹ 2,165.48 million in Fiscal 2022 to ₹ 2,716.50 million in Fiscal 2023.

Tax expense

Our net tax expense increased by 18.93% from ₹ 553.51 million in Fiscal 2022 to ₹ 658.27 million in Fiscal 2023 primarily due to an increase in current tax expense by 20.42% from ₹ 558.31 million in Fiscal 2022 to ₹ 672.32 million in Fiscal 2023 due to a corresponding increase in profit before tax.

Profit for the year

For the reasons described above, our profit for the year increased by 27.68% ₹ 1,611.97 million in Fiscal 2022 to ₹ 2,058.23 million in Fiscal 2023.

FINANCIAL CONDITION

Assets

The table below sets out the principal components of our assets as of the dates indicated.

(*in ₹ million*)

Particulars	As of March 31		
	2022 (Restated)	2023	2024
Financial Assets			
Cash and cash equivalents	2,846.44	2,386.71	2,126.65
Bank balance other than cash and cash equivalents	5,860.21	5,652.90	6,658.41
Trade receivables	10.46	43.01	65.41
Loans	47,998.09	62,462.41	77,194.28
Investments	4,932.08	7,910.38	7,261.62
Other financial assets	533.31	616.34	788.52
Total Financial Assets	**62,180.59**	**79,071.75**	**94,094.89**
Non-financial Assets			
Income tax assets (net)	62.33	25.19	25.19
Deferred tax assets (net)	142.08	193.33	118.50
Property, plant and equipment	129.33	146.58	212.17
Capital work-in-progress	520.44	576.61	697.97
Right-of-use asset	6.10	11.87	31.93
Intangible assets under development	0.36	3.33	2.40
Other intangible assets	2.23	10.33	10.08
Other non-financial assets	42.17	98.70	280.07
Total Non-Financial Assets	**905.04**	**1,065.94**	**1,378.31**
Total Assets	**63,085.63**	**80,137.69**	**95,473.20**

As of March 31, 2024, we had total assets of ₹ 95,473.20 million, compared to ₹ 80,137.69 million as of March 31, 2023 and ₹ 63,085.63 million as of March 31, 2022. The increase in our total assets is primarily on account of substantial growth in our AUM and total Disbursals, resulting from an increase in our retail customer base, our SME customers and the number of institutional borrowers with higher value loans as we expanded our operations.

Financial Assets

Cash and cash equivalents

Our cash and cash equivalents decreased from ₹ 2,846.44 million as of March 31, 2022 to ₹ 2,386.71 million as of March 31, 2023 and ₹ 2,126.65 million as of March 31, 2024 primarily on account of our treasury management operations through which excess funds have been parked by us in fixed deposits.

Bank balances other than cash and cash equivalents

Our bank balances other than cash and cash equivalents decreased from ₹ 5,860.21 million as of March 31, 2022 to ₹ 5,652.90 million as of March 31, 2023 and increased thereafter to ₹ 6,658.41 million as of March 31, 2024. The increases and decreases were primarily on account of corresponding increase or decrease in bank deposits with original maturity of more than three months, driven by deposit rates and other available liquid investment opportunities.

Trade receivables

Our trade receivables increased from ₹ 10.46 million as of March 31, 2022 to ₹ 43.01 million as of March 31, 2023 and ₹ 65.41 million as of March 31, 2024, primarily as a result of increase in unsecured trade receivables considered good (primarily outstanding for less than 6 months).

Loans

Our loans have progressively increased from ₹ 47,998.09 million as of March 31, 2022, ₹ 62,462.41 million as of March 31, 2023 and ₹ 77,194.28 million as of March 31, 2024. The increase has been driven by increase in our secured term loans reflecting growth in our total Disbursements and total AUM across the relevant periods.

Investments

Our investments have increased from ₹ 4,932.08 million as of March 31, 2022 to ₹ 7,910.38 million as of March 31, 2023 and thereafter decreasing to ₹ 7,261.62 million as of March, 2024. The changes in our investments have been driven primarily by our investments in pass-through certificates under securitization arrangements, and in non-convertible and market linked debentures.

Other financial assets

Other financial assets increased from ₹ 533.31 million as of March 31, 2022 to ₹ 616.34 million as of March 31, 2023 and ₹ 788.52 million as of March 31, 2024. The increase in our other financial assets have been driven primarily by increase on the spreads received by us on assigned portfolios.

Non-Financial Assets

Income tax assets (net)

Income tax assets (net of provisions) decreased from ₹ 62.33 million as of March 31, 2022 to ₹ 25.19 million as of both March 31, 2023 and March 31, 2024.

Deferred tax assets (net)

Deferred tax assets (net of provisions) increased from ₹ 142.08 million as of March 31, 2022 to ₹ 193.33 million as of March 31, 2023 and further decreased to ₹ 118.50 million as of March 31, 2024.

Property, plant and equipment

Property, plant and equipment have progressively increased from ₹ 129.33 million as of March 31, 2022, ₹ 146.58 million as of March 31, 2023 and ₹ 212.17 million as of March 31, 2024, primarily on account of increase in buildings, office equipment, furniture and fixtures, vehicles and software.

Capital work-in-progress

Capital work-in-progress has progressively increased from ₹ 520.44 million as of March 31, 2022, ₹ 576.61 million as of March 31, 2023 and ₹ 697.97 million as of March 31, 2024, comprising primarily of additions to capital work in progress.

Right-of-use asset

Right-of-use assets have progressively increased from ₹ 6.10 million as of March 31, 2022, ₹ 11.87 million as of March 31, 2023 and ₹ 31.93 million as of March 31, 2024.

Intangible assets under development

Intangible assets under development have increased from ₹ 0.36 million as of March 31, 2022 to ₹ 3.33 million as of March 31, 2023 and thereafter, decreased to ₹ 2.40 million as of March 31, 2024.

Other intangible assets

Other intangible assets increased from ₹ 2.23 million as of March 31, 2022 to ₹ 10.33 million as of March 31, 2023 and thereafter decreased marginally to ₹ 10.08 million as of March 31, 2024.

Other non-financial assets

Other non-financial assets have progressively increased from ₹ 42.17 million as of March 31, 2022 to ₹ 98.70 million as of March 31, 2023 and ₹ 280.07 million as of March 31, 2024. The increase in non-financial assets has been driven primarily by increase in pre-paid expenses and re-possessed assets.

Liabilities and Equity

The following table sets forth the principal components of our liabilities and equity as of the dates indicated:

(*in ₹ million*)

Particulars	**As of March 31**		
	2022 (Restated)	**2023**	**2024**
Liabilities			
Financial Liabilities			
Payables			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	1.29	0.27
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	145.86	145.54	211.25
Other payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	15.54	18.42	18.97
Debt securities	3,620.31	6,272.60	6,268.65
Borrowings (other than debt securities)	39,399.74	52,475.67	64,968.83
Subordinated liabilities	1,372.15	2,526.96	3,021.15
Other financial liabilities	4,618.63	3,103.47	2,583.56
Total financial liabilities	**49,172.23**	**64,543.95**	**77,072.68**
Non-financial liabilities			
Current tax liabilities (net)	24.84	20.60	47.05
Provisions	71.65	94.89	101.06
Other non-financial liabilities	91.59	31.53	67.15
Total non-financial liabilities	**188.08**	**147.02**	**215.26**
Total Liabilities	**49,360.31**	**64,690.97**	**77,287.94**
Equity			
Equity share capital	546.62	546.62	1,639.86
Other equity	12,952.47	14,639.91	16,186.73
Equity attributable to the owners of the Holding Company	**13,499.09**	**15,186.53**	**1,7826.59**
Non-controlling interest	226.23	260.19	358.67
Total Equity	**13,725.32**	**15,446.72**	**18,185.26**
Total Liabilities and Equity	**63,085.63**	**80,137.69**	**95,473.20**

As of March 31, 2024, we had total liabilities and equity of ₹ 95,473.20 million, compared to ₹ 80,137.69 million as March 31, 2023 and ₹ 63,085.63 million as of March 31, 2022. The increase in our total liabilities and equity from March 31, 2022 to March 31, 2024 is primarily on account of addition to our reserves and borrowings to accommodate growth in our disbursals and loan portfolio as our business continued to grow.

Financial Liabilities

Trade payables

Trade payables increased from 145.86 million as of March 31, 2022 to ₹ 146.83 million as of March 31, 2023 and to ₹ 211.52 million as of March 31, 2024. The movement in trade payables has been driven primarily by increase in payables to creditors other than micro, small and medium enterprises.

Other payables

Other payables increased from ₹ 15.54 million as of March 31, 2022 to ₹ 18.42 million as of March 31, 2023 and thereafter, further increased marginally to ₹ 18.97 million as of March 31, 2024, driven by increase in payables to creditors other than micro, small and medium enterprises.

Debt securities

Liabilities for debt securities increased from ₹ 3,620.31 million as of March 31, 2022 to ₹ 6,272.60 million as of March 31, 2023 and thereafter, decreased marginally to ₹ 6,268.65 million as of March 31, 2024. The movement in debt securities has been driven by increase and decrease in our outstanding secured non-convertible debentures and secured market linked debentures.

Borrowings (other than debt securities)

Borrowings (other than debt securities) has progressively increased from ₹ 39,399.74 million as of March 31, 2022 to ₹ 52,475.67 million as of March 31, 2023 and ₹ 64,968.83 million as of March 31, 2024. Our increase in borrowings (other than debt securities) have been in line with the growth in our lending business, AUM and total Disbursements across the relevant periods, driven primarily by increases in term loans from banks, other financial institutions and the NHB and short term loans from banks.

Subordinated liabilities

Subordinated liabilities have progressively increased from ₹ 1,372.15 million as of March 31, 2022 to ₹ 2,526.96 million as of March 31, 2023 and ₹ 3,021.15 million as of March 31, 2024. The increase in our subordinated liabilities have been driven by increase in our outstanding unsecured debentures (less unamortized borrowing costs).

Other financial liabilities

Other financial liabilities decreased from ₹ 4,618.63 million as of March 31, 2022 to ₹ 3,103.47 million as of March 31, 2023 and further decreased to ₹ 2,583.56 million as of March 31, 2024. The decrease in our other financial liabilities has been driven primarily by decrease in our dues to assignees of our loans towards collections for the assigned receivables, security deposits received from borrowers and interest accrued but not due on our borrowings and other liabilities.

Non-financial liabilities

Current tax liabilities (net)

Current tax liabilities (net of advance taxes) decreased from ₹ 24.84 million as of March 31, 2022 to ₹ 20.60 million as of March 31, 2023 and thereafter, increased to ₹ 47.05 million as of March 31, 2024.

Provisions

Provisions have progressively increased from ₹ 71.65 million as of March 31, 2022 to ₹ 94.89 million as of March 31, 2023 and ₹ 101.06 million as of March 31, 2024. These are provisions for employee benefits and have been in line with increase in our employee benefits expense over the relevant periods.

Other non-financial liabilities

Other non-financial liabilities decreased from ₹ 91.59 million as of March 31, 2022 to ₹ 31.53 million as of March 31, 2023 and thereafter, increased to ₹ 67.15 million as of March 31, 2024. The movement in our other non-financial liabilities has been driven by increase and decrease in statutory remittance obligations and income received in advance.

Equity

Equity share capital

Our equity share capital amounted to ₹546.62 million as of March 31, 2022 and March 31, 2023 and increased to ₹1,639.86 million March 31, 2024 on account of a bonus issue of Equity Shares in February 2024. For further details, see "*Capital Structure – History of Equity Share Capital of our Company"* on page 98.

Other equity

Other equity has progressively increased from ₹ 12,952.47 million as of March 31, 2022 to ₹ 14,639.91 million as of March 31, 2023 and ₹ 16,186.73 million as of March 31, 2024, driven primarily by increase in our statutory reserves and retained earnings.

Non-controlling interest

Non-controlling interest has progressively increased from ₹ 226.23 million as of March 31, 2022 to ₹ 260.19 million as of March 31, 2023 and ₹ 358.67 million as of March 31, 2024. Our non-controlling interest refers to our share in the liabilities of our Subsidiary MRHMFL in which we own 60.77% of the shareholding.

LIQUIDITY AND CAPITAL RESOURCES

We fund our operations through equity share capital and other equity, which includes retained profits, and borrowings. Our primary source of funding is borrowings. Our strategy is to raise long-term borrowings and maintain a judicious mix of borrowings between banks, money markets and deposits. Our objective is to maintain appropriate levels of capital to support our business strategy considering the regulatory, economic and commercial environment. We aim to maintain a strong capital base to support the risks inherent to our business and growth strategies. We endeavour to maintain a higher capital base than the mandated regulatory capital at all times.

We actively manage our liquidity and capital position by raising funds periodically. We regularly monitor our capital levels to ensure that we are able to satisfy the requirements for loan disbursements and maturity of our liabilities. All our loan agreements contain a number of covenants including financial covenants. For further information, see "*Risk Factors - Our indebtedness and the conditions and restrictions imposed by our financing arrangements could restrict our ability to obtain additional financing, raise capital, conduct our business and operations in the manner we desire"* on page 79.

CASH FLOWS

The following table sets forth certain information relating to our cash flows in the periods indicated:

(*in ₹ million*)

Particulars	Fiscal		
	2022 (Restated)	**2023**	**2024**
Net cash flow from/(used in) operating activities	(8,052.70)	(14,879.51)	(13,660.63)
Net cash flow from/(used in) investing activities	(8,198.92)	(2,420.32)	500.80
Net cash flow from/(used in) financing activities	9,226.91	16,840.10	12,899.77
Net increase/(decrease) incash and cash equivalents	**(7,024.71)**	**(459.73)**	**(260.06)**

Operating Activities

Net cash used in operating activities was ₹ 13,660.63 million in Fiscal 2024 and our net profit before tax for the year was ₹ 3,396.71 million. The difference was primarily attributable to adjustments for finance costs paid of ₹ 6,989.47 million. Operating loss before working capital changes was ₹ 1,255.83 million. The main working capital adjustment was on account of an increase in loans of ₹ 13,808.68 million. Income tax paid (net) was ₹ 802.11 million in Fiscal 2024.

Net cash used in operating activities was ₹ 14,879.51 million in Fiscal 2023 and our net profit before tax for the year was ₹ 2,716.50 million. The difference was primarily attributable to adjustments for finance costs paid of ₹ 4,845.56 million. Operating loss before working capital changes was ₹ 238.23 million. The main working capital adjustment was on account of an increase in loans of ₹ 14,961.52 million. Income tax paid (net) was ₹ 614.68 million in Fiscal 2023.

Net cash used in operating activities was ₹ 8,052.70 million in Fiscal 2022 and our net profit before tax for the year was ₹ 2,165.48 million. The difference was primarily attributable to adjustments for finance costs paid of ₹ 3,546.52 million. Operating loss before working capital changes was ₹ 39.64 million. The main working capital adjustment was on account of an increase in loans of ₹ 7,694.88 million. Income tax paid (net) was ₹ 653.01 million in Fiscal 2022.

Investing Activities

Net cash generated from investing activities was ₹ 500.80 million in Fiscal 2024, primarily due redemption of investments amounting to ₹ 27,005.56 million. This was partially offset by purchase of investments amounting to ₹ 26,283.00 million and acquisition of property, plant and equipments and intangible assets, including capital advances of ₹ 222.88 million.

Net cash used in investing activities was ₹ 2,420.32 million in Fiscal 2023, primarily due purchase of investments amounting to ₹ 28,867.20 million. This was partially offset by redemption of investments amounting to ₹ 25,920.34 million and interest income from bank deposits of ₹ 394.63 million.

Net cash used in investing activities was ₹ 81,98.92 million in Fiscal 2022, primarily due purchase of investments amounting to ₹ 11,921.10 million and decrease in earmarked balances with banks and other free deposit by ₹ 5,504.68 million. This was partially offset by redemption of investments amounting to ₹ 9,028.14 million and interest income from bank deposits of ₹ 249.73 million.

Financing Activities

Net cash flow generated from financing activities in Fiscal 2024 was ₹ 12,899.77 million primarily due to proceeds from debt securities and borrowings of ₹ 38,421.76 million. This was partially offset by repayments of debt securities and borrowings of ₹ 23,198.39 million, net decrease in working capital borrowings of ₹ 2,102.70 million and dividends paid (including dividend distribution tax) of ₹ 265.52 million.

Net cash flow generated from financing activities in Fiscal 2023 was ₹ 16,840.10 million primarily due toproceeds from debt securities and borrowings of ₹ 31,933.20 million. This was partially offset by repayments of debt securities and borrowings of ₹ 12,835.47 million, net decrease in working capital borrowings of ₹ 2,060.39 million and dividends paid (including dividend distribution tax) of ₹ 194.47 million.

Net cash flow generated from financing activities in Fiscal 2022 was ₹ 9,226.91 million primarily due toproceeds from debt securities and borrowings of ₹ 20,609.01 million and net increase in working capital borrowings of ₹ 593.83 million. This was partially offset by repayments of debt securities and borrowings of ₹ 11,820.00 million and dividends paid (including dividend distribution tax) of ₹ 150.73 million.

Indebtedness

As of March 31, 2024, our Total Borrowings (debt securities, borrowings other than debt securities, subordinated liabilities, security deposits received from borrowers and interest accrued but not due on borrowings and others) were ₹ 74,593.22 million. The following table sets forth certain information relating to outstanding indebtedness as of March 31, 2024 and our repayment obligations in the periods indicated.

(*in ₹ million*)

Metric	Payment due by period				
	Total	**Less than one year**	**1-3 years**	**3-5 years**	**More than 5 years**
Total Borrowings	74,593.22	32,835.25	30,737.62	10,283.25	737.10

Our Board through a resolution dated April 24, 2024 has approved borrowings of funds by way issuance of secured/unsecured non–convertible debentures and commercial papers up to an aggregate amount of ₹ 15,000 million and ₹ 5,000 million, respectively. Pursuant to this resolution, the Finance Committee of our Company on June 6, 2024, allotted 10,000 non-convertible debentures of face value ₹ 100,000 each on a private placement basis and on June 21, 2024 allotted 5,000 non-convertible debentures of face value ₹ 100,000 each on a private placement basis.

Contingent Liabilities and Commitments

The following table sets forth our contingent liabilities as per Ind AS 37 and capital commitments as of March 31, 2024.

(*in ₹ million*)

Particulars	As of March 31, 2024
Contingent Liabilities	
In respect of disputed income-tax matters	1.19
Commitments	
Estimated amount of contracts remaining to be executed on capital account and not provided for:	
Property, plant and equipment and capital work in progress	1.17
Loan commitments for sanctioned but not disbursed amount	222.54

Off-Balance Sheet Commitments and Arrangements

Other than as disclosed in this Placement Document, we have no other off-balance sheet commitments and arrangements that materially affect our financial condition or results of operations.

Capital Expenditures/ Additions to Property, Plant and Equipment

Our capital expenditures consist principally of branch network expansion as well as investments in technology and communication infrastructure. In Fiscals 2022, 2023 and 2024, we incurred total capital expenditure of ₹ 32.40 million, ₹ 50.68 million, and ₹ 102.32 million, respectively, towards the addition of property, plant and equipment and intangible assets.

Capital to Risk-weighted Assets Ratios ("CRAR")

The following table sets forth certain details of our CRAR, as of the dates indicated.

(*in ₹ million except percentages*)

Particulars	Fiscal		
	2022	**2023**	**2024**
Tier I Capital	11,642.08	13,297.05	15,158.94
Tier II Capital	1652.04	2853.43	2,772.06
Total Capital	**13,294.12**	**16,150.48**	**17,931.00**
Total Risk Weighted Assets	**50,452.80**	**63,966.04**	**74,549.49**
Capital Ratios			
Tier I Capital (as a Percentage of Total Risk Weighted Assets (%))*	23.08%	20.79%	20.33%
Tier II Capital (as a Percentage of Total Risk Weighted Assets (%))*	3.27%	4.46%	3.72%
Total (%)	**26.35%**	**25.25%**	**24.05%**

* *As per Master Directions and prudential norms of the RBI*

Credit Ratings

For information on our credit ratings, see "*Our Business – Credit Ratings*" on page 168.

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. For further information relating to our related party transactions, see "*Related Party Transactions*" on page 57.

Quantitative and Qualitative Disclosure about Market Risk

Our risk is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. We are exposed to concentration risks, operational risks, asset risk, credit risk, interest rate risk and liquidity risk.

Concentration Risk

As of March 31, 2024, we had more than 875,000 active loan accounts, across over 12,000 customer locations in Gujarat, Maharashtra, Madhya Pradesh, Rajasthan, Karnataka, Chhattisgarh, Uttarakhand, Tamil Nadu and the NCT of Delhi served through 252 branches. Our organisation network and significant portion of our AUM is managed from our head office in Ahmedabad, Gujarat. Our experience coupled with customised credit policies has enabled us to mitigate concentration risk significantly. As part of our consistent growth strategy, we maintain a geographically diversified portfolio. Further, with a view to mitigate concentration risk, we have fixed the following ceilings for individual and group exposure in accordance with the prudential ceiling norms stipulated by RBI:

Type of exposure	Cap	RBI guidelines
Individual Exposure	15% of owned funds	15% of owned funds
Group Exposure	25% of owned funds	25% of owned funds

Operational Risk

Operational risks arise from inadequate or failed internal processes, people and systems or from external events. In order to control our operational risks, we have adopted well-defined loan approval processes and procedures. We also attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures and undertaking contingency planning. In addition, we have appointed audit firms to conduct risk based internal audits to assess adequacy of and compliance with internal controls, procedures and processes. Reports of internal auditors as well as measures proposed on matters reported are discussed and reviewed at Audit Committee meetings.

Asset Risk

Asset risks arise from decrease in the value of collateral over time. Sale price of a repossessed asset may be less than the amount of loan and interest outstanding and we may not be able to realize the full amount lent to our customers due to such a decrease in the value of collateral. Our employees are required to follow legal procedures and take appropriate care in dealing with customers while repossessing assets. We may also face certain practical and execution challenges while seizing collateral.

Credit Risk

Credit risk arises from loss that may occur from defaults by customers under loan agreements. Customer defaults and inability to recover such amount may lead to higher gross Stage 3 Assets ratios. Our product specific credit policies which include proposal evaluation and investigation procedure for credit appraisal of each applicant are approved by our Board. We manage our credit risk by evaluating the appropriate level of income and creditworthiness of our customers, carrying out cash flow analysis, setting credit limits and prudent LTV ratios. Credit exposure, credit limits and asset quality are regularly monitored at various levels.

Interest Rate Risk

We are subject to interest rate risk, particularly because we lend to customers majorly at fixed interest rates and for periods that may differ from our funding sources, which bear fixed and/ or floating interest rates. Interest rates are susceptible to a number of factors beyond our control, including monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. We assess and manage interest rate risk on our balance sheet by managing our assets and liabilities in line with our asset and liability management policy.

We have an asset liability management policy, approved and adopted by our Board on recommendation by our Asset Liability Committee. Assets and liabilities are categorized into various buckets based on their maturities and re-pricing options. Efforts are made and action plans are drawn to ensure minimal mismatch, in line with guidelines prescribed by the RBI.

Liquidity Risk

Liquidity risk arises due to unavailability of adequate funds at appropriate prices or tenure. We attempt to minimize this risk through a mix of strategies, including assignment of receivables and short-term funding. We also monitor liquidity risk through adequate sanction limits on an on-going basis. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. Through our asset and liability management policy, we cap maximum mismatches in various maturities in line with guidelines prescribed by the RBI.

Summary of reservations or qualifications or adverse remarks of Auditors

<table>
<tr><th>Fiscal (standalone/ consolidated Financial information)</th><th>Details of reservation, qualification or adverse remarks</th><th>Details of impact on Financial Statements and financial position of the Company</th><th>Corrective steps taken and/or proposed to be taken by the Company</th></tr>
<tr><td>Standalone Financials for the year ended on March 31, 2024 (Audit Report)</td><td>The Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software except that, audit trail feature was not enabled at database level for accounting software to log any direct data changes. Further, during the course of the audit, the auditor did not come across any instance of the audit trail feature being tempered with in respect of such accounting software where such feature is enabled.</td><td>No impact on the financial statement.</td><td>-</td></tr>
<tr><td>Standalone Financials for the year ended on March 31, 2024 (CARO)</td><td>There are 10 instances of fraud by customers relating to availment of loans by falsifying the records and documents. The total amount of such frauds amounts to Rs. 8.65 million.</td><td>Necessary impact has been taken in books of account.</td><td>-</td></tr>
<tr><td>Standalone Financials for the year ended on March 31, 2024 (CARO)</td><td>There are no statutory dues referred in above sub-clause, which have not been deposited with the appropriate authorities on account of any disputes except for the following:
<table>
<tr><th>Sr. No.</th><th>Name of Statute</th><th>Nature of Dues</th><th>Amount [₹ in Millon]</th><th>Period to which the amount relates</th><th>Forum where dispute is pending</th></tr>
<tr><td>1</td><td>Income tax Act, 1961</td><td>Income Tax</td><td>1.19 [*]</td><td>AY 2017-2018</td><td>Deputy Commission of Income Tax (A)</td></tr>
</table>
[*] after adjusting the amount of refund claimed by the company amounting Rs. 3.26 million.</td><td>It is a disputed liability.</td><td>-</td></tr>
<tr><td>Consolidated Financials for the year ended on March 31, 2024 (Audit Report)</td><td>The Company and its subsidiary companies incorporated in India have used accounting software for maintaining books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software except that in case of holding company and a subsidiary, audit trail feature was not enabled at database level for accounting software to log any direct data changes. Further, during the course of</td><td>No impact on the financial statement.</td><td>-</td></tr>
</table>

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<tr><th>Fiscal (standalone/ consolidated Financial information)</th><th>Details of reservation, qualification or adverse remarks</th><th>Details of impact on Financial Statements and financial position of the Company</th><th>Corrective steps taken and/or proposed to be taken by the Company</th></tr>
<tr><td></td><td>the audit, we and the respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with in respect of such accounting software where such feature is enabled.</td><td></td><td></td></tr>
<tr><td>Standalone Financials for the year ended on March 31, 2023 (CARO)</td><td>The Company is required to strengthen the internal audit function by expanding the scope and coverage to include Risk Based Internal Audit to commensurate the internal audit system with the size and nature of its business.</td><td>No impact on the financial statement.</td><td>Company has started Risk based internal audit from March 31 2023.</td></tr>
<tr><td>Standalone Financials for the year ended on March 31, 2023 (CARO)</td><td>There are no statutory dues referred in above sub-clause, which have not been deposited with the appropriate authorities on account of any disputes except for the following:
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</table>
[*] after adjusting the amount of refund claimed by the company amounting Rs. 3.26 million.</td><td>It is a disputed liability.</td><td>-</td></tr>
<tr><td>Standalone Financials for the year ended on March 31, 2023 (CARO)</td><td>There are 17 instances of fraud by customers relating to availment of loans by falsifying the records and documents. The total amount of such frauds amounts to Rs. 18.92 million.</td><td>Necessary impact has been taken in books of account.</td><td>-</td></tr>
<tr><td>Standalone Financials for the year ended on March 31, 2022 (CARO)</td><td>There are no statutory dues referred in above sub-clause, which have not been deposited with the appropriate authorities on account of any disputes except for the following:
<table>
<tr><th>Sr. No.</th><th>Name of Statute</th><th>Nature of Dues</th><th>Amount [₹ in Million]</th><th>Period to which the amount relates</th><th>Forum where dispute is pending</th></tr>
<tr><td>1</td><td>Income tax Act, 1961</td><td>Income Tax
DDT</td><td>76.86
3.71</td><td>AY 2013-2014</td><td>Assistant Commissioner of Income Tax</td></tr>
<tr><td>2</td><td>Income tax Act, 1961</td><td>Income Tax
DDT</td><td>3.91
23.42</td><td>AY 2018-2019</td><td>Assistant Commissioner of Income Tax</td></tr>
</table></td><td>It is a disputed liability.</td><td>-</td></tr>
<tr><td>Standalone Financials for the year ended on March 31, 2021 (Audit Report)</td><td>As described in Note 30 to the standalone financial statements, during the year ended 31 March 2021, the Company had changed its accounting policy for recognising gain on derecognition of loans upon assignment. As per the previous policy, such gain was recognised immediately in the standalone statement of profit and loss. As per the new policy adopted by the Company, such gain is recorded as ‘unearned income on assigned loans’ under the head ‘other non-financial liabilities’ and is amortised in the standalone statement of profit and loss over the period of the underlying residual tenure of the assigned loan portfolio. This change in accounting policy would constitute a departure from the Indian Accounting</td><td>Had the Company not revised its policy, ‘other equity’ would have increased by Rs. 324.07 million, ‘deferred tax assets’ would have decreased by Rs. 109.02 million and liability on account</td><td>Company has already started complying with the Ind AS 109 – ‘Financials Instruments’ which requires the gain/loss to</td></tr>
</table>

Fiscal (standalone/ consolidated Financial information)	Details of reservation, qualification or adverse remarks	Details of impact on Financial Statements and financial position of the Company	Corrective steps taken and/or proposed to be taken by the Company
	Standards prescribed under section 133 of the Act (Ind AS 109 – 'Financial Instruments') which requires the gain / loss to be recognised immediately in the statement of profit and loss upon derecognition of assigned loans. In our view, this change in accounting policy is not in compliance with the requirements of Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' that permits to change the accounting policy only if the change satisfies given criteria therein.	of 'unearned income on assigned loans' would have decreased by Rs. 433.09 million to Nil as at 31 March 2021. Further, 'gain on assignment of financial assets' would have decreased by Rs. 339.46 million and 'deferred tax credit' would have increased by Rs. 85.44 million for the year ended 31 March 2021. There is no impact on the net cash flows of the Company.	be recognized immediately in the statement of profit and loss upon de-recognition of assigned loans since quarter ended March 2023.
Standalone Financials for the year ended on March 31, 2021 (CARO)	There are instances of delay in payment of professional tax. The amount of delay is not material [i.e. less than round off adjustment of Rs. 50,000].	There is no material impact on the Financials statements of the company.	This delay in payment is due to delay in registration of one branch. However, company has complied with the same by making payment with delayed interest (if any).
Consolidated Financials for the year ended on March 31, 2021(Audit Report)	As described in Note 30 to the consolidated financial statements, during the year ended March 31, 2021, the Group had changed its accounting policy for recognising gain on derecognition of loans upon assignment. As per the previous policy, such gain was recognised immediately in the consolidated statement of profit and loss. As per the new policy adopted by the Group, such gain is recorded as 'unearned income on assigned loans' under the head 'other non-financial liabilities' and is amortised in the consolidated statement of profit and loss over the period of the underlying residual tenure of the assigned loan portfolio. This change in accounting policy would constitute a departure from the Indian Accounting Standards prescribed under section 133 of the Act (Ind AS 109 – 'Financial Instruments') which requires the gain / loss to be recognised immediately in the statement of profit and loss upon derecognition of assigned loans. In our view, this change in accounting policy is not in compliance with the requirements of Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' that permits to change the accounting policy only if the change satisfies given criteria therein.	Had the Group not revised its policy, 'other equity' would have increased by Rs. 331.96 million, 'non-controlling interest' would have increased by Rs. 5.33 million, 'deferred tax assets' would have decreased by Rs. 113.91 million and 'liability on unearned income' would have decreased by Rs. 451.19 million to Nil as at 31 March	Group has already started complying with the Ind AS 109 – 'Financials Instruments' which requires the gain/loss to be recognized immediately in the statement of profit and loss upon de-recognition of assigned

<table>
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<tr><td></td><td></td><td>2021. Further, ‘gain on assignment of financial assets’ would have decreased by Rs. 346.15 million and ‘deferred tax credit’ would have increased by Rs. 87.12 million for the year ended 31 March 2021. There is no impact on the net cash flows of the Group</td><td>loans since quarter ended March 2023.</td></tr>
<tr><td>Standalone Financials for the year ended on March 31, 2021 (CARO)</td><td>There are no statutory dues referred in above sub-clause, which have not been deposited with the appropriate authorities on account of any disputes except for the following:
<table>
<tr><th>Sr. No.</th><th>Name of Statute</th><th>Nature of Dues</th><th>Amount [₹ in Million]</th><th>Period to which the amount relates</th><th>Forum where dispute is pending</th></tr>
<tr><td>1</td><td>Income tax Act, 1961</td><td>Income Tax</td><td>39</td><td>AY 2018-2019</td><td>Assistant Commissioner of Income Tax</td></tr>
</table></td><td>It is a disputed liability.</td><td>-</td></tr>
<tr><td>Standalone Financials for the year ended on March 31, 2020</td><td>There are instances of delay in payment of professional tax. The amount of delay is not material [i.e. less than round off adjustment of Rs. 50,000].
There are arrears in professional tax for a period of more than six months from the date they became payable. The amount of delay is not material [i.e. less than round off adjustment of Rs. 50,000].</td><td>There is no material impact on the Financials statements of the company.</td><td>This delay in payment is due to delay in registration of two branches. However, company has complied with the same by making payment with delayed interest (if any).</td></tr>
<tr><td>Standalone Financials for the year ended on March 31, 2020 (CARO)</td><td>There are no statutory dues referred in above sub-clause, which have not been deposited with the appropriate authorities on account of any disputes except for the following:
<table>
<tr><th>Sr. No.</th><th>Name of Statute</th><th>Nature of Dues</th><th>Amount [₹ in Million]</th><th>Period to which the amount relates</th><th>Forum where dispute is pending</th></tr>
<tr><td>1</td><td>Income tax Act, 1961</td><td>Income Tax</td><td>5.95</td><td>AY 2017-2018</td><td>Deputy Commission of Income Tax</td></tr>
</table></td><td>It is a disputed liability.</td><td></td></tr>
</table>

Fiscal (Consolidated/standalone Financial information)	Details of matter of emphasis or other observations or modifications	Details of impact on financial statements	Corrective steps taken and/or proposed to be taken by the Company/Group
Standalone Financials for the year ended on 31[st] March, 2023	The change in accounting policy in respect of Gain / loss on derecognition of loans upon assignment and related disclosures in accordance with the applicable requirements of Ind AS.	For the details of impact of change in accounting policy, please refer Note 32 of standalone financial statements	No corrective steps is required by the company as it complies with the Indian Accounting Standards prescribed under section 133 (Ind AS 109 – Financial Instruments) of the Companies Act 2013.
Consolidated Financials for the year ended on 31[st] March, 2023	The change in accounting policy in respect of Gain / loss on derecognition of loans upon assignment and related disclosures in accordance with the applicable requirements of Ind AS.	For the details of impact of change in accounting policy, please refer Note 32 of standalone financial statements	No corrective steps is required by the Group as it complies with the Indian Accounting Standards prescribed under section 133 (Ind AS 109 – Financial Instruments) of the Companies Act 2013.
Standalone Financials for the year ended on 31[st] March, 2020	As per the RBI COVID '19 Regulatory Package, in respect of accounts overdue as at 31[st] March 2020 but were standard as at February 29, 2020 where moratorium benefit has been granted, the staging of those accounts are considered based on the days pass due status as on 29[th] February, 2020.	The extent to which the COVID-19 pandemic will impact future results of the Company will depend on future developments, which are highly uncertain.	Reserve Bank of India has issued guidelines relating to COVID-19 Regulatory Package dated 27 March 2020 and 17 April 2020 and in accordance with the same company took necessary steps as required in compliance to the same guidelines.
Consolidated Financials for the year ended on 31[st] March, 2020	As per the RBI COVID '19 Regulatory Package, in respect of accounts overdue as at March 31, 2020 but were standard as at February 29, 2020 where moratorium benefit has been granted, the staging of those accounts are considered based on the days pass due status as on 29[th] February, 2020.	The extent to which the COVID-19 pandemic will impact future results of the Group will depend on future developments, which are highly uncertain.	Reserve Bank of India has issued guidelines relating to COVID-19 Regulatory Package dated 27 March 2020 and 17 April 2020 and in accordance with the same group took necessary steps as required in compliance to the same guidelines.

Interest Coverage Ratio

Our interest coverage ratio for the periods indicated below are as follows:

(*in ₹ million except percentages*)

Particulars	Fiscal		
	2022	**2023**	**2024**
(A) Profit after tax	1,611.97	2,058.23	2,540.09
(B) Provisions and write-off	352.74	533.62	906.03
(C) Depreciation	20.72	27.13	42.97
(D) Finance costs	3,386.83	4,960.12	6,467.12
(E) Adjusted Profit (A+B+C+ D)	**5,372.26**	**7,579.10**	**9,956.21**
(F) Finance Cost	3,386.83	4,960.12	6,467.12
(G) **Interest Coverage Ratio (%) (E/F*100)**	**158.62%**	**152.80%**	**153.95%**

*Not annualized

***Note**: Provisions and write off include the amount of ECL on financial instruments (i.e. loans and investments), loss on repossessed assets and write off (net of recoveries).*

Unusual or infrequent Events or Transactions

Except as described in this Placement Document, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Significant Factors affecting our Results of Operations and Financial Condition*" and the uncertainties described in "*Risk Factors*" on pages 103 and 58, respectively. Except as discussed in this Placement Document, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income.

Significant Economic Changes that Materially Affect or are Likely to Affect our Income

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "*MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS—Significant Factors affecting our Results of Operations and Financial Condition*" and the uncertainties described in "*Risk Factors*" on pages 103 and 58, respectively.

Recent accounting pronouncements

As on the date of this Placement Document, there are no recent accounting pronouncements, which we believe would have a material effect on our financial condition or results of operations.

New Products or Business Segments

Except as described in this Placement Document, we have not publicly announced any new products or business segments nor have there been any material increases in our revenues due to increased disbursements and the introduction of new products.

Future Relationship Between Cost and Income

Other than as described elsewhere in the sections "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 58, 155 and 103, respectively, there are no known factors that will have a material adverse impact on our operations and financial condition.

Significant Dependence on a Single or Few Customers or Suppliers

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers.

Competition

We operate in a competitive environment. For further information, see "*Our Business*", "*Industry Overview*" and"*Risk Factors*" on pages 155, 144 and 58, respectively for further information on our industry and competition.

Seasonality of Business

Our business operations and the financial services industry in general may be affected by seasonal trends in the Indian economy. Generally, the period from August to December is the peak period in India for retail economic activity. This increased, or seasonal, activity is the result of several holiday periods, improved weather conditions and crop harvests. We generally experience higher volumes of business during this period. Any significant event such as unforeseen floods, earthquakes, political instabilities, epidemics, or economic slowdowns during this peak season may adversely affect our results of operations. In these periods, we may continue to incur operating expenses, but our income from operations may be delayed or reduced.

Significant developments after March 31, 2024 that may affect our future results of operations

Other than as disclosed below, no circumstances have arisen since March 31, 2024 that could materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months:

1. Credit rating upgrade of the Company to ‘CARE AA-; Stable’ from ‘CARE A+; Positive’ for its long-term bank facilities and non-convertible debentures.
2. The Board has recommended a final dividend of ₹ 0.51 per Equity Share, i.e 5.10% of the face value of ₹ 10 subject to the approval of the shareholders at the ensuing AGM of our Company.
3. The Board has appointed Mr. Vishal Nagendra Vasu as an Additional Non-Executive, Independent Director of the Company for a term of five consecutive years, subject to the approval of our shareholders.
4. The Company has, inter-alia, allotted 10,000 (ten thousand) rated, listed, senior, secured, redeemable, transferable, taxable, non-convertible debentures denominated in Indian Rupees, each having a face value of ₹ 100,000 (Indian Rupees One Hundred Thousand) and an aggregate face value of ₹ 1,000,000,000 (₹ One Thousand Million) on a private placement basis on June 6, 2024. Further, these debentures have been rated "CARE AA-; Stable" (Double A Minus; Outlook: Stable) by CARE Ratings Limited.
5. The Company has, inter-alia, allotted 5,000 (five thousand) rated, listed, senior, secured, redeemable, transferable, taxable, non-convertible debentures denominated in Indian Rupees, each having a face value of ₹ 100,000 (Indian Rupees One Hundred Thousand) and an aggregate face value of ₹ 500,000,000 (₹ Five Hundred Million) on a private placement basis on June 21, 2024. Further, these debentures have been rated "CARE AA-; Stable" (Double A Minus; Outlook: Stable) by CARE Ratings Limited.

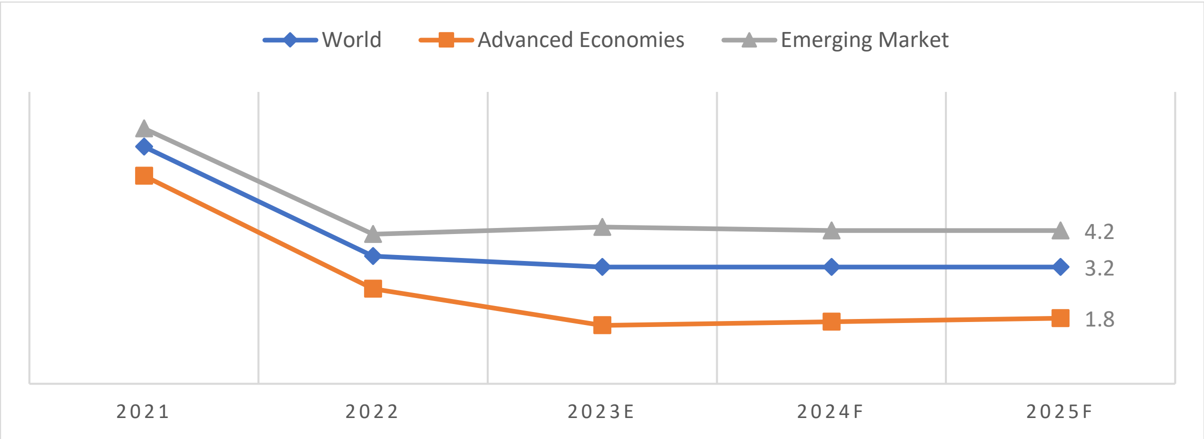
Global Economic Outlook

The global economy remains remarkably resilient, with growth holding steady as inflation returns to target. The journey has been eventful, starting with supply-chain disruptions in the aftermath of the pandemic, a Russian-initiated war on Ukraine that triggered a global energy and food crisis, and a considerable surge in inflation, followed by a globally synchronized monetary policy tightening. Yet, despite many gloomy predictions, the world avoided a recession, the banking system proved largely resilient, and major emerging market economies did not suffer sudden stops. Moreover, the inflation surge—despite its severity and the associated cost-of living crisis—did not trigger uncontrolled wage-price spirals. (Source: World Economic Outlook Update April 2024)

On a year-over-year basis, global growth bottomed out at the end of 2022, at 2.3 percent, shortly after median headline inflation peaked at 9.4 percent. According to latest projections, growth for 2024 and 2025 will hold steady around 3.2 percent, with median headline inflation declining from 2.8 percent at the end of 2024 to 2.4 percent at the end of 2025.Most indicators point to a soft landing. (Source: World Economic Outlook Update April 2024)

The forecast for 2024 is revised up by 0.1 percentage point from the January 2024 World Economic Outlook (WEO) Update, and by 0.3 percentage point from the October 2023 WEO. The pace of expansion is low by historical standards, owing to both near-term factors, such as still-high borrowing costs and withdrawal of fiscal support, and longer-term effects from the COVID-19 pandemic and Russia's invasion of Ukraine; weak growth in productivity; and increasing geoeconomic fragmentation. Global headline inflation is expected to fall from an annual average of 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. The latest forecast for global growth five years from now—at 3.1 percent—is at its lowest in decades. The pace of convergence toward higher living standards for middle- and lower-income countries has slowed, implying a persistence in global economic disparities (Source: World Economic Outlook Update April 2024)

Exhibit 1.: Real GDP



Source: World Economic Outlook, April 2024

Indian Economy

Gross Domestic Product: Domestic economic activity continues to expand at an accelerated pace, supported by fixed investment8 and improving global environment. The second advance estimates (SAE) placed real GDP growth at 7.6 per cent for 2023-24, the third successive year of 7 per cent or higher growth.

From the supply side, industrial activity led by manufacturing continued its momentum. The purchasing managers' index (PMI) for manufacturing displayed a sustained expansion in February-March, touching a 16-year high in March. Services sector exhibited broad based buoyancy with all sectors registering strong growth. The PMI services remained above 60 during February-March, suggesting sustained healthy expansion. With rural demand catching up, consumption is expected to support economic growth in 2024-25. Going forward, the outlook for agriculture and rural activity appears bright, with good rabi wheat crop and improved prospects of kharif crops, due to expected normal south-west monsoon. The prospects of investment activity remain bright owing to upturn in the private capex cycle becoming steadily broad-based. Taking all these factors into consideration, real GDP growth for 2024-25 is projected at 7.0 per cent with Q1 at 7.1 per cent; Q2 at 6.9 per cent; Q3 at 7.0 per cent; and Q4 also at 7.0 per cent (Source – Monetary policy statement April 3 – 5, 2024 -25)

Inflation :

Turning to inflation, food price uncertainties continue to weigh on the inflation trajectory going forward. A record rabi wheat production would help temper price pressure and replenish the buffer stocks. Moreover, early indication of a normal monsoon augurs well for the kharif season. Frequent and overlapping adverse climate shocks pose key upside risks to the outlook on international and domestic food prices. Deflation in fuel is likely to deepen in the near term, following the cut in LPG prices in March.Notwithstanding the cut in petrol and diesel prices in mid-March,24 the recent uptick in crude oil prices needs to be closely monitored. Continuing geopolitical tensions also pose upside risk to commodity prices and supply chains. Assuming a normal monsoon, CPI inflation for 2024-25 is projected at 4.5 per cent with Q1 at 4.9 per cent; Q2 at 3.8 per cent; Q3 at 4.6 per cent; and Q4 at 4.5 per cent. The risks are evenly balanced. (Source – Monetary policy statement April 3 – 5, 2024 -25)

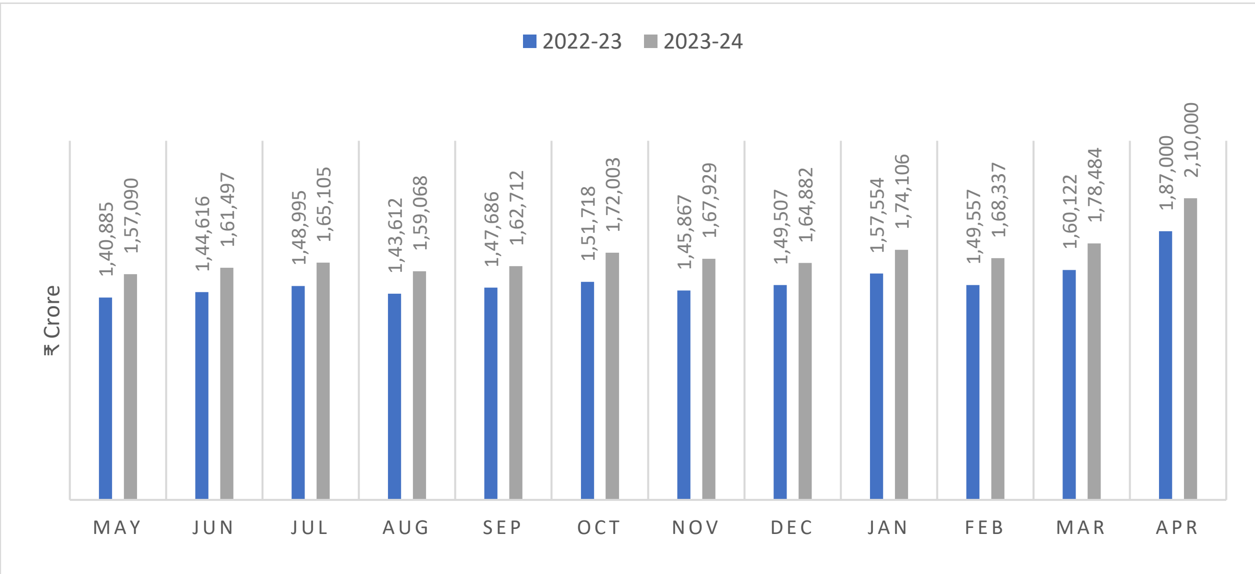
Index of Industrial Production:

The IIP growth rates for the month of March 2024 over the corresponding period of previous year is 4.9 percent. The growth rates of the three sectors, Mining, Manufacturing and Electricity for the month of March 2024 over March 2023 are 1.2 percent, 5.2 percent and 8.6 percent respectively. Within the manufacturing sector, the growth rate of the top three positive contributors to the growth of IIP for the month of March 2024 are – "Manufacture of basic metals" (7.7%), "Manufacture of pharmaceuticals, medicinal chemical and botanical products" (16.7%), and "Manufacture of other transport equipment" (25.4%). (Source – MoSPI press release on Quick Estimate Of Index Of Industrial Production for the month of March 2024)

GST Collections:

The Gross Goods and Services Tax (GST) collections hit a record high in April 2024 at ₹2.10 lakh crore. This represents a significant 12.4% year-on-year growth, driven by a strong increase in domestic transactions (up 13.4%) and imports (up 8.3%). After accounting for refunds, the net GST revenue for April 2024 stands at ₹1.92 lakh crore, reflecting an impressive 15.5% growth compared to the same period last year.

Exhibit 2.: Trends in GST Collection



Source: Press Release, Ministry of Finance, 1-Jan-24

Economic Outlook:

The global economy had remained remarkably resilient with steady growth and inflation returning to target and had “defied expectations of stagflation and global recession” in the wake of the post-pandemic supply disruptions, Russia’s invasion of Ukraine and subsequent global energy and food crises as well as the monetary tightening across economies.

The International Monetary Fund (IMF) raised its growth projection for India’s GDP in the current fiscal year 2024/25 to 6.8%, and forecast a 6.5% expansion next year. The latest FY25 forecast is a 0.3 percentage point upward revision from January’s projection (Source - World Economic Outlook April 2024)

Table 1.1. Overview of the *World Economic Outlook* Projections
(Percent change, unless noted otherwise)

		Projections		Difference from January 2024 WEO *Update*[1]		Difference from October 2023 WEO[1]	
	2023	2024	2025	2024	2025	2024	2025
World Output	**3.2**	**3.2**	**3.2**	**0.1**	**0.0**	**0.3**	**0.0**
Advanced Economies	**1.6**	**1.7**	**1.8**	**0.2**	**0.0**	**0.3**	**0.0**
United States	2.5	2.7	1.9	0.6	0.2	1.2	0.1
Euro Area	0.4	0.8	1.5	–0.1	–0.2	–0.4	–0.3
Germany	–0.3	0.2	1.3	–0.3	–0.3	–0.7	–0.7
France	0.9	0.7	1.4	–0.3	–0.3	–0.6	–0.4
Italy	0.9	0.7	0.7	0.0	–0.4	0.0	–0.3
Spain	2.5	1.9	2.1	0.4	0.0	0.2	0.0
Japan	1.9	0.9	1.0	0.0	0.2	–0.1	0.4
United Kingdom	0.1	0.5	1.5	–0.1	–0.1	–0.1	–0.5
Canada	1.1	1.2	2.3	–0.2	0.0	–0.4	–0.1
Other Advanced Economies[2]	1.8	2.0	2.4	–0.1	–0.1	–0.2	0.1
Emerging Market and Developing Economies	**4.3**	**4.2**	**4.2**	**0.1**	**0.0**	**0.2**	**0.1**
Emerging and Developing Asia	5.6	5.2	4.9	0.0	0.1	0.4	0.0
China	5.2	4.6	4.1	0.0	0.0	0.4	0.0
India[3]	7.8	6.8	6.5	0.3	0.0	0.5	0.2
Emerging and Developing Europe	3.2	3.1	2.8	0.3	0.3	0.9	0.3
Russia	3.6	3.2	1.8	0.6	0.7	2.1	0.8
Latin America and the Caribbean	2.3	2.0	2.5	0.1	0.0	–0.3	0.1
Brazil	2.9	2.2	2.1	0.5	0.2	0.7	0.2
Mexico	3.2	2.4	1.4	–0.3	–0.1	0.3	–0.1
Middle East and Central Asia	2.0	2.8	4.2	–0.1	0.0	–0.6	0.3
Saudi Arabia	–0.8	2.6	6.0	–0.1	0.5	–1.4	1.8
Sub-Saharan Africa	3.4	3.8	4.0	0.0	–0.1	–0.2	–0.1
Nigeria	2.9	3.3	3.0	0.3	–0.1	0.2	–0.1
South Africa	0.6	0.9	1.2	–0.1	–0.1	–0.9	–0.4
Memorandum							
World Growth Based on Market Exchange Rates	2.7	2.7	2.7	0.1	0.0	0.3	0.0
European Union	0.6	1.1	1.8	–0.1	–0.1	–0.4	–0.3
ASEAN-5[4]	4.1	4.5	4.6	–0.2	0.2	0.0	0.1
Middle East and North Africa	1.9	2.7	4.2	–0.2	0.0	–0.7	0.3
Emerging Market and Middle-Income Economies[5]	4.4	4.1	4.1	0.0	0.0	0.2	0.1
Low-Income Developing Countries[5]	4.0	4.7	5.2	–0.2	–0.1	–0.3	–0.1
World Trade Volume (goods and services)	**0.3**	**3.0**	**3.3**	**–0.3**	**–0.3**	**–0.5**	**–0.4**
Imports							
Advanced Economies	–1.0	2.0	2.8	–0.7	–0.4	–1.0	–0.4
Emerging Market and Developing Economies	2.0	4.9	4.1	0.0	–0.3	0.5	–0.6
Exports							
Advanced Economies	0.9	2.5	2.9	–0.1	–0.3	–0.6	–0.4
Emerging Market and Developing Economies	–0.1	3.7	3.9	–0.4	–0.4	–0.5	–0.3
Commodity Prices (US dollars)							
Oil[6]	–16.4	–2.5	–6.3	–0.2	–1.5	–1.8	–1.4
Nonfuel (average based on world commodity import weights)	–5.7	0.1	–0.4	1.0	0.0	2.8	–0.3
World Consumer Prices[7]	**6.8**	**5.9**	**4.5**	**0.1**	**0.1**	**0.1**	**–0.1**
Advanced Economies[8]	4.6	2.6	2.0	0.0	0.0	–0.4	–0.2
Emerging Market and Developing Economies[7]	8.3	8.3	6.2	0.2	0.2	0.5	0.0

Source: IMF staff estimates.

Role of MSMEs in Indian Economy

The Micro, Small & Medium Enterprises (MSMEs) have been contributing significantly to the expansion of entrepreneurial endeavours through business innovations. The MSMEs are widening their domain across sectors of the economy, producing diverse range of products and services to meet demands of domestic as well as global markets. The MSMEs in India are playing a crucial role by providing large employment opportunities at comparatively lower capital cost than large industries as well as through industrialization of rural & backward areas, inter alia, reducing regional imbalances, assuring more equitable distribution of national income and wealth.

As per the National Sample Survey (NSS) 73rd round, conducted by National Sample Survey Office, Ministry of Statistics & Programme Implementation during the period 2015-16, there were 633.88 lakh unincorporated nonagriculture MSMEs in the country engaged in different economic activities (196.65 lakh in Manufacturing, 0.03 lakh in Non-captive Electricity Generation and Transmission1 , 230.35 lakh in Trade and 206.85 lakh in Other Services) excluding those MSMEs registered under (a)Sections 2m(i) and 2m(ii) of the Factories Act, 1948, (b)Companies Act, 1956 and (c) construction activities falling under Section F of National Industrial Classification (NIC) 2008.

Definition for MSMEs

To bring in more enterprises under the ambit of MSMEs and widen the definition of MSMEs taking into account inflation over the past few years, in June 2020, the Government revised the MSME investment limit across each category and introduced an alternate and additional criterion of turnover buckets to the definition. It further removed the difference between the definition of manufacturing based and services based MSMEs.

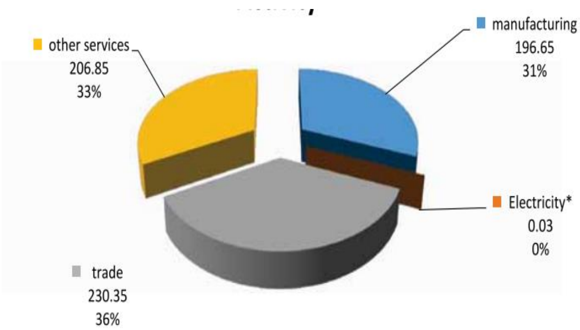
In June 2021, the Indian government has included retailers and wholesalers under the MSMEs definition to extend the benefits of priority sector lending to traders as well. The move is structurally positive from long-term perspective, as it will enable entities operating in the segment to register on Government's Udyam portal, participate in government tenders and also avail financing options/benefits available to the category.

Given below is the composite new, revised definition of MSMEs -:

Classification	Micro	Small	Medium
Manufacturing & Services Enterprises	Investment < ₹ 10 mn & Turnover < ₹ 50 mn	Investment < ₹ 100 mn & Turnover < ₹ 500 mn	Investment < ₹ 500 mn & Turnover < ₹ 2.5 bn

Source – MSME Ministry

***Exhibit 3.*:Distribution of Enterprises Category Wise by Nature of Activity and Rural & Urban Mix**



(Numbers in lakh)

Sector	Micro	Small	Medium	Total	Share (%)
Rural	324.09	0.78	0.01	324.88	51
Urban	306.43	2.53	0.04	309.00	49
All	630.52	3.31	0.05	633.88	100

*Non-captive electricity generation and transmission

As per the National Sample Survey (NSS) 73rd round, conducted by National Sample Survey Office, Ministry of Statistics & Programme Implementation during the period 2015-16, there were 633.88 lakh unincorporated nonagriculture MSMEs in the country engaged in different economic activities (196.65 lakh in Manufacturing, 0.03 lakh in Non-captive Electricity Generation and Transmission1 , 230.35 lakh in Trade and 206.85 lakh in Other Services) excluding those MSMEs registered under (a)Sections 2m(i) and 2m(ii) of the Factories Act, 1948, (b)Companies Act, 1956 and (c) construction activities falling under Section F of National Industrial Classification (NIC)2008. Micro sector with 630.52 lakh estimated enterprises accounts for more than 99% of total estimated number of MSMEs. Small sector with 3.31 lakh and Medium sector with 0.05 lakh estimated MSMEs accounted for 0.52% and 0.01% of total estimated MSMEs, respectively. Out of 633.88 estimated number of MSMEs, 324.88 lakh MSMEs (51.25%) are in rural area and 309 lakh MSMEs (48.75%) are in the urban areas.

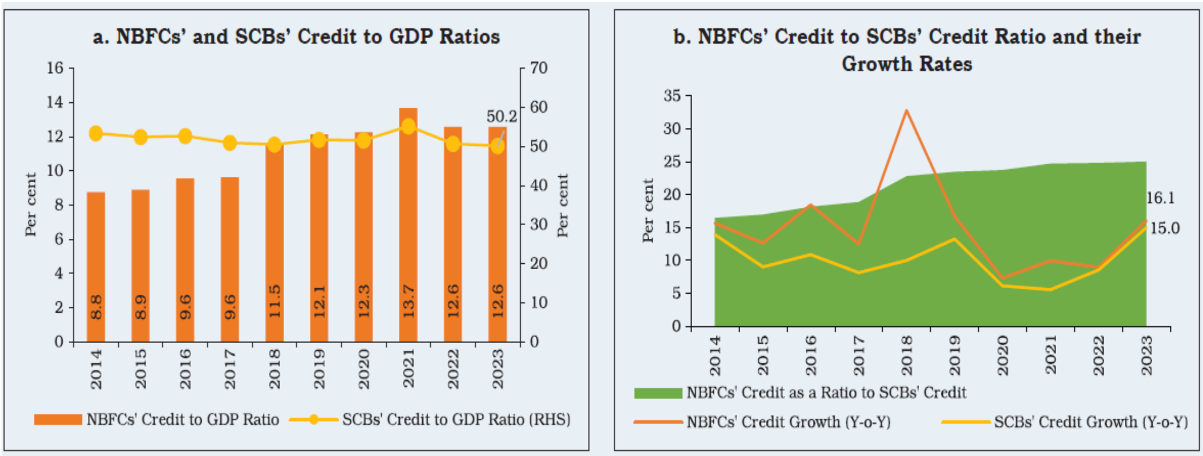
Indian Non-Banking Financial Companies Sector

The RBI, the central banking and monetary authority of India, is the central regulatory and supervisory authority for the Indian financial system. A variety of financial intermediaries in the public and private sectors participate in India's financial sector, including (i) commercial banks, comprising: private sector banks, RRBs, public sector banks ("PSBs"), foreign banks, co-operative banks, small finance banks and payment banks; (ii) long-term lending institutions; (iii) NBFCs, including HFCs; (iv) other specialized financial institutions and state-level financial institutions; (v) insurance companies; (vi) micro-finance companies; and mutual funds.

Structural aspects of NBFCs

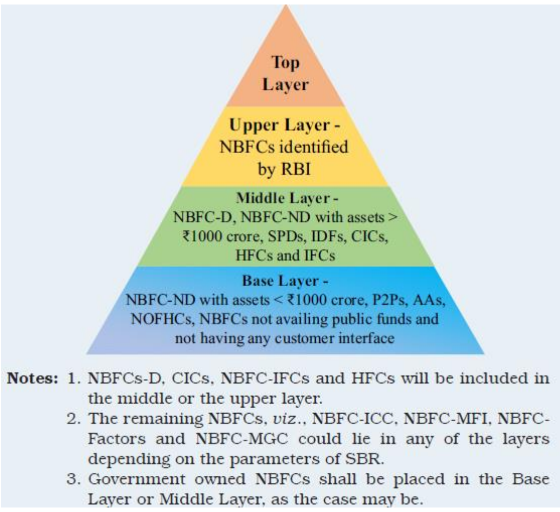
NBFCs are an integral part of the Indian financial system. They have consolidated their position in recent years, as reflected in a gradual rise in their credit intensity (credit to Gross Domestic Product (GDP) ratio) as well as the relative importance in credit provision vis-à-vis scheduled commercial banks (SCBs). *(Source: Report on Trend and Progress of Banking in India 2022-23 by Reserve Bank of India)*

Exhibit 4.: NBFCs' Credit vis-à-vis SCBs' Credit and GDP



Source: Report on Trend and Progress of Banking in India 2022-23 by Reserve Bank of India)

Exhibit 5.: Scale-Based Regulation for NBFCs



With the implementation of Scale Based Regulation (SBR) from October 2022, NBFCs have been segregated into four layers, namely, a Base Layer (NBFC-BL), a Middle Layer (NBFCML), an Upper Layer (NBFC-UL) and a Top Layer (NBFC-TL), based on size, activity, and the perceived level of riskiness. The top ten eligible NBFCs in terms of asset size shall always reside in the upper layer, along with other NBFCs that are identified on the basis of a set of parameters and scoring methodology. The extant regulations prescribe that companies intending to commence NBFC activities must have at least ₹10 crore as net owned funds (NOF)7. The NOF requirement for existing NBFC-ICC, NBFC-MFI and NBFC-Factors will be raised to ₹10 crores by March 2027 following a glide-path. *Source: (Source: Report on Trend and Progress of Banking in India 2022-23 by Reserve Bank of India)*

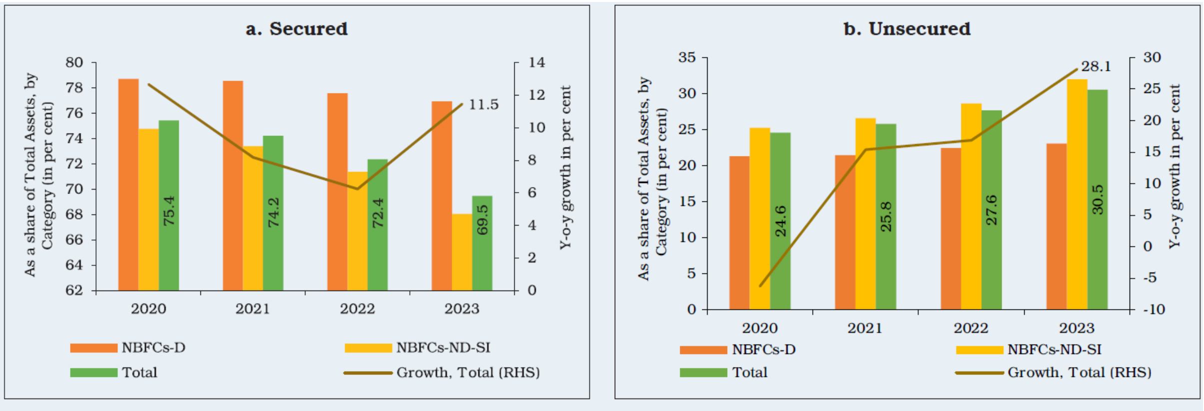
Credit Growth

The pace of expansion in the balance sheet of NBFCs accelerated in 2022-23. This was led by double digit credit growth, mainly on account of unsecured loans. Growth in investments decelerated while cash and bank balances contracted. NBFCs improved their capital positions to cater to the rise in credit demand. Amidst tightening liquidity conditions and increasing competition from banks in segments like vehicle loans and loans against gold, NBFCs focused on lending to segments such as unsecured loans, micro-finance loans and MSMEs. The growth of unsecured loans (28.1 per cent) was more than twice that of secured loans (11.5 per cent). As a result, the share of secured loans in total NBFCs credit fell from 72.4 per cent at end-March 2022 to 69.5 per cent at end-March 2023, while that of unsecured loans inched up from 27.6 per cent to 30.5 per cent over the same period. NBFCs-D have a relatively higher share of secured loans in their lending portfolio, in contrast to NBFCs-ND-SI. Credit growth accelerated further at end-September 2023, while investments declined. *(Source: Report on Trend and Progress of Banking in India 2022-23 by Reserve Bank of India)*

NBFC-MFIs, an important segment in the NBFC universe, have been growing their share in total assets in recent years. In 2022-23, MFIs registered the highest growth in assets (30.0 per cent), followed by ICCs (16.7 per cent).

The assets of IDFs, however, contracted in 2022-23 after growing at a healthy pace a year ago. NBFC-Factors registered a contraction in credit in 2022-23.

***Exhibit 6.:*Nature of NBFCs' Loans and Advances, by Category (At end-March)**



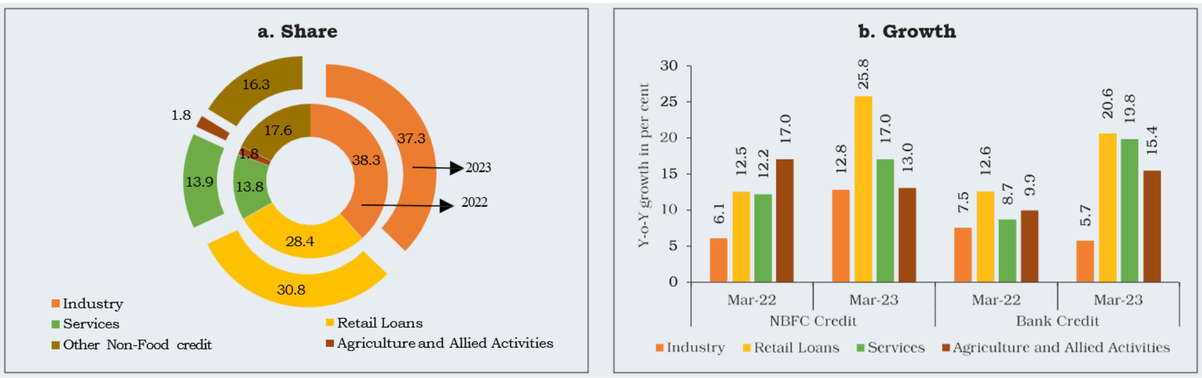
Note: Data are provisional.

(Source: Report on Trend and Progress of Banking in India 2022-23 by Reserve Bank of India)

Sectoral Credit of NBFCs

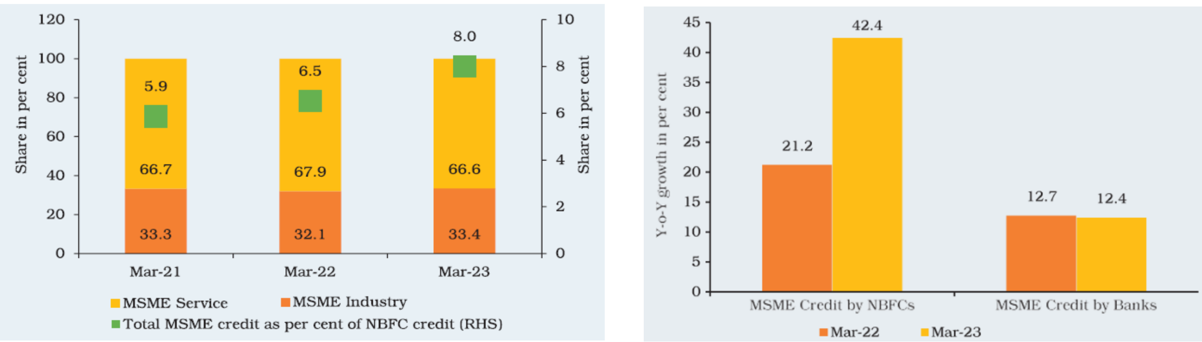
In the sectoral distribution of NBFC credit, industry accounted for around two-fifth of the overall lending portfolio at end-March 2023, attributable to infrastructure lending by large government-owned NBFCs, followed by retail lending with a share of around 31 per cent. In 2022-23, growth in credit to industry by NBFCs (12.8 per cent) was above that of the banking system (5.7 per cent). Credit to the retail segment by both NBFCs and banks grew at over 20 per cent. Credit by NBFCs to the services sector rose at a robust rate, albeit marginally lower than that of banks.

***Exhibit 7.:*Distribution of NBFC Credit (At end-March)**



(Source: Report on Trend and Progress of Banking in India 2022-23 by Reserve Bank of India)

***Exhibit 8.:*NBFCs' Credit to MSME Sector (At end-March)**



NBFCs have steadily expanded their micro, small and medium enterprises (MSMEs) portfolio, addressing the credit needs of the sector and contributing to overall financial inclusion and economic growth. MSMEs engaged in services account for a preponderant share of NBFC credit to the sector. Credit growth by NBFCs to the MSME sector was more than three times that of banks, benefitting from their ability to offer customised financing solutions. The co-lending framework for priority sector lending has also facilitated flow of credit by NBFCs to the MSME sector, leveraging on the low cost of funds of banks and greater reach of NBFCs. *(Source: Report on Trend and Progress of Banking in India 2022-23 by Reserve Bank of India)*

In 2022-23, NBFC credit to the vehicles segment rose by double digits as it emerged from the challenges of the COVID-19 pandemic. NBFCs remain the dominant provider of gold loans although their growth trailed banks. In this space as well, banks and NBFCs are increasingly partnering with each other to realise the synergies from collaboration. NBFC credit to the services sector expanded, driven by transport operators and retail trade, in 2022-23. Credit to agriculture and allied activities also grew steadily. Credit growth to major sectors remained in double digits on a year-on- year basis at end- September 2023. Amongst the various classifications of NBFCs, the lending portfolio of ICCs is dominated by retail lending, while NBFC-MFIs are leading providers of small, collateral-free loans to unserved and underserved groups who have little or no access to traditional financial services. In contrast, IFCs lend primarily to the infrastructure segment of industry, mostly power and railways. *(Source: Report on Trend and Progress of Banking in India 2022-23 by Reserve Bank of India)*

Exhibit 9.: **Table VI.5: Sectoral Credit Deployment by NBFCs**

(Amount in ₹ crore)

Items	**End- March 2022**	**End- March 2023**	**End- September 2023**	**Percentage Variation**	
				2021-22	**2022-23**
1	**2**	**3**	**4**	**5**	**6**
I. Gross Advances (II + III)	**29,52,442**	**34,26,970**	**36,93,921**	**9.0**	**16.1**
II. Food Credit	**1,739**	**-**	**-**	**-**	**-**
III. Non-Food Credit (1 to 5)	**29,50,703**	**34,26,970**	**36,93,921**	**8.9**	**16.1**
1. Agriculture and Allied Activities	**53,759**	**60,760**	**70,603**	**17.0**	**13.0**
2. Industry (2.1 to 2.4)	**11,31,558**	**12,76,666**	**13,45,347**	**6.1**	**12.8**
2.1 Micro and Small	44,329	71,638	83,879	16.5	61.6
2.2 Medium	17,411	20,068	18,546	16.7	15.3
2.3 Large	8,94,541	10,20,441	10,98,821	4.6	14.1
2.4 Others	1,75,277	1,64,519	1,44,101	10.2	-6.1
3. Services	**4,07,367**	**4,76,728**	**4,90,536**	**12.2**	**17.0**
Of which					
3.1 Retail Trade	41,190	59,470	68,001	52.5	44.4
3.2 Commercial Real Estate	87,566	84,666	83,325	6.8	-3.3
4. Retail Loans (4.1 to 4.10)	**8,38,528**	**10,54,530**	**11,96,757**	**12.5**	**25.8**
4.1 Housing Loans (incl. priority sector Housing)	23,280	32,425	39,223	8.9	39.3
4.2 Consumer Durables	24,789	31,543	38,484	33.9	27.2
4.3 Credit Card Receivables	32,710	44,007	49,231	25.8	34.5
4.4 Vehicle/Auto Loans	3,35,460	3,84,475	4,33,653	5.2	14.6
4.5 Education Loans	14,162	25,352	36,330	52.7	79.0
4.6 Advances against Fixed Deposits (incl. FCNR(B), *etc.*)	43	215	247	37.0	406.9
4.7 Advances to Individuals against Shares, Bonds, *etc.*	13,023	14,053	18,532	56.8	7.9
4.8 Advances to Individuals against Gold	1,19,311	1,31,165	1,40,901	5.7	9.9
4.9 Micro Finance Loan/SHG Loan	81,599	1,18,752	1,16,908	22.6	45.5
4.10 Other Retail Loans	1,94,153	2,72,543	3,23,248	19.0	40.4
5. Other Non-Food Credit	**5,19,491**	**5,58,287**	**5,90,677**	**6.4**	**7.5**

Note: Data are provisional.

Source: Report on Trend and Progress of Banking in India 2022-23 by Reserve Bank of India.

Resource Mobilisation by NBFCs

NBFCs rely on borrowings, primarily from markets and banks, to finance their operations. At end-March 2023, bank borrowings displaced debentures as the largest source of funds for NBFCs. Borrowings from banks continued to exhibit high growth at end- September 2023. Around two-third of NBFCs' borrowings is payable in more than 12 months. At end-March 2023, there was a marginal uptick in short-term borrowings which are payable in three months or less. More than 80 per cent of non-convertible debentures (NCDs) issued by private NBFCs were rated either AAA or AA. NCD issuances increased in 2022-23.

Exhibit 10.: **Sources of borrowings by NBFCs**

Items	At end- March -2022	At end- March -2023	At end- September -2023	Percentage Variation	
				2021-22	2022-23
1	2	3	4	5	6
1. Debentures	10,14,611	11,10,234	11,45,536	3.3	9.4
	(39.3)	(37.0)	(36.1)		
2. Bank borrowings	9,20,555	11,33,221	11,97,626	18.8	23.1
	(35.6)	(37.7)	(37.8)		
3. Borrowings from FIs	69,078	89,982	99,844	21.3	30.3
	(2.7)	(3.0)	(3.1)		
4. Inter- corporate borrowings	89,896	1,05,184	1,04,148	15.5	17.0
	(3.5)	(3.5)	(3.3)		
5. Commercial paper	70,266	84,366	1,14,109	-3.2	20.1
	(2.7)	(2.8)	(3.6)		
6. Borrowings from Government	18,562	18,750	18,758	-3.0	1.0
	(0.7)	(0.6)	(0.6)		
7. Subordinated debts	72,349	72,510	68,285	4.5	0.2
	(2.8)	(2.4)	(2.2)		
8. Other borrowings	3,29,182	3,87,991	4,21,653	10.6	17.9
	(12.7)	(12.9)	(13.3)		
9. Total borrowings	**25,84,500**	**30,02,239**	**31,69,959**	**9.9**	**16.2**

(Source: Report on Trend and Progress of Banking in India 2022-23 by Reserve Bank of India)

Loan sales are resorted to by lending institutions for reasons ranging from liquidity management, rebalancing their exposures or strategic sales. Loan sales grew swiftly in 2022- 23, mainly due to one NBFC. In securitisation, FIs sells its assets to a special purpose entity which funds the acquisition by issuing debt securities. It allows efficient distribution of credit risk amongst FIs in line with their risk appetite. Securitisation has emerged as a major source of funding for NBFCs and crossed pre-COVID levels in March 2023. Banks have been a major participant in both the above segments. *(Source: Report on Trend and Progress of Banking in India 2022-23 by Reserve Bank of India)*

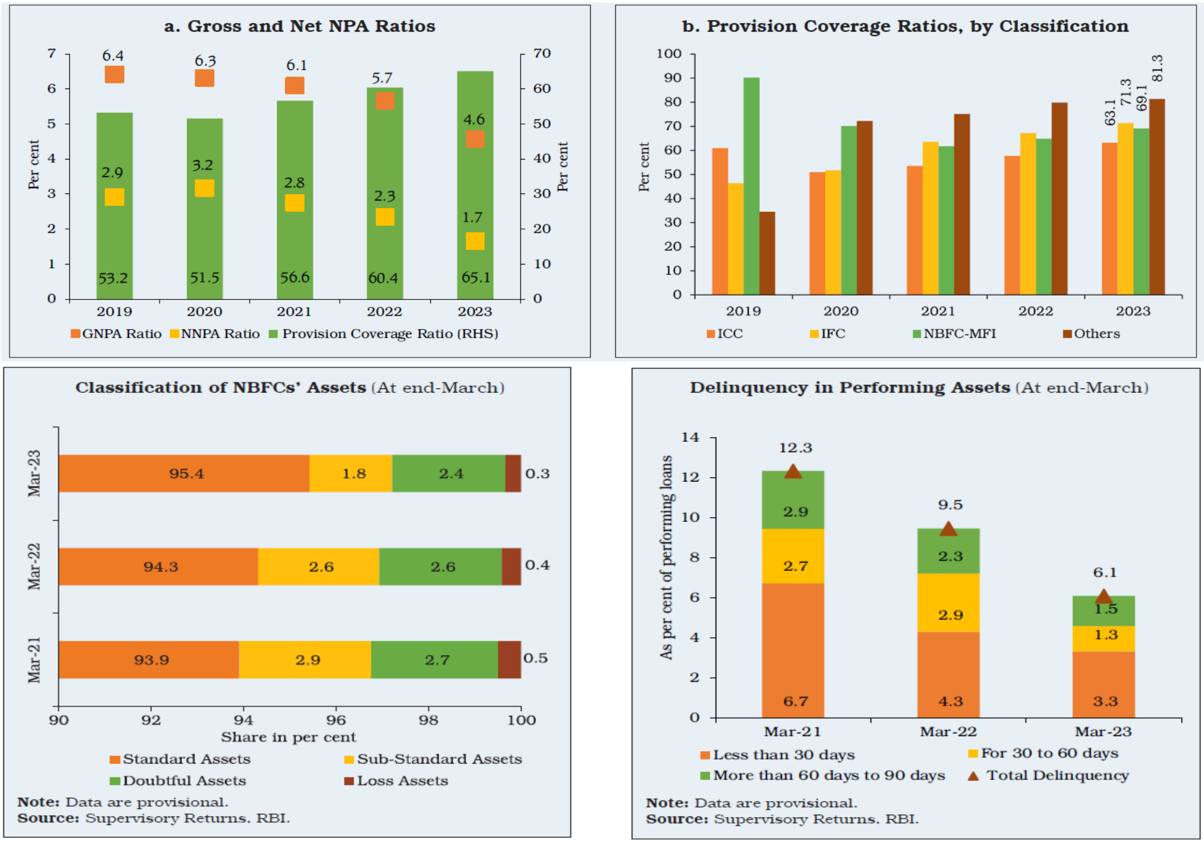
Asset Liability Profile of NBFCs

Short-term structural liquidity position in the 1-30/31 days bucket is critical for liquidity risk management. NBFCs maintained a comfortable liquidity position in this bucket at end-March 2023, albeit at a lower level than a year ago. Furthermore, NBFCs also had a net positive position across all buckets at end-March 2023, except for 2-3 months and over five years. *(Source: Report on Trend and Progress of Banking in India 2022-23 by Reserve Bank of India)*

Asset Quality

The Reserve Bank allowed NBFCs time till September 30, 2022 to follow NPA upgradation norms, which clarified that loan accounts classified as NPAs may be upgraded as standard asset only if entire arrears of interest and principal are paid by the borrower. In 2022- 23, the asset quality of NBFCs improved. Lower slippages also contributed to a reduction in the GNPA ratio to a five-year low in 2022-23. The provision coverage ratio (PCR) increased from 51.5 per cent at end-March 2020 to 65.1 per cent at end-March 2023 for NBFCs. As at end-September 2023, asset quality of the sector showed further improvement as the GNPA and NNPA ratios fell to 4.1 per cent and 1.5 per cent, respectively. *(Source: Report on Trend and Progress of Banking in India 2022-23 by Reserve Bank of India)*

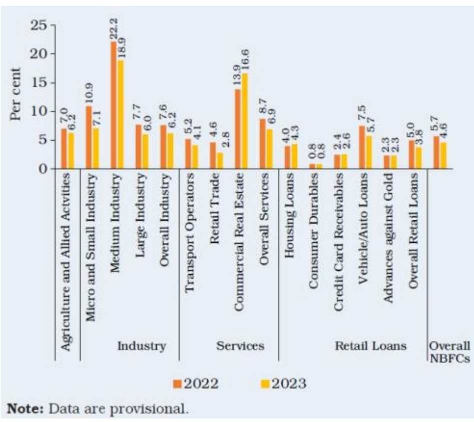
***Exhibit 11.:* Asset Quality of NBFCs (At end-March)**



(Source: Report on Trend and Progress of Banking in India 2022-23 by Reserve Bank of India)

In 2022-23 and H1:2023-24, the proportion of standard assets improved. All three categories of NPAs also moderated. VI.31 As the impact of the pandemic waned and economic activity gained traction, the overall delinquency in performing loans almost halved from 12.3 per cent at end-March 2021 to 6.1 per cent at end-March 2023. The delinquency ratios in all buckets came down during 2022-23, with the maximum delinquency in the less than 30 days bucket. The proportion of standard assets with no overdues increased from 87.7 per cent at end-March 2021 to 93.9 per cent at end-March 2023. *(Source: Report on Trend and Progress of Banking in India 2022-23 by Reserve Bank of India)*

***Exhibit 12.:* Sectoral GNPA Ratios of NBFC Sector (At end-March)**



Sector-wise, the GNPA ratio for agriculture and allied activities, industry and services at end-March 2023 remained above the overall GNPA ratio of NBFCs, while for the retail sector, it was below the overall average. MSMEs registered high GNPA ratios, although they were lower than a year ago. Within the services sector, commercial real estate showed a deterioration in asset quality. In retail loans, the vehicle loan segment registered an improvement during the period under review. Asset quality improved further across major sectors by end- September 2023. The share of large borrower accounts (exposure of ₹5 crore and above) in gross advances extended by NBFCs declined marginally at end-March 2023. The large borrower accounts accounted for over two-thirds of the total NPAs of the sector. *(Source: Report on Trend and Progress of Banking in India 2022-23 by Reserve Bank of India)*

Capital Adequacy

At end-March 2023, NBFCs were adequately capitalised, with capital to risk- weighted assets ratios (CRARs) well above the regulatory requirement (not less than 15 per cent of aggregate risk-weighted assets, including both on and off-balance sheet items) (Chart VI.27a). Detailed guidelines on elements of common equity Tier 1 (CET-1) capital applicable to all NBFC-UL (except core investment companies) were issued on April 19, 2022 as a follow-up to the SBR framework. The CRAR of NBFCs-ND- SI, barring NBFC-IDF, improved during 2022-23 on the back of higher Tier I capital than a year ago (Chart VI. 27b). CRAR of the sector stood at a comfortable level of 27.6 per cent at end- September 2023. *(Source: Report on Trend and Progress of Banking in India 2022-23 by Reserve Bank of India)*

Housing Finance Companies (HFCs)

In India, housing finance companies (HFCs) have about one-third of the market share in housing finance (second only to SCBs). After the Reserve Bank assumed the role of regulator of HFCs effective from August 2019, initiatives have been undertaken to harmonise regulations between HFCs and NBFCs, with glide paths provided for existing HFCs to comply with the principal business criteria, net owned fund (NOF) requirements, and maintenance of liquidity coverage ratio (LCR) and capital adequacy ratio (CRAR). *(Source: Report on Trend and Progress of Banking in India 2022-23 by Reserve Bank of India)*

At end-March 2023, 72 per cent of HFCs' outstanding credit was in the form of housing loans. HFCs' credit growth to the housing sector accelerated in 2022-23 due to the post- COVID shift in preference for homeownership, government initiatives to promote affordable housing, and attractive tax incentives. At end-March 2023, 97 HFCs held CoRs under section 29A of the NHB Act, 1987 of which 15 were deposit taking entities. Six of the latter need to obtain prior written permission from the NHB before accepting public deposits. Non- government public limited companies dominate the segment, with a share of around 95 per cent. *(Source: Report on Trend and Progress of Banking in India 2022-23 by Reserve Bank of India)*

The consolidated income of HFCs grew in 2022-23 on account of both fund income and fee income. Expenditure growth trailed income expansion, resulting in a decline in the cost to income ratio. The overall profitability of the sector rose above pre-COVID level. *(Source: Report on Trend and Progress of Banking in India 2022-23 by Reserve Bank of India)*

Financial Performance of NBFCs

Aggregate income of NBFCs grew steeply in 2022-23, led by interest income. About 90 per cent of the total income accruing to NBFCs in 2022-23 was from fund-based resources, even as the share of fee-based income has seen a gradual rise in recent years. Expenditure was driven by interest expenses (around one-third of their total expenditure during 2022-23) and operating costs (around one-fourth of the total). On the other hand, provisions maintained against NPAs came down during the year. With expenditure increasing at a slower pace than total income, net profit of NBFCs grew significantly. The cost to income ratio declined, indicating improvement in operational efficiency. In H1:2023-24, net profit growth remained robust. *(Source: Report on Trend and Progress of Banking in India 2022-23 by Reserve Bank of India)*

Key profitability indicators i.e., return on assets (RoA), return on equity (RoE) and net interest margin (NIM) improved during 2022-23. All classifications of NBFCs-ND-SI, except IFCs, registered increase in profitability ratios at end-March 2023.

Exhibit 13.: **Financial Parameters of the NBFC Sector**

(Amount in ₹ crore)

Items	2021-22			2022-23			H1:2023-24		
	NBFCs	NBFCs-ND-SI	NBFCs-D	NBFCs	NBFCs-ND-SI	NBFCs-D	NBFCs	NBFCs-ND-SI	NBFCs-D
1	2	3	4	5	6	7	8	9	10
A. Income	3,91,017	3,17,992	73,025	4,75,216	3,88,011	87,205	2,55,124	2,05,541	49,583
	(8.5)	(9.7)	(3.8)	(21.5)	(22.0)	(19.4)	(15.6)	(13.8)	(23.6)
B. Expenditure	3,03,445	2,47,713	55,732	3,37,665	2,78,321	59,344	1,77,352	1,43,068	34,284
	(-0.1)	(0.9)	(-4.4)	(11.3)	(12.4)	(6.5)	(8.3)	(5.1)	(24.3)
C. Net Profit	66,139	53,151	12,988	1,10,625	89,680	20,946	61,208	49,639	11,569
	(57.3)	(60.9)	(44.4)	(67.3)	(68.7)	(61.3)	(33.8)	(37.0)	(21.7)
D. Total Assets	39,52,564	33,97,838	5,54,726	45,37,139	38,76,202	6,60,937	47,10,141	39,93,270	7,16,871

Exhibit 13.: **Financial Parameters of the NBFC Sector**

(Amount in ₹ crore)

Items	**2021-22**			**2022-23**			**H1:2023-24**		
	NBFCs	**NBFCs-ND-SI**	**NBFCs-D**	**NBFCs**	**NBFCs-ND-SI**	**NBFCs-D**	**NBFCs**	**NBFCs-ND-SI**	**NBFCs-D**
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
	(12.0)	(12.9)	(7.0)	(14.8)	(14.1)	(19.1)	(13.2)	(12.2)	(18.6)
E. Financial Ratios (as per cent of Total Assets)									
(i) Income	9.9	9.4	13.2	10.5	10.0	13.2	10.8	10.3	13.8
(ii) Expenditure	7.7	7.3	10.0	7.4	7.2	9.0	7.5	7.2	9.6
(iii) Net Profit	1.7	1.6	2.3	2.4	2.3	3.2	2.6	2.5	3.2
F. Cost to Income Ratio (Per cent)*	77.6	77.9	76.3	71.1	71.7	68.1	69.5	69.6	69.1

*: Cost to Income Ratio = Total Expenditure / Total Income.

Notes: 1. Data are provisional.

2. Figures in parentheses indicate Y-o-Y growth in per cent.

Source: Report on Trend and Progress of Banking in India 2022-23 by Reserve Bank of India

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OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 16, 237 and 103, respectively, for a discussion of the risks and uncertainties related to those statements and also "Risk Factors" on page 58 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year.

Unless otherwise indicated or the context otherwise requires, the financial information included in this Placement Document for Fiscal 2023 and Fiscal 2024 have been derived from our Fiscal 2023 Audited Consolidated Financial Statements and Fiscal 2024 Audited Consolidated Financial Statements, respectively, while financial information included for Fiscal 2022 is derived from the comparative financial information for Fiscal 2022 included in our Fiscal 2023 Audited Consolidated Financial Statements. During the quarter ended March 31, 2023, we had received a directive from the Reserve Bank of India to book gain on assignment of financial assets upfront in the statement of profit and loss in accordance with Ind AS 109 instead of amortising it over the period of the underlying residual tenure of the assigned loan portfolio. As per the requirement of Ind AS 8, we had restated the financial information of previous financial year 2021-22 in the Fiscal 2023 Audited Consolidated Financial Statements to reflect the change in accounting policy as explained above. Accordingly, any reference to financials of Fiscal 2022 means the restated financials of Fiscal 2022 included as comparative in the Fiscal 2023 Audited Consolidated Financial Statements. Accordingly, our Fiscal 2022 Audited Consolidated Financial Statements are not directly comparable to the comparative numbers for Fiscal 2022 included in the Fiscal 2023 Audited Consolidated Financial Statements which includes restated adjustments for Fiscal 2022. For further information, see "Financial Information" on page 237.

*Unless the context otherwise requires, in this section, reference to "we", "us" or "our" refers to MAS Financial Services Limited together with its Subsidiaries, MAS Rural Housing & Mortgage Finance Limited ("**MRHMFL**") and MASFin Insurance Broking Private Limited ("**MIBPL**") on a consolidated basis and reference to "Company" or "our Company" refers to MAS Financial Services Limited on a standalone basis.*

Overview

We are a Gujarat-headquartered NBFC with more than 25 years of business operations and as of March 31, 2024, we directly operate across 11 States and the NCT of Delhi through our branches and have a pan India presence through our NBFC partnerships. Our business and financing products are primarily focused on middle and low income customer segments, and include six principal categories: (i) micro-enterprise loans; (ii) SME loans; (iii) two-wheeler loans; (iv) Commercial Vehicle loans (which include new and used commercial vehicle loans and used car loans); (v) salaried personal loans; and (vi) housing loans. Our Promoter Director, Kamlesh Chimanlal Gandhi has have significant operational experience of more than 35 years and has witnessed multiple cycles in the financial services sector in India. We operate our housing loans segment through our subsidiary, MAS Rural Housing & Mortgage Finance Limited.

As of March 31, 2024, our consolidated AUM was ₹ 107,219.02 million. Our consolidated AUM increased at a CAGR of 27.79% from ₹ 65,651.49 million as of March 31, 2022 to ₹ 107,219.02 million as of March 31, 2024. As of March 31, 2024, we had more than 875,000 active loan accounts, across more than 12,000 Customer Locations in 11 States and the NCT of Delhi, served through our pan India network of 252 branches and 183 NBFCs partnerships.

Our financing products include:

Micro-Enterprise Loans. We provide two categories of micro-enterprise loans: (i) loans up to ₹ 5,00,000 typically to self-employed individuals engaged in trading or manufacturing business; and (ii) mortgage backed – MEL loans, where mortgage is of the immovable property, up to ₹ 25,00,000. In Fiscal 2024, the Average Disbursement in our micro-enterprise loan segment was ₹ 44,396. As on March 31, 2024, our AUM from this segment was ₹ 43,851.10 million which represented 40.91% of our consolidated AUM.

Small and Medium Enterprise (SME) Loans. We provide loans up to ₹ 50 million to our SME customers, which category primarily includes small and medium sized traders, manufacturers, distributors, and service providers engaged in various industries. The SME loan segment includes working capital loans (up to ₹ 50 million), loans for machinery and facilities (up to ₹ 15 million) and includes loans against property (up to ₹ 50 million) and supply chain financing (limit up to ₹ 200 million). In Fiscal 2024, the Average Disbursement in our SME loan segment was ₹ 1.83 million. As on March 31, 2024, our AUM from this segment was ₹ 37,338.60 million which represented 34.82% of our consolidated AUM.

Two-wheeler Loans. We provide two-wheeler loans primarily to self-employed, salaried individuals, and farmers as well as professionals. In Fiscal 2024, the Average Disbursement in our two-wheeler loan segment was ₹ 62,807. As on March 31, 2024, our AUM from this segment was ₹ 6,701.18 million which represented 6.25% of our consolidated AUM.

Commercial Vehicle Loans. We provide loans up to ₹ 1,000,000 for the purchase of new and used commercial vehicles, used cars. In this segment, our customers primarily include small traders and manufacturers (for loading vehicles), small road transport operators and first time owners (FTOs). In Fiscal 2024, the Average Disbursement in our Commercial Vehicle loan segment was ₹ 0.42 million. As on March 31, 2024, our AUM from this segment was ₹ 7,476.60 million which represented 6.97% of our consolidated AUM.

Salaried Personal Loans. We provide loans up to ₹ 10,00,000 to salaried individuals for satisfaction of their personal needs. In Fiscal 2024, the Average Disbursement in our salaried personal loan segment was ₹ 77,546. As on March 31, 2024, our AUM from this segment was ₹ 5,888.64 million which represented 5.49% of our consolidated AUM.

Housing Loans. We provide housing loans to customers for the purchase of new and old houses, construction of houses on owned plots, home improvement and for the purchase and construction of commercial property. Our customers in this segment typically include salaried and self-employed individuals and farmers having multiple sources of income. We also extend loans to developers for construction of affordable housing projects. The loan amount typically ranges between ₹ 50,000 and ₹ 5 million for residential property and between ₹ 0.10 million and ₹ 10 million for commercial property. Our housing finance business is primarily operated through our Subsidiary, MRHMFL. In Fiscal 2024, Average Disbursement in our housing loan segment was ₹ 0.87 million. As on March 31, 2024, our AUM from this segment was ₹ 5,962.90 million which represented 5.56% of our consolidated AUM.

In addition to our sales team, we have entered into commercial arrangements with an adequate (globally) number of sourcing intermediaries, including commission based DSAs and revenue sharing arrangements with various dealers and distributors where part of loan default is guaranteed by such sourcing partners. As of March 31, 2024, we had 185 such sourcing intermediaries for our two-wheeler loan segment and 365 such sourcing intermediaries for our Commercial Vehicle loan segment. As of March 31, 2024, we had entered into arrangements with 113 sourcing intermediaries for our housing loan segment, who typically are affordable housing project developers or property agents.

A significant part of our business origination in various segments is directly through our own direct retail distribution channels accounting for 68.42% of our consolidated AUM as of March 31, 2024. Our consolidated AUM for business originated through our direct retail distribution channels has steadily increased from ₹ 35,002.23 million as of March 31, 2022 to ₹ 73,357.84 million as of March 31, 2024. In addition to the above, we also have extended loans to MFIs, HFCs and other NBFCs that provide financing products including micro-enterprise loans, SME loans, Commercial Vehicle loans (new and used), two-wheeler loans, salaried personal loans and housing loans, enabling us to have a geographical reach extending beyond our direct Customer Locations. As of March 31, 2024, we had extended loans to 183such financial institutions.

The following table sets forth certain information relating to our operations and financial performance in the periods specified:

(in ₹ million, except ratios and percentages)

	As of March 31, 2022 (Restated)	**As of March 31, 2023**	**As of March 31, 2024**
AUM			
Micro-Enterprise Loans	32,446.57	38,741.61	43,851.10
SME Loans	22,854.40	29,866.61	37,338.60
Two-wheeler Loans	3,757.37	5,543.51	6,701.18
Commercial Vehicle Loans	3,451.67	3,724.85	7,476.60
Salaried Personal Loans	-	3,048.98	5,888.64

	As of March 31, 2022 (Restated)	As of March 31, 2023	As of March 31, 2024
Total AUM (Standalone)	62,510.01	80,925.56	101,256.12
Home Loans (Subsidiary)	3,141.48	4,133.36	5,962.90
Total AUM (Consolidated)	65,651.49	85,058.92	107,219.02
Year on year growth (%)	16.08%	29.56%	26.05%
Total Disbursement (Consolidated)	61,805.94	93,039.85	1,04,830.87
Gross Stage 3 Assets	1,065.19	1,352.05	1,953.54
Gross Stage 3 ratio (%)	2.00%	1.96%	2.34%
Net Stage 3 Assets	699.15	831.95	1,197.31
Net Stage 3 ratio (%)	1.31%	1.21%	1.44%
Total Income	6,911.76	9,902.57	12,856.76
Profit /(Loss) after tax	1611.97	2058.23	2,540.09
Return on Equity (%)	12.37%	14.11%	15.11%
Return on Average AUM (%)	2.64%	2.73%	2.64%

Our Company's CRAR as of, March 31, 2022, March 31, 2023, and March 31, 2024 were 26.35%, 25.25%, and 24.05 %, respectively.

The quality of our loan portfolio, stringent credit appraisal and risk management processes have improved our credit status with our lenders. As on the date of this Placement Document, our long term bank facilities and NCDs have been assigned a ACUITE AA-/Stable by Acuite Ratings & Research and CARE AA- Stable by Care Ratings. As of March 31, 2024, our Total Borrowings was ₹ 74,593.22 million, and our finance cost was ₹ 6,467.12 million. Around 80% of our loan portfolio comprises MSME loans which qualify as priority sector lending. As on March 31, 2024, 22.22% of our consolidated AUM is off book through direct assignment and co-lending transactions.

Our Competitive Strengths

We believe that the following are our key competitive strengths:

Track record of consistent growth with quality loan portfolio

We offer a wide range of products with focus on retail lending that address the specific financing requirements of middle and low income individuals as well as micro, small and medium enterprises. We have been in operation for more than 25 years, and as of March 31, 2024, had more than 875,000 active loan accounts across more than 12,000 Customer Locations in 11 States and the NCT of Delhi, served through our 252 branches. Please refer to the table below for the growth in our AUM in the past three years:

(in ₹ million, except percentages)

	As of March 31, 2022 (Restated)	As of March 31, 2024	CAGR (%)
AUM			
Micro-Enterprise Loans	32,446.57	43,851.10	16.25%
SME Loans	22,854.40	37,338.60	27.82%
Two-wheeler Loans	3,757.37	6,701.18	33.55%
Commercial Vehicle Loans	3,451.67	7,476.60	47.18%
Salaried Personal Loans	-	5888.64	-
Total AUM (Standalone)	**62,510.01**	**1,01,256.12**	**27.27%**
Home Loans (Subsidiary)	3,141.48	5,962.90	37.77%
Total AUM (Consolidated)	**65,651.49**	**1,07,219.02**	**27.79%**

Leveraging our significant operational experience, we have developed stringent credit quality checks and customised operating procedures that involve regular monitoring of our loan portfolio. We maintain our steadfast focus on providing credit to India's vast lower income and middle-income groups, spread across urban, semi urban and rural areas, in both the formal and informal sector. Although our business is focused on the middle- and low-income group customer segments, we have maintained relatively low NPA ratios. We have also entered into revenue sharing arrangements with a large number of sourcing partners, where we get the benefits of their demographic knowledge and where part of a loan default is guaranteed by these sourcing partners, effectively making them directly accountable for the quality of the loan portfolio they originate. We believe these arrangements enable us to lower delinquency rates of loans sourced through such arrangements. A part of our business is also represented by loans extended to other financial institutions, and we have developed stringent and ongoing loan portfolio diligence measures that enable us to ensure the quality of the receivables underlying the loans to such financial institutions.

As of March 31, 2024, our Gross Stage 3 Assets was ₹ 1,953.54 million, while Net Stage 3 Assets was ₹ 1,197.31 million. Our quality loan portfolio also enables us to effectively assign or securitize a significant portion of it from time to time, thereby reducing operational risks. In Fiscal 2024, we obtained ₹ 23,828.12 million through assignment, co-lending and/or securitization of loans.

Diversified product offerings presenting significant growth opportunities

To cater to the evolving needs of our diverse customer base, we continue to offer diverse range of financial products and services targeted at the low and middle income customer segments including new and customised offerings. Our innovative range of loan offerings helps increase social mobility and encourages growth and employment for our target customer segment. Our micro-enterprise loan and SME loan segments extend loans to traders, manufacturers, distributors and related service providers in various industries. Our housing loan and two-wheeler loan segments are targeted towards salaried, farmers, and self-employed individuals. We cover a diversified customer demographic through our various financing products. As of March 31, 2024, SME loan segment represented 34.82%, micro-enterprise loans represented 40.91%, two-wheeler loans represented 6.25%, Commercial Vehicle loans represented 6.97%, salaried personal loans represented 5.49% and housing loans represented 5.56%, respectively, of our consolidated AUM as of such dates. We believe that our diversified product portfolio and customer base aligned with increasing market demand is a key component of our growth and success. Our wide, multi-channel business sourcing network enables us to introduce new financing products with relatively low incremental investment and operating expenses. It also enables us to reduce our exposure to sector-specific declines, local or regional economic downturns, disruptions from political circumstances and/or natural disasters.

We offer loans to the expanding retail borrower section, mostly from the middle- and lower-income group, who otherwise have little access to formal means of credit. With their incomes and aspirations on the rise, they have increased need for funds creating a significant growth opportunity for our business. Our business is also operationally aligned to easily adapt to the changing financing environment for our target customer segments introduced by GoI measures to encourage formal banking channels. We believe that given our large business network, deep market knowledge, diversified product portfolio and consistent growth record, we are well-positioned to capitalise on the growth opportunities for NBFCs in India.

Access to cost-effective and diversified sources of funding

Our quality portfolio and stable credit history has enabled us to obtain capital for our business operations without over-leveraging or significant equity dilution. We have a dedicated resource mobilization team to effectively address our funding requirements, matching asset liability, diversify sources of funds, manage interest rate risk and invest any surplus funds. Our funding requirements have historically been met primarily through term loans and cash credit facility. We have established long-term relationships with various banks and financial institutions which provide ease of access to funding from such institutions. Our quality loan portfolio, stringent credit appraisal and risk management processes, and stable credit history have resulted in improved credit status with our lenders over the years, thereby enabling us to reduce our cost of borrowings from banks and other financial institutions. For further information on our credit ratings, see "*Our Business – Credit Ratings*" on page 168. We also obtain funds through assignment, co-lending and/or securitization of our loan portfolio to banks/FIs, which purchase such portfolio to meet their priority sector and retail lending commitments. Furthermore, we also issue non-convertible debentures and commercial paper to supplement our funding requirements. Our Average Cost of Borrowings (inclusive of off book portfolio) as of March 31, 2024 was 9.46%, compared to 7.90% in as of March 31, 2022.

Particulars	**As of/for the financial year ended March 31,**					
	2022 (Restated)		**2023**		**2024**	
	Amount (₹ in Million)	**% of Total**	**Amount (₹ in Million)**	**% of Total**	**Amount (₹ in Million)**	**% of Total**
Term loan	23,777.29	41.77%	39,512.84	50.80%	54,236.25	55.00%

Particulars	As of/for the financial year ended March 31,					
	2022 (Restated)		2023		2024	
	Amount (₹ in Million)	% of Total	Amount (₹ in Million)	% of Total	Amount (₹ in Million)	% of Total
Cash Credit/Overdraft/Short term loan	15,308.10	26.90%	13,247.71	17.03%	11,145.01	11.30%
Direct Assignment (incl. co-lending)	12,285.66	21.58%	16,109.07	20.71%	23,828.12	24.16%
Non-Convertible Debentures	3,650.00	6.41%	6,312.50	8.12%	6,312.50	6.40%
Subordinated Debt	1,400.00	2.46%	2,600.00	3.34%	3,100.00	3.14%
Securitisation	500.32	0.88%	-	0.00%	0.00	0.00%
Total Sources of Fund	**56,921.37**	**100.00%**	**77,782.12**	**100.00%**	**98,621.88**	**100.00%**

Deep market knowledge through extensive sourcing channels with focus on direct origination

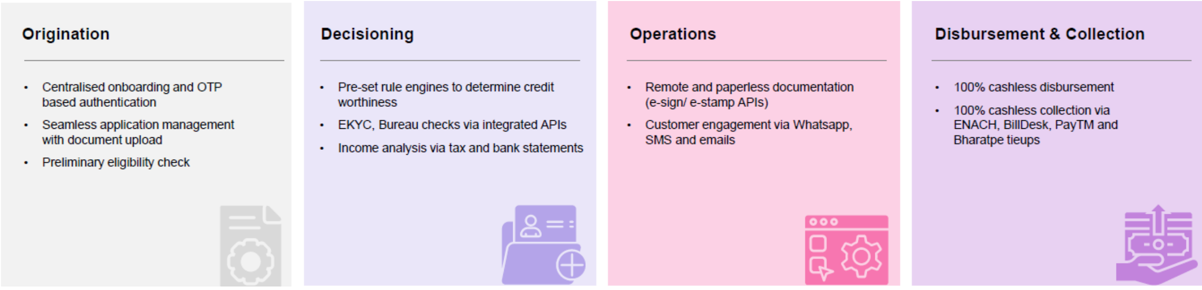
We maintain our steadfast focus on providing credit to India's vast lower income and middle income groups, spread across urban, semi urban and rural areas, in both the formal and informal sector over more than 25 years. We have developed an extensive operational network in Gujarat, Madhya Pradesh, Rajasthan and Maharashtra through our branches as well as our partnership with NBFCs. As of March 31, 2024, we directly operated across 11 States and the NCT of Delhi through our branches and we have a pan India presence through our partnerships with 183 NBFCs. We focus on developing grass root level market knowledge and operational experience in markets we operate, in order to better understand customer requirements and ensure better collection, reduced loan delinquencies and greater efficiency of operations. The number of our branches has increased from 173 as of March 31, 2022 to 252 as of March 31, 2024. Our consolidated AUM for business originated through our direct retail distribution channels has steadily increased from ₹ 35,002.23 million as of March 31, 2022 to ₹ 73,357.84 million as of March 31, 2024.

In addition to our sales team, we have entered into commercial arrangements with an adequate number of sourcing intermediaries including commission based DSAs as well as sourcing partners for our commercial vehicles and two wheeler loan segments where part of a loan default is guaranteed by such sourcing partners. We believe that these revenue sharing arrangements act as a relatively stable revenue source for such sourcing partners and are therefore attractive to them. As of March 31, 2024, we had 185 such two-wheeler sourcing intermediaries, 365 Commercial Vehicle sourcing intermediaries. For our housing loan segment, we have similar arrangements with affordable housing project developers and property agents. As of March 31, 2024, we had 113 sourcing intermediaries in housing finance.

Our people-centric approach has helped engage our employees to deliver the best solutions to our customers and build long-term loyal relationships with them. We leverage our in-depth market knowledge to identify and develop close working relationships with MFIs, HFCs and other NBFCs focused on markets similar to ours. As of March 31, 2024, we had 183such institutional borrowers. These measures enable us to diversify deployment of capital. With our extensive operational experience in these markets and financing products, we work closely with our institutional borrowers for their funding requirements and liability management, and to target mutually beneficial business opportunities. We have developed long lasting relationships with these financial institutions. We believe that our understanding of local markets and customer demographics and practices enable us to identify market opportunities, improve operating efficiencies, grow our loan portfolio and increase our customer base.

Robust credit assessment and risk management framework by leveraging technology

We have integrated technology across all verticals of our operations. Below is a representation of how we have integrated technology across various processes:



Our target customers include micro-enterprises, SMEs, traders and individuals from low and middle income customer segments. We have developed customised credit analysis procedures for each product depending on the nature of the customer, purpose of the loan and the amount of loan advanced. Typically, we analyse past financial information and the applicant's business trends to assess their income levels. In addition to document verification and credit bureau reports, we conduct site verification, interviews, and market and banking reference checks on the applicant, co-applicant and guarantor, as applicable. We have also adopted various measures to assess our institutional borrowers, including the viability of their business and financing products, the credit history of such institutions, the reputation and experience of the relevant promoters and founders of such institutions, as well as their credit, collection and other operational procedures and policies. Our Company defines its risk appetite, functional policies, and key risk indicators (KRIs) to explicitly determine the level and nature of risk that it is willing to take. Our Company's risk management structure proactively identifies and addresses risks through risk assessment, a risk catalogue, a risk appetite framework, risk planning, risk culture, internal controls, and good governance. We have implemented a comprehensive credit assessment covering income profile, customer track record, asset profile and other qualitative checks, etc. Our management identifies and controls risks through a properly defined framework in terms of the aforesaid policy. Our Company has in place a Risk Management Policy and introduced several measures to strengthen the internal controls systems and processes to drive a common integrated view of risks, optimal and mitigation responses. This integration is enabled through a dedicated team for risk management, internal controls and internal audit systems and processes. We have also introduced stringent credit checks for the underlying loan portfolios associated with loans extended to our institutional borrowers, including inspection of the hypothecated loan portfolio to ensure that they meet the requisite credit policies stipulated by us and carry out replacement of any substandard underlying asset. We monitor the quality of such hypothecated loan portfolio. For further information on our credit assessment policies, see "– *Financing Products*". In addition, our collection procedures are primarily non-cash processes, either through the NACH or direct debit instruction to ensure ease of monitoring financial transactions.

Experienced management team

We believe that the industry knowledge and experience of our senior management has enabled us to maintain consistent growth of our business over the years. Our promoter, Late Shri Mukesh Chimanlal Gandhi, who was also our Chief Financial Officer and Director, played a significant role in the growth of our Company. Our promoter, Kamlesh Chimanlal Gandhi, Chairman and Managing Director and Darshana Saumil Pandya, our Chief Executive Officer, each have over 35 years and 27 years of experience in the financial services sector, respectively. They are supported by an accomplished board of directors and key management personnel. We believe that our senior management team has enabled us to develop and implement a consistent business plan and operational procedures. The experience of our promoters and senior management allows us to identify market opportunities, offer products and services targeted at specific customer segments, develop customer and product specific credit policies, while ensuring effective risk management and quality of loan portfolio.

We strive to adhere to high standards of corporate governance and have established policies and procedures to support transparency, fair business practices and a well-established compliance framework. Our Board is chaired by our Managing Director, with four Non-Executive Independent Directors and two Executive Directors. Our Board supervises our operations through committees designed to manage and oversee key aspects of our business. We believe that their combined market experience of our Board, our Promoters and our Senior Management has contributed to our growth and profitability, as well as helped us to attain significant capital position. For further information, refer to "*Board of Directors and Senior Management*" on page 172.

Business Strategies

Our primary business strategies are as follows:

Continue to penetrate our presence in existing as well expanding our presence in newer geographies while maintaining stable growth and quality of portfolio

We believe that the quality of our portfolio has enabled us to maintain and continue focus on maintaining stable growth with a quality portfolio going forward. Our consolidated AUM increased at a CAGR of 27.79% from ₹ 65,651.49 million as of March 31, 2022 to ₹ 107,219.02 million as of March 31, 2024. As of March 31, 2024 we had over 12,000 Customer Locations in eleven States and the NCT of Delhi served through our 252 branches. We continue to strategically and selectively open new branches or expand in new locations, typically expanding into geographies with a growth potential. We intend to further increase our penetration in the States of Madhya Pradesh, Rajasthan, Karnataka, Tamil Nadu, and the NCT of Delhi where we already have our presence through our branches. We also intend to expand our presence in the States of Andhra Pradesh, Haryana, Punjab and Telangana. In order to effectively grow business in our existing markets, we tailor business origination and servicing efforts to specific requirements in a particular region. With our diversified product portfolio, we have significant cross-selling opportunities among our existing customers and serve their future financing requirements with our other products.

To diversify the deployment of our funds, we will also continue to increase loans extended to financial institutions thereby allowing us to expand our geographical reach while maintaining a relatively lower risk profile. We also continue to establish knowledge partnerships with these financial institutions to further strengthen our existing relationships, and also to increase our local market knowledge. With our extensive operational experience and diversified portfolio of financing products we continue to assist such institutions with their asset liability management and best practices. In addition, we will continue to expand our network of sourcing intermediaries. The quality of the portfolio generated through such arrangements would serve as the basis for conducting further business through them. We intend to maintain an optimal balance between growth, quality of portfolio and profitability to ensure greater penetration in existing markets and increasing expansion into new territories.

Focus on existing product offerings and increasing share of business through direct lending

We continue to undertake market assessment studies to strategically evaluate additional product offerings. We have recently launched three new categories of products, namely, personal loan (targeted towards salaried individuals), used car loans, and supply chain financing to SMEs. As we expand our operations, we endeavour to expand our portfolio of products across various sectors by monitoring customer requirements.

We leverage our in-depth market knowledge to identify and develop close working relationships with MFIs, HFCs and other NBFCs focused on markets similar to ours. As of March 31, 2024, we had 183such institutional borrowers. We have developed strategic relationships with these institutions based on our long-term association with them. We examine their operations to gain an understanding of the local markets, customer demographics and operational challenges. While we will continue to maintain and leverage these relationships, we are now striving to increase our share of direct lending to low and middle income customer segments. The share of direct retail lending increased at a CAGR of 44.77% from ₹ 35,002.23 million as of March 31, 2022 to ₹ 73,357.84 million as of March 31, 2024. We believe that our market experience has contributed to our growth and profitability, and will allow us to increase our share of direct lending.

Leverage technology to foster growth

All our branches have been centrally connected to our corporate office in Ahmedabad, Gujarat. We regularly update our systems and continue to streamline our credit approval, administration and monitoring processes to meet customer requirements and maintain our risk profile. We continue to focus on developing and strengthening our IT capabilities to support our growth and improve the quality of our services. We believe that improving our technology infrastructure will allow us to respond to challenges on a real-time basis and improve our risks management capabilities. We intend to develop and implement analytics capabilities for lead generation, market mapping, improving customer responsiveness and anticipating customer requirements. We intend to integrate AI and BRE technologies in our loan origination systems which allows our Company to fetch or validate the data from authentic sources thereby leading to better data analysis and reducing chances of frauds.

With technology at the forefront, we will focus on our second phase of digitalisation, with AI to complement our credit decisioning, based on our product mix and data analysis available. Technology will also help in increasing outreach, reducing operational costs and containing risk, improving efficiency, enabling seamless processes.

We further intend to develop data mining and analytics capabilities to improve predictability of repayment patterns and set up early warning systems. We also intend to develop data-driven insights to understand our target customers' propensity towards certain financial products. We anticipate using such information to conduct targeted marketing efforts allowing us to improve the availability of our products and consequently the quality of our services and credit portfolio. We intend to devote our analytics resources towards identifying growth opportunities across multiple dimensions – products, customers and channels to optimise profitability and growth. With use of various tools, we aim at reducing manual intervention along with building a robust platform to manage future growth requirements.

Further diversification in sources of fund and cost-effective funding

We have a dedicated resource mobilization team to effectively address our funding requirements, reduce cost of borrowings, diversify sources of funds, manage interest rate risk and invest any surplus funds. We have established long-term relationships with various banks and financial institutions which provide ease of access to funding from such institutions. Our quality loan portfolio, stringent credit appraisal and risk management processes, and stable credit history have resulted in improved credit status with our lenders over the years, thereby enabling us to reduce our cost of borrowings from banks and other financial institutions. We also obtain funds through assignment, co-lending and- securitization of our loan portfolio to banks, which purchase such portfolio to meet their priority sector and retail lending commitments. Furthermore, we also issue non-convertible debentures and commercial paper to supplement our funding requirements. As of March 31, 2024, our total borrowing outstanding was ₹ 74,593.22 million. We intend to further diversify our sources of fund by tapping and increasing our fund raise through the capital markets, securitisation, external commercial borrowings and the co-lending space.

Business Operations

Our Company was registered with the RBI as a public deposit taking NBFC since 1998. Subsequently in 2007, we were converted into a non-public deposit taking NBFC. We provide a wide range of financial products that address financing requirements of middle and low income individuals as well as micro, small and medium enterprises.

Financing Products

Our products include:

Micro-Enterprise Loans

Our Micro Enterprise Loans promote financial inclusion by providing access to formal credit for small businesses that are underserved by traditional banks. We provide loans up to ₹ 25,00,000 to customers, up to 120 months of loan tenure, who primarily include retailers, traders, small manufacturers and service providers. Micro-enterprise loans disbursed are majorly unsecured. Our consolidated AUM in the micro-enterprise loan segment increased at a CAGR of 16.25% from ₹ 32,446.57 million as of March 31, 2022 to ₹ 43,851.10 million as of March 31, 2024. In Fiscal 2024 the Average Disbursement in our micro-enterprise loan segment was ₹ 44,396. Our consolidated AUM in our micro-enterprise loan segment as of March 31, 2024 was ₹ 43,851.10 million, which represented 40.91% of our consolidated AUM.

We provide two categories of micro-enterprise loans:

Product	Loan Amount	Tenure Range	Remarks
Micro Enterprise Loan	Up to ₹ 0.50 million	Up to 60 Months	• Guarantee from government recognised entities such as CGTMSE or CGFMU etc., (wherever it is qualified). • Personal Guarantees preferably from all the promoters and critical shareholders
Mortgage backed – MEL	Up to ₹ 2.5 million	Up to 120 Months	• Mortgage of immovable property • Personal Guarantees preferably from all the promoters and critical shareholders

Credit assessment process and approval criteria

We source customers through various routes including our sales team, referrals and other intermediaries (such as DSAs). Such information is processed into our system and a credit officer initiates the process via site visit, assessing the collateral offered and repayment capabilities. A cash flow assessment is conducted on the basis of various business and financial documents. Our appraisal officer verifies all the documents such as bills of purchase and sale, stock registers, cash books, fuel, and energy consumption bills to assess the turnover and margins of a customer's business and their repayment capability. We also conduct credit bureau checks and assess the value of the collateral. Further, our process involves use of various APIs for validating the information and the disbursement is only sanctioned after the approval of central authority.

SME Loans

We offer loans to small and medium-sized businesses focused on manufacturing, retail and wholesale traders and service industry along with range of financing solutions, including term loans, equipment financing, and working capital loans, designed to support SMEs at various stages of their business lifecycle. Our consolidated AUM in SME loan segment increased at a CAGR of 27.82% from ₹ 22,854.40 million as of March 31, 2022, to ₹ 37,338.60 million as of March 31, 2024. In Fiscal 2024 the Average Disbursement in our SME loan segment was ₹ 1.83 million. Our consolidated AUM in our SME loan segment as of March 31, 2024, was ₹ 37,338.60 million which represented 34.82%, of our consolidated AUM.

We provide the following categories of SME loans:

Product	**Loan Amount**	**Tenure Range**	**Security Type**
Business Loan	Up to ₹ 20 million	Up to 48 months	• Hypothecation on current assets • Guarantee from government recognised entities such as CGTMSE or CGFMU etc. • Personal Guarantees from all the promoters and critical shareholders
Business Loan (Big Ticket)	Up to ₹ 50 million	Up to 180 months	• Mortgage of Immovable Property • Personal Guarantees preferably from all the promoters and critical shareholders
Machinery Loan	Up to ₹ 15 million	Up to 48 months	• Hypothecation of Machinery purchased. • Guarantee from government recognised entities such as CGTMSE or CGFMU etc. • Personal Guarantees preferably from all the promoters and critical shareholders
Supply Chain Financing	Limit up to ₹ 200 million	Revolving facility for 12 months	• Control over the cash flows • Personal Guarantees preferably from all the promoters and critical shareholders

Credit assessment process and approval criteria for working capital loans

We undertake various assessments pertaining to the credit norms such as a minimum period of business operations, certain financial performance parameters, and credit history. Our SME team comprising of sales/customer relationship, credit, operations, and audit departments work hand in hand for completing the full assessment and providing the right product from the portfolio of our Company. We offer business loans, machinery loans, and supply chain financing to the borrower. We have our own loan origination system which is plugged in with various APIs to help us validate the data of the borrower. Further while assessing the cash flows and the income statements of the borrower process it through various sets of data points such as GST, financials, banking, etc. based on the program, loan requirement and the collateral available. Further we also evaluate the KYCs, credit bureau, customer profiling, business premises and overall operations of the borrowers.

Two-wheeler Loans

Our customers in this segment typically include salaried and self-employed individuals in rural and semi urban areas. Further, we also enter into arrangements with franchisee and dealers to offer our financial products to their potential customers, locally or nationwide, as the case may be. Our consolidated AUM in the two-wheeler loan segment increased at a CAGR of 33.55% from ₹ 3,757.37 million as of March 31, 2022 to ₹ 6,701.18 million as of as of March 31, 2024. In Fiscal 2024 our Average Disbursement in two-wheeler loan segment was ₹ 62,807. Our consolidated AUM in the two-wheeler loan segment was ₹ 6,701.18 million as of March 31, 2024, which represented 6.25% consolidated AUM.

We provide the following categories of two-wheeler loans**:**

Product	Loan Amount	Tenure Range	Remarks
Affordable two-wheeler	Up to ₹ 0.15 million	Up to 36 Months	• Hypothecation of two-wheeler
Premium two-wheeler	Up to ₹ 0.2 million	Up to 36 Months	• Hypothecation of two-wheeler

Credit assessment process and approval criteria

At the time of sourcing a customer, we assess the customer based on several parameters including KYC norms, credit bureau, income details, vehicle to be purchased, and field investigation (if required). Other details are processed through our APIs and telephonic personal discussion of credit with the customer. Our credit team evaluates the borrower's profile based on our credit policy. The credit team evaluates the customer based on our defined credit policy. Our defined grids for all the eligible vehicles against which we offer loans are based on the model, brand, and LTV.

Commercial Vehicle Loans

We offer loans for the purchase of second-hand commercial vehicle & used cars under the variety of loans to finance the purchase of new, pre-owned passenger and commercial vehicles, including three-wheeler and four wheeler vehicles. Our consolidated AUM in our Commercial Vehicle loan segment increased at a CAGR of 47.18% from ₹ 3,451.67 million as of March 31, 2022 to ₹ 7,476.60 million as of March 31, 2024. In Fiscal 2024, our Average Disbursement in the Commercial Vehicle Loan segment was ₹ 0.42 million. Our consolidated AUM in the Commercial Vehicle loans was ₹ 7,476.60 million as of March 31, 2024, which represented 6.97%consolidated AUM.

We provide the following categories of commercial vehicle loans:

<table>
<tr><th>Product</th><th>Loan Amount</th><th>Tenure Range</th><th>Remarks</th></tr>
<tr><td>LCV</td><td>Up to ₹ 1.5 million</td><td>Up to 60 Month</td><td rowspan="7">• Purchase of vehicle or pre-owned vehicle
• Residual usage life of vehicle minimum 5 years
• Hypothecation of vehicle is must.
• Insurance of vehicle is must</td></tr>
<tr><td>MUV</td><td>Up to ₹ 1 million</td><td>Up to 60 Month</td></tr>
<tr><td>HCV</td><td>Up to ₹ 1.5 million</td><td>Up to 60 Month</td></tr>
<tr><td>SCV</td><td>Up to ₹ 1 million</td><td>Up to 60 Month</td></tr>
<tr><td>Three-Wheelers</td><td>Up to ₹ 0.50 million</td><td>Up to 36 Month</td></tr>
<tr><td>Used Car</td><td>Up to ₹ 1 million</td><td>Up to 48 Month</td></tr>
<tr><td>New Car</td><td>Up to ₹ 1 million</td><td>Up to 60 Month</td></tr>
</table>

Credit assessment process and approval criteria

Applicants are assessed on several parameters including vehicle type, experience in transportation, repayment track record (if available) and age and usage of vehicle. Further, our investigation officer also confirms the accuracy of the information on a loan application by visiting the applicant's residence, office or business premises and for preparing a profile report. Our credit team also verifies the applicant's credit history through a credit bureau check. Preference is given to borrower with vehicles loans with collateral, vehicle with high operating efficiency along with low maintenance costs, easy serviceability and strong secondary market value. We categorize vehicle manufacturers and vehicle models on the basis of such criteria and centrally approve them for the funding of their vehicles. We also evaluate the vehicles' value through our sales personnel, internal valuation grid or Insurance Regulatory and Development Authority ("IRDA") licensed valuers.

Salaried Personal Loans

Under this segment, we target customers that do not have easy access to banks or other modes of financing for immediate short- or medium-term funding requirements. Customers typically seek such loans for medical treatment, education and weddings. Our team reach out directly to such customers and visit them at their doorstep to carry out loan origination and credit evaluation.

The Salaried Personal loans product operations was started in Fiscal 2023. In Fiscal 2024, our Average Disbursement in the salaried personal loan segment was ₹ 77,546. Our consolidated AUM in the salaried personal loans was ₹ 5,888.64 million as of March 31, 2024, which represented 5.49% of our consolidated AUM.

Credit assessment process and approval criteria

For customers under this segment, we cater to salaried individuals having prior work experience. We conduct various check including KYC verification, number of years of experience, stability in the job and residence, monthly salary post deductions of all the current obligations, past conduct with all the lenders, historical performance of the personal loan, and the frequency with which personal loans have been taken. Further we also ensure that net monthly income of the borrower is sufficient to serve the EMIs and the loan being availed for permissible purposes only and would not be misappropriated.

Housing Loans

We provide housing finance loans through our subsidiary, MRHMFL, which is registered as a non-deposit accepting HFC with the National Housing Bank. We grant housing finance loans for buying, renovating, extending, and improving homes. As on March 31, 2024, MRHMFL operates through 85 branches. Our housing finance business caters primarily to middle-income customers in semi-urban locations, targeting prospective homeowners from rural and tier II and tier III cities.

Our consolidated AUM in the housing loan segment increased at a CAGR of 37.77% from ₹ 3,141.48 million as of March 31, 2022, to ₹ 5,962.90 million as of March 31, 2024. In Fiscal 2024 our Average Disbursement in the housing loan segment was ₹ 0.87 million. Our consolidated AUM in the housing loan segment was ₹ 5,962.90 million as of March 31, 2024, which represented 5.56% of our consolidated AUM.

Credit assessment process and approval criteria

As part of our credit assessment process, we conduct credit bureau, internal de-duplication and other database checks on the applicant, co-applicant and guarantor to ensure that none of them are defaulters with any bank or financial institution including site visit and interviews. Our credit officer may additionally require a guarantor or co-applicant based on his assessment of the applicant’s profile. The maximum allowed LTV for housing is according to NHB norms. For loans extended to developers for affordable housing projects, the applicant is required to have specific minimum project size completion and operating experience with ownership of residential or office property. The proposed project is required to have positive cash flows and all relevant permissions. Prior to disbursement, certain percentage of total proposed units are required to be pre-booked. We collect historical financial statements and income tax returns of the applicant and partners, as applicable and last six months bank statements of all bank accounts. We also collect KYC and other relevant documents, conduct credit bureau, internal de-duplication and market reference checks along with site visits.

Organizational Network and Customer Origination

Organisational Network

As of March 31, 2024, we had over 12,000 Customer Locations in Gujarat, Maharashtra, Madhya Pradesh, Rajasthan, Karnataka, Uttarakhand, Chattisgarh, Haryana, Punjab, Telangana and Tamil Nadu and the NCT of Delhi served through our 252 branches. Our organisation network is monitored by our head office in Ahmedabad, Gujarat.

Customer Origination

(a) Through Direct Retail Channel

Customer origination is primarily through our sales team. They inform our target customers on our various product offerings to enable us to generate leads which are then followed until disbursement. We have entered into commercial arrangements with an adequate number of sourcing intermediaries, including commission based DSAs and revenue sharing arrangements with various dealers and distributors where part of the loan default is guaranteed by such sourcing partners. In accordance with our arrangements with these sourcing partners, they are required to conduct a preliminary assessment of the applicant based on pre-determined criteria provided by us. The applications that fulfil the pre-determined criteria are forwarded to us with a letter of recommendation from the respective sourcing partner. The sourcing partner is also required to collect all necessary supporting documents for the application and applicable margin money. As of March 31, 2024, we had 185 such sourcing intermediaries for our two-wheeler loan segment and 365 such sourcing intermediaries for our Commercial Vehicle loan segment. As of March 31, 2024, we had entered into arrangements with 113 sourcing intermediaries for our housing loan segment, who typically are affordable housing project developers and property agents. Our arrangements with these sourcing intermediaries are non-exclusive and beneficial in furthering the business objectives of all parties involved. In addition, our sales and marketing personnel are also situated at Commercial Vehicle and two-wheeler dealer locations.

***(b)* Loans to MFIs, HFCs and other NBFCs**

We leverage our in-depth market knowledge and experience to identify other financial institutions focused on similar sectors and currently we have more than 180 relationships, with different product and geographical niche expertise, spread across the length and breadth of the country. We extend loans to MFIs, NBFCs and HFCs with their respective portfolio of receivables as collateral. These financial institutions are focused on markets similar to ours, enabling us to expand our geographic presence. As of March 31, 2024 we had 183 such institutional borrowers. We leverage our extensive experience in the financial services sector to assist them in areas such as credit policy, risk management, product development, capital structure, asset liability management, corporate governance and best market practices. We have developed strategic relationships with these institutions based on our long-term association with them.

We generally enter into non-exclusive long-term relationships with these financial institutions. We extend term loans with tenures tailored for specific product segments ranging upto 84 months. The rate of interest is determined at the time of sanction of the loan based on profitability of the applicant, existing relationship and synergy with our business. Typically, a portion of their receivables and book debts are hypothecated to us (providing coverage of at least 100% of the outstanding loan amount). We have introduced stringent credit checks for such underlying loan portfolio, including inspection of the hypothecated loan portfolio to ensure it meets agreed credit policies, and replacement of any sub-standard underlying asset. We monitor the quality of such hypothecated loan portfolio. In accordance with our arrangements with these institutional borrowers, we obtain a list of underlying portfolio of receivables within periods stipulated in the sanction letter. If any of these underlying assets turns sub-standard, they are required to be replaced with standard assets. This arrangement is to ensure that these assets are always standard in nature for various facilities that may be extended. Personal guarantees from promoters/directors are also a preferred form of security for these transactions. In addition, as agreed at the time of sanction, an agreed percentage of the loan amount is maintained as cash reserves or a specific amount is placed as a security deposit by these institutions. We also obtain demand promissory notes, letters of continuity and waiver letter as collateral security.

Credit policies for loans to MFIs, HFCs and other NBFCs

We adhere to stringent credit policies while extending loans to NBFCs, MFIs and HFCs. Our loan policy requires that the financial institution must have been in existence for a minimum of one year. We undertake due diligence and analyse audited balance sheets for three years, verify bank account statements for previous six months and examine credit history. We analyse their systems, operations, credit processes and policies. We also analyse their portfolio at risk and NPA details, and obtain an internal de-duplication report. Our credit policy mandates that each borrower meets certain critical ratios and their cash flows, credit history and internal de-duplications are positive. We also conduct an overdue analysis, site verification, market reference checks and interviews. The borrower is preferred to be profitable on a regular basis. The products they offer should be satisfactory, viable and consistent with the products offered by us. The NBFC partner will be onboarded only if it reasonably passes the credit policy criteria with credit committee.

Our credit analysis is a three-tier process starting with pre-engagement due diligence followed by transactional level due diligence and monitoring level due diligence. Pre-engagement due diligence is the first-tier test among three tiers. In second tier credit policy covers each of the above parameters in detail along with critical ratios. Our loan policy mandates that the concerned financial institution must have been in existence for a minimum of one year. We undertake on-site due diligence and analyse audited balance sheets and conduct a comparative analysis of the same, along with verifying bank account statements for previous six month and examine credit history.

Periodic deep diving serves the purpose of our third tier credit analysis. This includes taking periodic review of market reference, portfolio quality, continuous screening of system and operations, regulatory compliance and development.

Loan Administration and Disbursement

Our loan administration process is documented and centralized to ensure operational efficiency. The branch credit officers evaluates a loan proposal based on recommendations from the branch relationship team and supporting documentation. In addition, our branch credit officers also consider other factors in the approval process such as site visit reports, details gathered from interviews, length of residence, past repayment record, and income sources. The branch credit officers recommends the approval of the application to our Central Processing Unit if the proposal meets the criteria established for approval. The applicant is intimated of the outcome of the approval process. If approved, the applicant is provided details of the loan amount, terms and conditions of such financing, including the rate of interest and the application of interest during the tenure of the loan. The borrower is required to execute a standard set of agreement depending on the product.

Loan Monitoring

We identify our customers with a unique identification number and can track loan repayment of our customers, on a monthly basis, based on outstanding tenure of loans, number of instalments due and defaults, if any. Our Central Processing Unit monitors compliance with terms and conditions of credit facilities. A complete set of documents are stored at the central office which is controlled and monitored by a warehouse-in-charge. Accounts of borrowers with larger exposure are specifically reviewed every quarter by the Risk Management Committee. Delinquent borrowers are under constant scrutiny and follow-up by the collection team. Our close monitoring and endeavours to improve debt servicing methods enable us to maintain low NPA ratios.

Collection

Our collection procedures are primarily non-cash processes, either through the NACH or direct debit system to ensure ease of monitoring financial transactions. Through a customer's unique identification number we are able to track and process all payments through these non-cash methods. On the due date of each monthly instalment, we send the NACH or direct debit mandates to the banks. Default, if any, is intimated to the recovery team which does a field-level follow up and collection. Our collection mechanism is built around maintaining customer relationships and adequate care is taken to ensure timely repayment while maintaining cordial relationships. We are, in certain cases, able to manage defaults through financial counselling and support. Any further failure to collect is reported to our legal team which initiates legal action for the seizure of collateral for recovery of dues.

Loan Recovery

We track loan repayment schedules of our customers regularly based on the outstanding tenure of the loans, the number of instalments due and the conduct of account. The following tables set forth certain information relating to our NPAs in the periods specified:

(in ₹ million, except ratios and percentages)

	As of March 31,		
	2022	**2023**	**2024**
Gross Stage 3 Assets	1,065.19	1,352.05	1,953.54
Gross Stage 3 Assets/ On-book portfolio (%)	2.00%	1.96%	2.34%
Net Stage 3 Assets	699.15	831.95	1,197.31
Net Stage 3 Assets/ On-book portfolio (%)	1.31%	1.21%	1.44%

Treasury Operations

Our treasury operations help us meet our funding requirements and manage short-term surpluses. We are well-capitalised with diversified sources of capital. We have a dedicated resource mobilization team that helps us meet our funding requirements, minimize the cost of our borrowings, diversify the sources of our funds, manage interest rate risk and invest surplus funds. Our fund requirements are predominantly sourced through term loans, assignment, co-lending or securitization of portfolio to banks and financial institutions, commercial papers, and non-convertible debentures. Our finance team undertakes liquidity management by seeking to maintain an optimum level of liquidity and complying with the RBI's requirements for asset and liability management. Our objective is to ensure adequate capitalisation to conduct our business without holding excessive cash. As a NBFC focusing on economically weaker groups, we assign or co-lend or securitize the portfolio to banks, which helps meet priority sector lending commitments of banks. Priority sector lending and long-term relationships with public/private sector banking institutions provides ease of access to funding from such institutions at lower costs. Also, the Company has been actively raising funds by accessing the capital market. For further information about the principal components of interest-earning assets and interest-bearing liabilities, see "*Selected Statistical Information*" on page 46.

Assignment / Securitization of Portfolio/ Co-Lending

We currently undertake securitization, co-lending and non-recourse assignment of receivables in accordance with RBI guidelines as a cost-effective source of funds. We sell a part of the receivables generated from our financing businesses through such transactions. We continue to provide administrative services, including loan servicing and collection activities for the assigned portfolio. As of March 31, 2024, our Off-book AUM as a percentage of our consolidated AUM was 22.22%. Gains arising from securitization/ assignment are treated as income and vary according to a number of factors such as the tenure of the securitized/ assigned portfolio, the yield on the portfolio securitized/assigned and the coupon rate applied. The gains arising from assignment are booked upfront in accordance with relevant Ind AS 109. For further information, see "*Financial Information*" on page 237.

Credit ratings

The following table reflects the improvement in our credit ratings as of the date of the Preliminary Placement Document:

Rating Agency	**Type of Instrument**	**Amount in ₹ million**	**Rating as of the date of the PPD**
Acuite Ratings & Research Limited	Long Term Bank Facilities	60,000.00	ACUITE AA-/Stable
Acuite Ratings & Research Limited	Non-Convertible Debentures	2,000.00	ACUITE AA-/Stable
Acuite Ratings & Research Limited	Short Term Commercial Papers	3,000.00	ACUITE A1+
Care Ratings Limited	Long Term Bank Facilities	80,000.00	CARE AA-; Stable
Care Ratings Limited	Commercial Papers issue	2,500.00	CARE A1+
Care Ratings Limited	Non-Convertible Debentures	6,500.00	CARE AA-; Stable
Care Ratings Limited	Market Linked Debentures	3,000.00	CARE PP-MLD AA-; Stable
Care Ratings Limited	Subordinated Debt	4,000.00	CARE AA-; Stable

Capital Adequacy Ratio

Our Company is subject to capital adequacy requirements set out by the RBI for systemically important non-deposit accepting NBFCs, which currently require us to maintain a capital adequacy ratio consisting of Tier I and Tier II capital of not less than 15% of our aggregate risk weighted assets on balance sheet and of risk adjusted value of off balance sheet items The following table sets out our capital adequacy ratios (on a standalone basis) as of the dates indicated based on the audited financial statements for the respective years / periods:

(in ₹ million, except ratios and percentages)

	As of March 31,		
	2022	**2023**	**2024**
Tier I Capital	11,642.08	13,297.05	15,158.94
Tier II Capital	1,652.04	2,853.43	2,772.06
Total Capital	**13,294.12**	**16,150.48**	**17,931.00**
Total Risk Weighted Assets	**50,452.80**	**63,966.04**	**74,549.49**
Capital Adequacy Ratio			
Tier I Capital (as a Percentage of Total Risk Weighted Assets (%))	23.08%	20.79%	20.33%

	As of March 31,		
	2022	**2023**	**2024**
Tier II Capital (as a Percentage of Total Risk Weighted Assets (%))	3.27%	4.46%	3.72%
Total Capital (as a Percentage of Total Risk Weighted Assets (%))	**26.35%**	**25.25%**	**24.05%**

Risk Management

Risk management forms an integral part of our business. As an NBFC, we are exposed to various risks related to our lending business and operating environment. Our objective is to evaluate and monitor various risks that we are subject to and follow stringent policies and procedures to address these risks. Our Risk Management Committee assists the Board in addressing various risks and discharging duties relating to corporate accountability. A documented, systematic assessment of the risk framework surrounding key risks is undertaken annually, factoring in risk appetites and capital/performance targets. The Risk Management Committee reviews the effectiveness of risk management systems in place and ensures that they are effectively managed. The Risk Management Committee also provides an independent and objective oversight of information on corporate accountability and risks, and takes into account reports of the Audit Committee on all categories of identified risks.

Risk Management Architecture

The major risks we face in our businesses are credit risk, concentration risks, interest rate risk, operational risk, liquidity risk and asset risk.

Credit Risk

Credit risk arises from loss that may occur from defaults by customers under loan agreements. Customer defaults and inability to recover such amount may lead to higher NPA ratios. Our product specific credit policies which include proposal evaluation and investigation procedure for credit appraisal of each applicant are approved by our Board. We manage our credit risk by evaluating the appropriate level of income and creditworthiness of our customers, carrying out cash flow analysis, setting credit limits and prudent LTV ratios. Credit exposure, credit limits and asset quality are regularly monitored at various levels.

Concentration Risk

As of March 31, 2024 we had over 12,000 Customer Locations in Gujarat, Maharashtra, Madhya Pradesh, Chhattisgarh, Uttarakhand, Rajasthan, Karnataka, Haryana, Punjab, Telangana and Tamil Nadu and the NCT of Delhi serviced through our 252 branches. Our organisation network and significant portion of our AUM is managed from our head office in Ahmedabad, Gujarat. Our experience coupled with customised credit policies has enabled us to mitigate concentration risks significantly. As part of our consistent growth strategy, we maintain a geographically diverse portfolio. Further, with a view to mitigate concentration risks, we have fixed the following ceilings for individual and group exposure in accordance with the prudential ceiling norms stipulated by RBI:

Particulars	**Cap**	**RBI guidelines**
Individual Exposure	15% of owned funds	15% of owned funds
Group Exposure	25% of owned funds	25% of owned funds

Interest Rate Risk

We are subject to interest rate risk, particularly because we lend to customers at fixed interest rates and for periods that may differ from our funding sources, which bear fixed and/ or floating interest rates. Interest rates are susceptible to a number of factors beyond our control, including monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. We assess and manage interest rate risk on our balance sheet by managing our assets and liabilities in line with our asset and liability management policy. As of March 31, 2024, 10.33 % of our total borrowings were at fixed rates and 89.67% at floating rates.

We have an asset liability management policy, approved and adopted by our Board on recommendation by our Asset Liability Committee. Assets and liabilities are categorized into various buckets based on their maturities and repricing options. Efforts are made and action plans are drawn to ensure minimal mismatch, in line with guidelines prescribed by the RBI.

Operational Risk

Operational risks arise from inadequate or failed internal processes, people and systems or from external events. In order to control our operational risks, we have adopted well-defined loan approval processes and procedures. We also attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures and undertaking contingency planning. In addition, we have appointed audit firms to conduct internal audits to assess adequacy of and compliance with internal controls, procedures and processes. Reports of internal auditors as well as measures proposed on matters reported are discussed and reviewed at Audit Committee meetings.

Liquidity Risk

Liquidity risk arises due to unavailability of adequate funds at appropriate prices or tenure. We attempt to minimize this risk through a mix of strategies, including assignment of receivables and short-term funding. We also monitor liquidity risk through adequate bank sanction limits at the beginning of each Fiscal. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. Through our asset and liability management policy, we cap maximum mismatches in various maturities in line with guidelines prescribed by the RBI.

Asset Risk

Asset risks arise from decrease in the value of collateral over time. Sale price of a repossessed asset may be less than the amount of loan and interest outstanding and we may not be able to realize the full amount lent to our customers due to such a decrease in the value of collateral. Our employees are required to follow legal procedures and take appropriate care in dealing with customers while repossessing assets. We may also face certain practical and execution challenges while seizing collateral.

Technology

Our IT systems connect our branches and aid us with various processes involved in lending transactions. This ensures decentralisation of operation with centralise control. We have developed proprietary software, MASEX, which we use to link and manage our operations. We have entered into tie-ups with certain payment aggregators to allow for cashless collections such as PayTM, BBPS,Bharatpay,bill deask and other API'S for kyc verification and other document verification like Digtap.AI, InfoKin, etc. We have an IT policy focused on data security. The policy is applicable to all employees (temporary and full-time), all DSAs, agents and persons visiting our premises. We undertake risk assessments, involving employees and have systems in place to address various risks identified. All critical data is backed-up daily with backup servers at two different locations to ensure data safety. Access to our IT systems is limited only to relevant employees with passwords. We also train our employees on the importance of safeguarding data. As of March 31, 2024, all our branches have been connected and we operate centralised functions from our head office in Ahmedabad, Gujarat.

Insurance

We believe that we maintain all material insurance policies that are customary for companies operating in similar businesses. These include fidelity guarantee policies that cover all our employees, a money insurance policy in respect of cash-in-safe and in-transit. In addition, our directors are insured under a directors' and officers' liability insurance policy and our employees are covered against accidental death. We also maintain insurance coverage against losses occasioned by fire, burglary for the premises and equipment in our offices, electronic equipment insurance, public liability insurance, group and personal accident insurance covering our employees.

Employees

As of March 31, 2024, we had 1,892 full-time employees. In addition, we have temporary sales, marketing and recovery personnel who work on a commission basis. We adhere to a policy of nurturing dedicated talent by conducting regular training programmes. We provide training to our employees both as a commitment to their career development and also to ensure quality service to our customers. These trainings are conducted on joining as part of employee initiation and include additional on-the-job trainings. to address specific short comings of the employees. We also intend to use technology as a platform to make our training programmes more effective and efficient.

Competition

We face competition from other NBFCs, MFIs and HFCs as well as banks. In addition to NBFCs, MFIs and HFCs, we face competition from unorganized small market participants who are prevalent in semi-urban and rural landscapes, local money lenders in rural areas, and small finance banks which are also focused on lending to low and middle income segments and micro, small and medium enterprises. We believe that our market knowledge, customer base and relationships with various financial entities, dealers and distributors will help us face competition.

Corporate Social Responsibility

The CSR committee comprises of Daksha Niranjan Shah, Umesh Rajanikant Shah and Darshana Saumil Pandya. The CSR activities we undertake are in accordance with a CSR policy adopted by the CSR Committee. Our CSR activities are currently focused on providing monetary support and contributing to causes that aid the underprivileged and other communities where we operate in sectors including healthcare, sanitation (including contribution to Swach Bharat Kosh), drinking water, education, and rural development.

Intellectual Property

We have registered two trademarks under class 36 with the Trade Marks Registry which shall remain valid until July 8, 2029 and May 16, 2026, respectively. Further, in relation to our subsidiary, MRHMFL, we have received trademark registration under class 36 which shall remain valid until February 22, 2029.

Property

Our registered office is located at 6, Ground Floor, Narayan Chambers, Ashram Road, Ahmedabad – 380 009, India. Our registered office and few of our branches are owned by us. However, majority of our branches are located at premises leased or licensed to us. As of March 31, 2024, we had a network of 252 branches spread across eleven States and the NCT of Delhi.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of our Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles. In accordance with the Articles, unless otherwise determined by our Company after passing a special resolution, the number of Directors of our Company shall not be less than three and not more than fifteen including a woman director. As at the date of this Placement Document, our Board comprises of six Directors, comprising of two Executive Directors, four Non-Executive Independent Directors including one woman Non-Executive Independent Director.

Pursuant to the provisions of the Companies Act, 2013, at least two-thirds of the total number of Directors, excluding Non-Executive Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each annual general meeting. A retiring Director is eligible for re-appointment. Further, pursuant to the Companies Act, 2013, the Non-Executive Independent Directors may be appointed for a maximum of two consecutive terms of up to five consecutive years each and thereafter have a cooling off period of three years prior to being eligible for re-appointment. Any re-appointment of Non-Executive Independent Directors shall be on the basis of, *inter alia*, the performance evaluation report and approval by the shareholders of our Company, by way of a special resolution.

The following table sets forth details regarding our Board as at the date of this Placement Document:

S. No.	Name, Date of Birth, Address, Occupation, Nationality Term and DIN	Age	Designation
1.	Kamlesh Chimanlal Gandhi ***Address:*** 5-A, Kumar Society, Jivraj Park, Ahmedabad 380 051, Gujarat, India ***Occupation*:** Business ***Nationality:*** Indian ***Term:*** Reappointed for a term of five years with effect from April 1, 2024 to March 31, 2029 and is liable to retire by rotation. ***DIN:*** 00044852	58	Chairman and Managing Director
2.	Darshana Saumil Pandya ***Address:*** 36-37, Maruti Nandan Kutir, Nr, Shyam Villa-1, Gala Gymkhana, Bopal, Ahmedabad 380 058, Gujarat, India ***Occupation***: Service ***Nationality:*** Indian ***Term:*** Reappointed for a term of five years with effect from July 31, 2019, to July 30, 2024 and is liable to retire by rotation. Upon expiring of existing term on July 30, 2024, term shall be renewed for five years with effect from July 31, 2024. ***DIN:*** 07610402	51	Whole Time Director and Chief Executive Officer
3.	Vishal Nagendra Vasu ***Address:*** 99, Serendeep, Nr. Ratna Lake, Ghuma, Ahmedabad, 380058, Gujarat, India ***Occupation***: Service ***Nationality:*** Indian ***Term:*** Appointed for a term of five years with effect from April 24, 2024, to April 23, 2029 and not liable to retire by rotation. ***DIN:*** 02460597	52	Additional Non-Executive Independent Director*

S. No.	Name, Date of Birth, Address, Occupation, Nationality Term and DIN	Age	Designation
4.	Umesh Rajanikant Shah ***Address:*** 104, Vatsraj Apartment, Opp. Shraddha School, Jodhpur Gam Road, Satellite, Ahmedabad 380015, Gujarat, India ***Occupation***: Service ***Nationality:*** Indian ***Term:*** Reappointed for a term of five years with effect from December 21, 2021, to December 20, 2026 and not liable to retire by rotation. ***DIN:*** 07685672	67	Non-Executive Independent Director
5.	Daksha Niranjan Shah ***Address:*** 31, Viva Bunglow, B/H Ranjit Petrol Pump, Bodakdev, Thaltej, Dascroi, Ahmedabad 380059, Gujarat, India ***Occupation***: Service ***Nationality:*** Indian ***Term:*** Reappointed for a term of five years with effect from March 14, 2020, to March 13, 2025 and not liable to retire by rotation ***DIN:*** 00376899	79	Non-Executive Independent Director
6.	Narayanan Sadanandan ***Address:*** D 603 Sankalp Grace, 2, opp. Ashok Vatika, Ambli-Bopal Road, Santosa Park, Ambli Ahmedabad 380058, Gujarat, India ***Occupation***: Service ***Nationality:*** Indian ***Term:*** For a term of five years with effect from June 21, 2023, to June 20, 2028 and not liable to retire by rotation. ***DIN:*** 07263104	63	Non-Executive Independent Director

**Subject to regularisation of appointment by the Shareholders through a postal ballot resolution.*

Relationship with other Directors, KMPs and SMPs

Except for Kamlesh Chimanlal Gandhi who is the father of Dhvanil K Gandhi and Darshana Saumil Pandya who is the wife of Saumil Pandya, none of our Directors, Key Managerial Personnel or Senior Management are related to each other.

Borrowing Powers of our Board of Directors

In accordance with the Articles of Association of our Company, the Companies Act, 2013, and pursuant to a resolution dated August 24, 2022 of the Shareholders of our Company in accordance with Section 180 of the Companies Act, our Board of Directors are empowered to borrow funds in accordance with applicable law, provided that the funds borrowed or to be borrowed, shall not at any time exceed an amount of ₹100 billion.

Interest of our Directors

Except for Kamlesh Chimanlal Gandhi, who is the Promoter of our Company, and Darshana Saumil Pandya, who is Whole Time Director and Chief Executive Officer, none of our other Directors are interested in promotion or formation of the Company.

All our Directors may be deemed to be interested to the extent of their remuneration paid to them for services rendered as officers of our Company and to the extent of sitting fees and compensation payable to them for attending meetings of our Board or committees thereof, as well as to the extent of reimbursement of expenses payable to them. Our Directors may also be regarded as interested in the Equity Shares held by them or their relatives, if any, or that which may be subscribed by or allotted to their relatives or the companies, firms or trusts, in which they are interested as directors, members, partners, trustees or promoters. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as provided in "*Related Party Transactions*" on page 57, we have not entered into any contract, agreement or arrangement in the last three fiscal years immediately preceding the date of this Placement Document in which any of our Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

Further, our Company has neither availed of any loans from, nor extended any loans to our Directors, which are currently outstanding.

Terms of Appointment of the Executive Directors

Terms of appointment of our Managing Director

Kamlesh Chimanlal Gandhi is the Managing Director of our Company. Pursuant to resolution passed by the Board and the shareholders of our Company dated June 21, 2023, and July 26, 2023, respectively, he is entitled to remuneration of an aggregate amount of up to ₹ 78 million per annum, which includes salary and allowances together.

Terms of appointment of our Whole Time Director

Darshana Saumil Pandya is the Whole Time Director & Chief Executive Officer of our Company. Pursuant to resolutions passed by the Board and shareholders, dated July 31, 2019, and December 9, 2020, respectively, she is entitled to remuneration of an aggregate amount within the limits prescribed under Section 197 of the Companies Act, 2013. She was reappointed as the Whole-time Director of our Company pursuant to resolutions passed by the Board and the shareholders on January 17, 2024 and February 9, 2024, respectively, for a period of five years with effect from July 31, 2024.

Sitting fees and commission payable to Non-Executive Independent Directors

Pursuant to the resolutions of our Board dated February 1, 2023, our Non-Executive Independent Directors are entitled to receive sitting fees of ₹ 50,000 and ₹ 25,000, for attending each meeting of our Board and the committee meetings of our Board, respectively.

Remuneration of our Directors

The following tables set forth the compensation of our Executive Directors during the Fiscals 2024, 2023, 2022, and for the period from April 1, 2024 till the date of this Placement Document:

(*in ₹ million*)

Name of Director	From April 1, 2024 till the date of this Placement Document	Fiscal 2024	Fiscal 2023	Fiscal 2022
Kamlesh Chimanlal Gandhi	12.73	63.14	50.77	37.08
Darshana Saumil Pandya	1.69	10.07	7.97	5.70

The following tables set forth the compensation, including, sitting fees and commissions payable to the Non-Executive Independent Directors during the Fiscals 2024, 2023, 2022 and for the period from April 1, 2024 till the date of this Placement Document:

(*in ₹ million*)

Name of Director	From April 1, 2024 till the date of this Placement Document	Fiscal 2024	Fiscal 2023	Fiscal 2022
Vishal Nagendra Vasu*	0.05	-	-	-
Umesh Rajanikant Shah	0.28	0.80	0.23	0.23
Daksha Niranjan Shah	0.30	0.48	0.12	0.08
Narayanan Sadanandan**	0.20	0.28	-	-

* *Vishal Nagendra Vasu was not paid any remuneration in Fiscals 2024, 2023 and 2022 as he was appointed as an Additional Non-Executive Independent Director with effect from April 24, 2024, subject to approval our Shareholders.*
***Narayanan Sadanandan was not paid any remuneration in Fiscals 2023 and 2022 as he was appointed as a Non-Executive Independent Director with effect from June 21, 2023.*

Shareholding of our Directors

Except as set out below, none of our Directors hold any Equity Shares in our Company as of the date of this Placement Document:

Name of the Director	Number of Equity Shares	Percentage shareholding (%)
Kamlesh Chimanlal Gandhi	19,021,524	11.60
Darshana Saumil Pandya	58,338	0.04

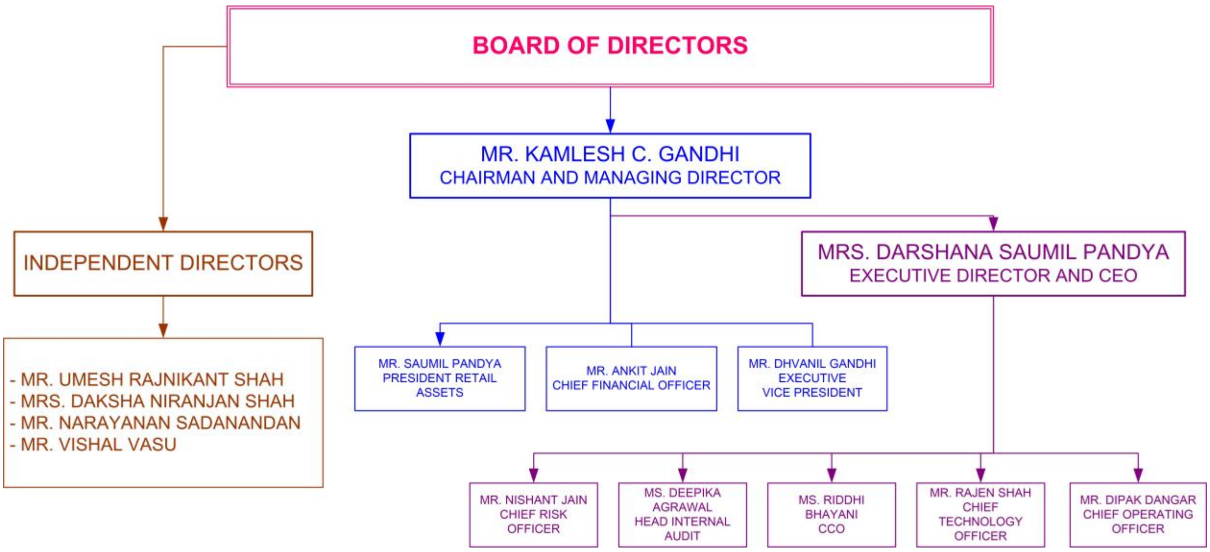
Corporate Governance

Our Board of Directors presently consists of six Directors. As at the date of this Placement Document, our Company is compliant with the requirements of all applicable provisions of the SEBI Listing Regulations, RBI Master Directions and the Companies Act, 2013, in relation to corporate governance, including constitution of our Board of Directors and committees thereof. The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the senior management team and proper constitution of committees of our Board. Our Board of Directors functions either as a full Board or through various committees constituted to oversee specific operational areas.

Our Company is compliant with Regulation 17 of the SEBI Listing Regulations, with four of our Directors being eligible to be considered as independent directors under the SEBI Listing Regulations, one of whom is a woman Non-Executive Independent Director.

Organisational Chart of our Company

Set forth below is the organisational structure of our Company, including our Board, Key Managerial Personnel and Senior Management**.**



Key Managerial Personnel and Senior Management

In addition to (i) Mr. Kamlesh Chimanlal Gandhi, our Chairman and Managing Director, (ii) Mrs. Darshana Saumil Pandya, our Whole Time Director & Chief Executive Officer, the details of our Key Managerial Personnel and Senior Management are given below:

S. No.	Name of Individual	Designation
Key Management Personnel		
1.	Mr. Ankit Jain	Chief Financial Officer
2.	Ms. Riddhi Bhayani	Company Secretary and Chief Compliance Officer
Senior Management		
3.	Mr. Saumil Pandya	President and Head, Retail Assets
4.	Mr. Dhvanil Gandhi	Executive Vice President
5.	Mr. Nishant Jain	Chief Risk Officer
6.	Mr. Dipak Dangar	Chief Operating Officer – Retail Asset Channel
7.	Mr. Rajen Shah	Chief Technology Officer
8.	Ms. Deepika Agrawal	Head Internal Audit

Shareholding of the Key Managerial Personnel and Senior Management

Except as provided under "*Board of Directors and Senior Management — Shareholding of our Directors*" on page 175, the details of the Equity Shares held by the Key Managerial Personnel and Senior Management in our Company, as at the date of this Placement Document, are set forth below.

S. No.	Name of the Key Managerial Personnel/ Senior Management	Number of Equity Shares held
1.	Mr. Ankit Jain	75
2.	Ms. Riddhi Bhayani	1,650
3.	Mr. Saumil Pandya	42,753
4.	Mr. Dhvanil Gandhi	105,831
5.	Mr. Nishant Jain	Nil*
6.	Mr. Dipak Dangar	12
7.	Mr. Rajen Shah	360
8.	Ms. Deepika Agrawal	39

** Mr Nishant Jain is the beneficial owner of 30 shares held in the name of Mrs Shreshti Jain.*

Relationship with other KMPs and Senior Management

Except for Kamlesh Chimanlal Gandhi who is the father of Dhvanil K Gandhi and Darshana Saumil Pandya who is the wife of Saumil Pandya, none of our Key Managerial Personnel or Senior Management are related to each other.

Interest of the Key Managerial Personnel and Senior Management

Except as provided under "*Board of Directors and Senior Management — Interest of our Directors*" on page 175, the Key Managerial Personnel and Senior Management of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to in accordance with their terms of appointment and reimbursement of expenses incurred by them and to the extent of the Equity Shares held by them or their dependants in our Company, if any. The Key Managerial Personnel and Senior Management of our Company may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as provided in "*Related Party Transactions*" on page 57, we have not entered into any contract, agreement or arrangement in the last three fiscal years immediately preceding the date of this Placement Document in which any of our Key Managerial Personnel or Senior Management are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

Committees of our Board

In accordance with the SEBI Listing Regulations and the Companies Act, 2013 including the rules made thereunder, and the directions, rules and regulations issued by the Reserve Bank of India from time to time, our Company has constituted the following committees of our Directors:

Committee	Members
Audit Committee	• Mr. Umesh Rajanikant Shah (Chairman) • Mrs. Darshana Saumil Pandya • Mrs. Daksha Niranjan Shah • Mr. Narayanan Sadanandan
Nomination and Remuneration Committee	• Mrs. Daksha Niranjan Shah (Chairman) • Mr. Umesh Rajanikant Shah • Mr. Narayanan Sadanandan
Corporate Social Responsibility Committee	• Mrs. Daksha Niranjan Shah (Chairman) • Mrs. Darshana Saumil Pandya • Mr. Umesh Rajanikant Shah
Stakeholders' Relationship Committee	• Mr. Narayanan Sadanandan (Chairman) • Mrs. Darshana Saumil Pandya • Mr. Umesh Rajanikant Shah
Finance Committee	• Mrs. Darshana Saumil Pandya (Chairperson) • Mr. Kamlesh Chimanlal Gandhi • Mr. Ankit Jain
Risk Management Committee	• Mr. Umesh Rajanikant Shah (Chairman) • Mrs. Darshana Saumil Pandya • Mrs. Daksha Niranjan Shah
IT Strategy Committee	• Mr. Narayanan Sadanandan (Chairman) • Mrs. Darshana Saumil Pandya • Mr. Dhvanil Gandhi • Mr. Rajen Shah • Mr. Kamlesh Gandhi
IT Steering Committee	• Mr. Rajen Shah • Ms. Riddhi Bhayani • Ms. Preksha Bharucha • Mr. Bharat Aswani • Ms. Deepika Agarwal • Mr. Sachin Shukla
Asset Liability Management Committee	• Managing Director (MD) • Chief Executive Officer (CEO) • Chief Financial Officer (CFO) • Chief Risk Officer (CRO) • Chief Technology Officer (CTO) • Head Accounts • Head MIS • Head of Internal Audit

Policy on disclosures and internal procedure for prevention of insider trading

The SEBI Insider Trading Regulations applies to us and our employees and requires us to formulate and implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and a code of conduct to regulate, monitor and report trading by designated persons. Our Company is in compliance with the SEBI Insider Trading Regulations and has implemented a policy for code of conduct for regulating, monitoring and reporting of trading by insiders as well as the code of practices and procedures for fair disclosure of unpublished price sensitive information in accordance with the provision of the SEBI Insider Trading Regulations, in terms of which, our Company Secretary, acts as the Compliance Officer of our Company under the aforesaid code of conduct for the prevention of insider trading. The abovementioned code is uploaded on the website of the Company at https://mas.co.in/policy.aspx.

Other Confirmations

None of the Directors, Key Managerial Personnel or Senior Management of our Company have any financial or other material interest in the Issue.

Neither our Company nor our Directors have ever been identified as Wilful Defaulters or Fraudulent Borrowers.

Neither our Company nor our Promoters or Directors have been debarred from accessing capital markets under any order or direction made by the SEBI. Further, none of our Promoters or Directors have been declared as a Fugitive Economic Offender.

Related Party Transactions

For details in relation to the related party transactions entered into by our Company during Fiscals 2024, 2023 and 2022, see "***Financial Information***" and "***Related Party Transactions***" on pages 237 and 57, respectively.

ORGANISATIONAL STRUCTURE OF OUR COMPANY

Corporate History

Our Company was incorporated as 'MAS Financial Services Limited', a public limited company under the Companies Act, 1956, with a certificate of incorporation issued by the Assistant Registrar of Companies, Gujarat (Dadra & Nagar Haveli) on May 25, 1995 at Ahmedabad. Our Company received a certificate for commencement of business on May 29, 1995 issued by the Assistant Registrar of Companies, Gujarat (Dadra & Nagar Haveli) at Ahmedabad.

Our Company was initially registered as a Category A (public deposit taking) NBFC pursuant to a certificate of registration (bearing registration number 01.00241) dated May 8, 1998, issued by the RBI. Subsequently, upon conversion of our Company to a Category B (non-public deposit taking) NBFC, our Company received a certificate of registration (bearing registration number B-01-00241) dated January 15, 2007, issued by the RBI.

The CIN of our Company is L65910GJ1995PLC026064.

The registered and corporate office of our Company is located at 6, Ground Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad – 380 009, Gujarat, India.

Our Equity Shares have been listed on BSE and NSE since October 18, 2017.

Changes in Registered Office

There has been no change in our Registered and Corporate Office since incorporation.

Organizational Structure

Our Subsidiaries

As of the date of this Placement Document, we have two Subsidiaries and our shareholding in the same is set forth below:

S. No.	Particulars	Shareholding held by the Company in the entity (in %)	
Subsidiaries			
1.	MAS Rural Housing & Mortgage Finance Limited	Equity Shares	60.77
		Preference Shares	100
2.	MASFIN Insurance Broking Private Limited	Equity Shares	69.00

MAS Rural Housing & Mortgage Finance Limited

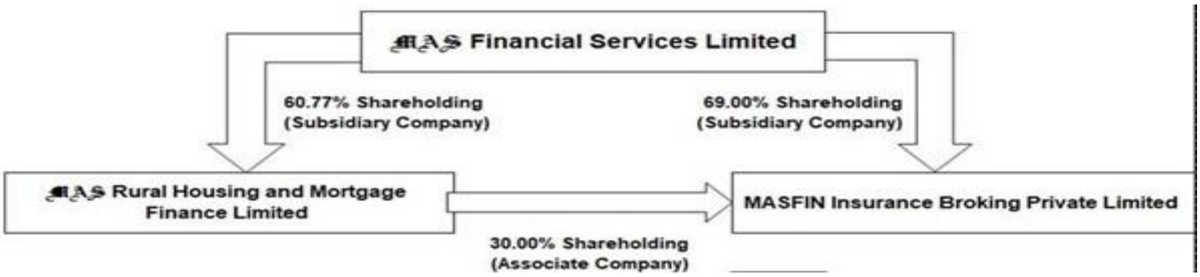
MAS Rural Housing & Mortgage Finance Limited ("**MRHMFL**") is a public company incorporated on July 24, 2007. It is registered as a non-deposit taking Housing Finance Company with the National Housing Bank ("NHB") and regulated by RBI. It provides housing loans in the segment of affordable housing in rural & urban areas, commercial loans and project loans for construction of affordable houses. The activities of MRHMFL are spread all over Gujarat, Maharashtra, Madhya Pradesh & Rajasthan.

MASFIN Insurance Broking Private Limited

MASFIN Insurance Broking Private Limited is a private limited company, incorporated on August 5, 2022, in Ahmedabad, Gujarat. MASFIN Insurance Broking Private Limited is yet to commence its business operations and has filed an application with the Insurance Regulatory and Development Authority of India to provide insurance broking services.

Organizational Structure

The organizational structure of our Company as on the date of this Placement Document is as follows:


MAS Financial Services Limited
60.77% Shareholding
(Subsidiary Company)
69.00% Shareholding
(Subsidiary Company)
MAS Rural Housing and Mortgage
Finance Limited
MASFIN Insurance Broking Private Limited
30.00% Shareholding
(Associate Company)

SHAREHOLDING PATTERN OF OUR COMPANY

The following table sets forth the details regarding the equity shareholding pattern of our Company as on March 31, 2024.

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B + C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Class e.g.: Others	Total								
(A)	Promoter and Promoter Group	7	120,901,962	-	-	120,901,962	73.73	120,901,962	-	120,901,962	73.73	-	73.73	-	-	-	-	120,901,962
(B)	Public	44,537	43,084,167	-	-	43,084,167	26.27	43,084,167	-	43,084,167	26.27	-	26.27	-	-	-	-	43,084,167
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non Promoter – Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**44,544**	**163,986,129**	**-**	**-**	**163,986,129**	**100**	**163,986,129**	**-**	**163,986,129**	**100**	**-**	**100**	**-**	**-**	**-**	**-**	**163,986,129**

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Statement showing shareholding pattern of our Promoters and Promoter Group

The following table sets forth the details regarding the equity shareholding pattern of our Promoters and Promoter Group as on March 31, 2024.

Category and name of shareholder (I)	Entity Type (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares (XV)		
								No of Voting Rights			Total as a % of (A+B+C)			No. a	As a % of total Shares held (b)	No. a	As a % of total Shares held (b)		Shareholding (No. of shares) under		
								Class eg: Equity Shares	Class eg: Others	Total									Sub-category (i)	Sub-category (ii)	Sub-category (iii)
Indian																					
Individuals/ Hindu Undivided Family		5	116,649,309	-	-	116,649,309	71.13	116,649,309	-	116,649,309	71.13	-	71.13	-	-	-	-	116,649,309	-	-	-
Shweta Kamlesh Gandhi	Promoter	1	49,015,350	-	-	49,015,350	29.89	49,015,350	-	49,015,350	29.89	-	29.89	-	-	-	-	49,015,350	-	-	-
Late Mukesh Chimanlal Gandhi	Promoter	1	48,470,442	-	-	48,470,442	29.56	48,470,442	-	48,470,442	29.56	-	29.56	-	-	-	-	48,470,442	-	-	-
Kamlesh Chimanlal Gandhi	Promoter	1	19,021,524	-	-	19,021,524	11.60	19,021,524	-	19,021,524	11.60	-	11.60	-	-	-	-	19,021,524	-	-	-
Dhvanil K Gandhi	Promoter Group	1	105,831	-	-	105,831	0.06	105,831	-	105,831	0.06	-	0.06	-	-	-	-	105,831	-	-	-
Dhriti Kamlesh Gandhi	Promoter Group	1	36,162	-	-	36,162	0.02	36,162	-	36,162	0.02	-	0.02	-	-	-	-	36,162	-	-	-
Central Government/ State Government(s)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions/Banks		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category and name of shareholder (I)	Entity Type (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares (XV)		
								No of Voting Rights			Total as a % of (A+B+C)			No. a	As a % of total Shares held (b)	No. a	As a % of total Shares held (b)		Shareholding (No. of shares) under		
								Class eg: Equity Shares	Class eg: Others	Total									Sub-category (i)	Sub-category (ii)	Sub-category (iii)
Any Other (specify)		2	4,252,653	-	-	4,252,653	2.59	4,252,653	-	4,252,653	2.59	-	2.59	-	-	-	-	4,252,653	-	-	-
Bodies Corporate		**2**	**4,252,653**	**-**	**-**	**4,252,653**	**2.59**	**4,252,653**	**-**	**4,252,653**	**2.59**	**-**	**2.59**	**-**	**-**	**-**	**-**	**4,252,653**	**-**	**-**	**-**
Prarthna Marketing Private Limited	Promoter	1	3,952,671	-	-	3,952,671	2.41	3,952,671	-	3,952,671	2.41	-	2.41	-	-	-	-	3,952,671	-	-	-
Anamaya Capital LLP	Promoter Group	1	299,982	-	-	299,982	0.18	299,982	-	299,982	0.18	-	0.18	-	-	-	-	299,982	-	-	-
Sub-Total (A1)		7	120,901,962	-	-	120,901,962	73.73	120,901,962	-	120,901,962	73.73	-	73.73	-	-	-	-	120,901,962	-	-	-
Foreign (A2)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group(A) = (A1) + (A2)		7	120,901,962	-	-	120,901,962	73.73	120,901,962	-	120,901,962	73.73	-	73.73	-	-	-	-	120,901,962	-	-	-

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Statement showing shareholding pattern of the Public Shareholders

The following table sets forth the details regarding the equity shareholding pattern of the Public Shareholders as on March 31, 2024:

Category of shareholder (I)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares (XV)		
							No of Voting Rights			Total as a % of (A+B+C)			No. a	As a % of total Shares held (b)	No. a	As a % of total Shares held (b)		Shareholding (No. of shares) under		
							Class eg: Equity Shares	Class eg: Others	Total									Sub-category (i)	Sub-category (ii)	Sub-category (iii)
B1) Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B2) Institutions(Domestic)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mutual Funds	7	10,917,867	-	-	10,917,867	6.66	10,917,867	-	10,917,867	6.66	-	6.66	-	-	-	-	10,917,867	-	-	-
Bandhan Sterling Value Fund	1	4,547,637	-	-	4,547,637	2.77	4,547,637	-	4,547,637	2.77	-	2.77	-	-	-	-	4,547,637	-	-	-
Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Small Cap Fund	1	6,138,254	-	-	6,138,254	3.74	6,138,254	-	6,138,254	3.74	-	3.74	-	-	-	-	6,138,254	-	-	-
Venture Capital Funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Alternate Investment Funds	1	12,133,737	-	-	12,133,737	7.40	12,133,737	-	12,133,737	7.40	-	7.40	-	-	-	-	12,133,737	-	-	-
Business Excellence Trust III - India Business	1	12,133,737	-	-	12,133,737	7.40	12,133,737	-	12,133,737	7.40	-	7.40	-	-	-	-	12,133,737	-	-	-
Banks		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category of shareholder (I)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares (XV)		
							No of Voting Rights			Total as a % of (A+B+C)			No. a	As a % of total Shares held (b)	No. a	As a % of total Shares held (b)		Shareholding (No. of shares) under		
							Class eg: Equity Shares	Class eg: Others	Total									Sub-category (i)	Sub-category (ii)	Sub-category (iii)
Insurance Companies	1	583,176	-	-	583,176	0.36	583,176	-	583,176	0.36	-	0.36	-	-	-	-	583,176	-	-	-
Provident Funds/Pension Funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Asset Reconstruction Company		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Soverign Wealth Funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NBFCs registered with RBI	1	1	-	-	1	0.00	1	-	1	0.00	-	0.00	-	-	-	-	1	-	-	-
Any other (specify)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total (B1)	10	23,634,781	-	-	23,634,781	14.41	23,634,781	-	23,634,781	14.41	-	14.41	-	-	-	-	23,634,781	-	-	-
Institutions (Foreign)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Direct Investment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Investors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sovereign Wealth Funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors Category I	60	277,8703	-	-	277,8703	1.69	277,8703	-	277,8703	1.69	-	1.69	-	-	-	-	277,8703	-	-	-
Foreign Portfolio	7	161,446	-	-	161,446	0.10	161,446	-	161,446	0.10	-	0.10	-	-	-	-	161,446	-	-	-

Category of shareholder (I)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares (XV)		
							No of Voting Rights			Total as a % of (A+B+C)			No. a	As a % of total Shares held (b)	No. a	As a % of total Shares held (b)		Shareholding (No. of shares) under		
							Class eg: Equity Shares	Class eg: Others	Total									Sub-category (i)	Sub-category (ii)	Sub-category (iii)
Investors Category II																				
Foreign Direct Investment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Investors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total (B2)	67	2,940,149	-	-	2,940,149	1.79	2,940,149	-	2,940,149	1.79	-	1.79	-	-	-	-	2,940,149	-	-	-
Central Government / State Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central Government / President of India		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State Government / Governor		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total (B)(3)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-institutions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category of shareholder (I)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX) — No of Voting Rights — Class eg: Equity Shares	Class eg: Others	Total	Total as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII) — No. a	As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered (XIII) — No. a	As a % of total Shares held (b)	Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares (XV) — Shareholding (No. of shares) under — Sub-category (i)	Sub-category (ii)	Sub-category (iii)
Associate companies/Subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Directors and their Relatives (excluding Independent Directors and Nominee Directors)	2	101,091	-	-	101,091	0.06	101,091	-	101,091	0.06	-	0.06	-	-	-	-	101,091	-	-	-
Key Managerial Personnel	2	1,725	-	-	1,725	0.00	1,725	-	1,725	0.00	-	0.00	-	-	-	-	1,725	-	-	-
Relatives of promoters (other than "Immediate Relatives" of promoters disclosed under "Promoter and Promoter Group" category		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trusts where any person belonging to "Promoter and Promoter Group" category is "trustee",		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category of shareholder (I)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares (XV)		
							No of Voting Rights			Total as a % of (A+B+C)			No. a	As a % of total Shares held (b)	No. a	As a % of total Shares held (b)		Shareholding (No. of shares) under		
							Class eg: Equity Shares	Class eg: Others	Total									Sub-category (i)	Sub-category (ii)	Sub-category (iii)
"beneficiary" , or "author of the trust"																				
Investor Education and Protection Fund (IEPF)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Resident Individuals Holding Nominal Share Capital up to ₹ 2 Lakhs	42,003	11,429,817	-	-	11,429,817	6.97	11,429,817	-	11,429,817	6.97	-	6.97	-	-	-	-	11,429,817	-	-	-
Resident Individuals Holding Nominal Share Capital in Excess of ₹ 2 Lakhs	29	1,613,548	-	-	1,613,548	0.98	1,613,548	-	1,613,548	0.98	-	0.98	-	-	-	-	1,613,548	-	-	-
Non Resident Indians (NRIs)	1,126	928,892	-	-	928,892	0.57	928,892	-	928,892	0.57	-	0.57	-	-	-	-	928,892	-	-	-
Foreign Nationals		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Companies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bodies Corporate	253	1,843,131	-	-	1,843,131	1.12	1,843,131	-	1,843,131	1.12	-	1.12	-	-	-	-	1,843,131	-	-	-
Any Other (Specify)	1,045	591,033	-	-	591,033	0.36	591,033	-	591,033	0.36	-	0.36	-	-	-	-	591,033	-	-	-
I) Clearing Member	4	4,143	-	-	4,143	0.00	4,143	-	4,143	0.00	-	0.00	-	-	-	-	4,143	-	-	-

Category of shareholder (I)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	Sub-categorization of shares (XV)		
							No of Voting Rights			Total as a % of (A+B+C)			No. a	As a % of total Shares held (b)	No. a	As a % of total Shares held (b)		Shareholding (No. of shares) under		
							Class eg: Equity Shares	Class eg: Others	Total									Sub-category (i)	Sub-category (ii)	Sub-category (iii)
II) Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III) HUF	1021	539,494	-	-	539,494	0.33	539,494	-	539,494	0.33	-	0.33	-	-	-	-	539,494	-	-	-
IV) LLP	20	47,396	-	-	47,396	0.03	47,396	-	47,396	0.03	-	0.03	-	-	-	-	47,396	-	-	-
Sub-Total (B)(4)	44,460	16,509,237	-	-	16,509,237	10.07	16,509,237	-	16,509,237	10.07	-	10.07	-	-	-	-	16,509,237	-	-	-
Total Public Shareholding(B) = B(1) + B(2) + B(3) + B(4)	44,537	43,084,167	-	-	43,084,167	26.27	43,084,167	-	43,084,167	26.27	-	26.27	-	-	-	-	43,084,167	-	-	-

Statement showing shareholding pattern of the non-promoter, non-public shareholders

The following table sets forth the details of our non-promoter, non-public shareholders as on March 31, 2024:

Category & Name of the Shareholders(I)	No. of shareholder(III)	No. of fully paid up equity shares held(IV)	Total no. shares held(VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of equity shares held in dematerialized form(XIV)(Not Applicable)
C1) Custodian/DR Holder	-	-	-	-	-
C2) Employee Benefit Trust	-	-	-	-	-

Statement showing details of Significant Beneficial Owners

The following table sets forth the details of significant beneficial owners as on March 31, 2024:

Details of the SBO (I)		Details of the registered owner (II)		Details of holding/ exercise of right of the SBO in the reporting company, whether direct or indirect*: (III)					Date of creation / acquisition of significant beneficial interest# (IV)
				Whether by virtue of:					
Name	Nationality	Name	Nationality	Shares	Voting rights	Rights on distributable dividend or any other distribution	Exercise of control	Exercise of significant influence	
Shweta Kamlesh Gandhi	India	Prarthna Marketing Private Limited	India	32	32	32	No	No	14/10/2010
Mukesh Chimanlal Gandhi	India	Anamaya Capital LLP	India	30	30	30	No	No	23/03/2018

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ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment of Application Amount, Allocation and Allotment of the Equity Shares pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and Bidders are assumed to have apprised themselves of the same from our Company or the BRLMs.

Our Company, the BRLMs and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Bidders are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Bidders are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations and other applicable laws.

Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Bidders that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLMs and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the BRLMs and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates, and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder is eligible to acquire the Equity Shares. For further details, please see the sections titled "Selling Restrictions" and "Transfer Restrictions" on pages 208 and 217, respectively.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

The Preliminary Placement Document has not been, and this Placement Document will not be, registered as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue has been made to Eligible QIBs in accordance with Chapter VI of the SEBI ICDR Regulations, Section 42 and Section 62 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules thereunder, to the extent applicable, through the mechanism of a qualified institutions placement. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, to the extent applicable, our Company, being a listed company in India may issue Equity Shares to Eligible QIBs, provided, inter alia that:

- a special resolution approving the qualified institutions placement has been passed by its shareholders. Such special resolution must specify (i) that the allotment of the securities is proposed to be made pursuant to the qualified institutions placement; and (ii) the relevant date for the qualified institutions placement;

- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose, amongst others, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the equity shares of the same class of such issuer, which are proposed to be allotted through the qualified institutions placement or pursuant to conversion or exchange of eligible securities, are listed on a recognized stock exchange in India that has nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the above-mentioned special resolution, except for Equity

Shares allotted during the preceding one year from the date of this Placement Document. For details, please see the section titled "***Capital Structure***" on page 98;

- issuance and allotment of Equity Shares shall be done in dematerialised form only;

- invitation to apply in the Issue must be made through a private placement offer-cum-application (i.e., this Placement Document) and an application form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law. The allotments with respect to any earlier offer or invitation made by the Issuer shall have been completed or the Issuer shall have withdrawn or abandoned such invitation or offer made, except as permitted under the Companies Act, 2013;

- our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue;

- our Company shall have completed allotments with respect to any offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- our Promoters and Directors are not Fugitive Economic Offenders;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., this Placement Document), our Company must prepare and record a list of Eligible QIBs to whom the offer will be made. The offer must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe;

- our Company acknowledges that the offering of securities by issue of public advertisements or utilization of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited;

- At least 10% of the Equity Shares offered to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs; and

- The Issuer shall not issue or allot partly paid-up shares.

Bidders were not allowed to withdraw or revise their Bids downwards after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares offered under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The "Relevant Date" referred to above means the date of the meeting in which the Board of Directors or the committee of Directors duly authorised by the Board of the Issuer decided to open the proposed Issue and "stock exchange" means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with Regulation 176(1) of the SEBI ICDR Regulations and the resolution of our Board on January 17, 2024, and the shareholders of our Company on February 9 2024, our Company may offer a discount of not more than 5% on the Floor Price.

In accordance with Regulation 172(1)(a) of the SEBI ICDR Regulations, the Equity Shares will be Allotted within 365 days from the date of the shareholders' resolution approving the Issue, being February 9, 2024, and within 60 days from the date of receipt of Bid Amount from the Eligible QIBs, failing which our Company shall refund the Bid Amount in accordance with applicable laws. For details of refund of bid amount, please see section titled **"*Issue Procedure- Refunds*"** on page 203. The subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of this Placement Document and the Placement Document shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an offer to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Placement Document addressed to you, you may not rely on this Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

This Issue was authorized and approved by our Board of Directors by way of resolution dated January 17, 2024, and by our Shareholders through special resolution on February 9, 2024.

The minimum number of Allottees for each qualified institutions placement shall not be less than:

- two, where the Issue size is less than or equal to ₹ 2500 million; and
- five, where the Issue size is greater than ₹ 2500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "*Bid Process —Application Form*" on page 198.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange. In addition, purchasers of the Equity Shares Allotted pursuant to the Issue shall comply with the resale restrictions set forth in the sections titled, "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 208 and 217, respectively.

We have applied for, and received, the in-principle approvals from the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares on the Stock Exchanges, each dated June 19, 2024. We have filed a copy of the Preliminary Placement Document and will file a copy of this Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules, to the extent applicable.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in the Equity Shares and related matters concerning the Issue.

The Equity Shares offered in the Issue have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold, and Bids may not be made by persons in any jurisdiction outside India, except in compliance with the applicable laws of such jurisdiction. In particular, the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares offered in the Issue were offered and are being sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulations S. For the selling restrictions in certain other jurisdictions, see "*Selling Restrictions*" on page 208. The Equity Shares sold in the Issue are transferable only in accordance with the restrictions set forth under the sections "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 217 and 217, respectively.

Issue Procedure

1. On the Issue Opening Date, our Company and the BRLMs circulated serially numbered copies of this Placement Document and the serially numbered Application Form, either in electronic or physical form, to identified Eligible QIBs and the Application Forms were specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company has maintained complete records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to the extent applicable, to whom the Preliminary Placement Document and the serially numbered Application Forms were dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules, if and to the extent applicable. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form is delivered were determined by our Company in consultation with the BRLMs, at their sole discretion.

2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which included the details of the bank account wherein the Bid Amount was to be deposited, was addressed to a particular Eligible QIB, no invitation to make an offer to subscribe was deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer was deemed to have been made to such person and any application that did not comply with this requirement is treated as invalid.

3. Eligible QIBs were required to submit the Application Form, including any revisions thereof along with the Bid Amount transferred to the Escrow Account specified in the Application form and a copy of the PAN card or PAN allotment letter (as applicable) and/or any other documents mentioned in the Application Form, during the Issue Period to the BRLMs. The Application Form was required to be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

4. Bidders were required to indicate the following in the Application Form:

- full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), contact number and bank account details;
- number of Equity Shares Bid for;
- price at which they were agreeable to subscribe for the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;
- details of the depository / beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited;
- Equity Shares held by the Eligible QIBs in our Company prior to the Issue;
- a representation that it is outside the United States and is acquiring the Equity Shares in an "*offshore transaction*" as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdiction where those offers and sales are made and it has agreed to certain other representations set forth in the "*Representations by Investors*" on page 5 and "*Transfer Restrictions*" on page 217 and certain other representations made in the Application Form; and
- confirm acceptance of any other representations set forth in the Application Form.

***Note**: Eligible FPIs were required to indicate the SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodians of Mutual Funds were required to specifically state the names of the concerned schemes for which the Bids were made. In case of a Mutual Fund, a separate Bid could be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund have not been treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund were to be treated as one application from the Mutual Fund. Bidders were advised to ensure that any single Bid from them could not exceed the investment limits or maximum number of Equity Shares that could be held by them under applicable laws.*

Eligible QIBs were required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "*MAS FINANCIAL SERVICES LTD - QIP ESCROW ACCOUNT*" with the Escrow Agent, within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares was required to be made from the bank accounts of the relevant Bidders and our Company has maintained a record of the bank account from where such payment has been received. Bid Amount payable on Equity Shares to be held by joint holders was required to be paid from the bank account of the person whose name appeared first in the Application Form. Pending Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Application Amount received for subscription of the Equity Shares are kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder is not Allocated Equity Shares in the Issue, (b) the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Application Amount was in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, or the Application Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowered or withdrew their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "*Issue Procedure – Refunds*" on page 203.

5. Once a duly completed Application Form was submitted by a Bidder and the Bid Amount was transferred to the Escrow Account, such Application Form constituted an irrevocable offer and the Bid could not have been withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date was notified to the Stock Exchanges and the Eligible QIBs were deemed to have been given notice of such date after receipt of the Application Form.

6. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, after the Issue Closing Date, our Company has, in consultation with the BRLMs determined the final terms, including the Issue Price of the Equity Shares to be offered pursuant to the Issue and Allocation. Upon such determination, the BRLMs have sent the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and this Placement Document to a Successful Bidder are deemed valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN contains details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation has been made at the absolute discretion of our Company and will be in consultation with the BRLMs.**

7. The Bidder acknowledges that in terms of the requirements of the Companies Act, pursuant to Allocation, our Company has disclosed the names of proposed allottees and the percentage of their post-Issue shareholding in this Placement Document and have consented to such disclosure, if any Equity Shares are allocated to it.

8. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the BRLMs, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

9. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.

10. After passing the resolution for Allotment, and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, as indicated in their respective Application Form, our Company shall submit relevant documents to the Stock Exchanges in respect of the Equity Shares Allotted pursuant to the Issue.

11. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

12. Our Company shall then apply for the final listing and trading permissions from the Stock Exchanges.

13. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant accounts of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final listing and trading approvals from the Stock Exchanges.

14. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt the receipt of the listing and trading approvals to those Successful Bidders to whom the Equity Shares have been Allotted. Our Company, and the BRLMs shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law, have been considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- mutual funds, venture capital fund and alternate investment funds registered with SEBI;
- a foreign portfolio investor other than individuals, corporate bodies and family offices, registered with SEBI;
- insurance companies registered with the Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;
- pension funds with minimum corpus of ₹ 250 million;
- provident funds with minimum corpus of ₹ 250 million;
- public financial institutions as defined under Section 2(72) of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005, of the Government published in the Gazette of India; and
- systemically important non-banking financial companies.

Eligible FPIs were permitted to participate in the issue through the portfolio investment scheme under Schedule II of FEMA Rules in this Issue. Eligible FPIs were permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do not exceed specified limits as prescribed under applicable laws in this regard. FVCIs were not permitted to participate in this Issue.

In terms of the SEBI FPI Regulations, the offer of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding by each FPI or investor group shall be below 10% of the total paid-up Equity Share capital of our Company. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company on a fully diluted basis. In case the holding of an FPI or investor group increases to 10% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the aforementioned prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per the procedure specified by SEBI, and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company. Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed Central Depository Services (India) Limited as the designated depository to monitor the level of FPI/NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

As per the circular issued by SEBI on November 5, 2019, these investment restrictions shall also apply to subscribers of P-Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as a FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Eligible FPIs were permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being, or any person related to, the Promoter. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoters:

- rights under a shareholders' agreement or voting agreement entered into with our Promoters or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on our Board.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Our Company and the BRLMs and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs were advised to make their independent investigations and satisfy themselves that they were eligible to apply. Eligible QIBs were advised to ensure that any single application from them did not exceed the investment limits or maximum number of Equity Shares that could be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs were required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds.

***Note:** Affiliates or associates of the BRLMs who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs were to only use the serially numbered Application Forms (which were specifically addressed to them) supplied by our Company and/or the BRLMs in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document and this Placement Document. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period, and in such case, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, the Eligible QIB was deemed to have made the following representations, warranties, acknowledgements and undertakings given or made under "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 3, 5, 208 and 217, respectively:

1. The Bidder confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. The Bidder confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;

3. The Bidder confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares, which shall not be deemed to be a person related to the Promoters;

4. The Bidder acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

5. The Bidder confirms that if the Equity Shares are Allotted through the Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the floor of the Stock Exchanges;

6. The Bidder confirms that the QIB is eligible to Bid for and hold the Equity Shares so Allotted and together with any Equity Shares held by the QIB prior to the Issue. The Bidder further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any regulations applicable to the QIB;

7. The Bidder confirms that the Application would not result in triggering a tender offer under the SEBI Takeover Regulations;

8. The Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

9. The Bidder agrees that it will make payment of its Bid Amount, along with submission of the Application Form within the Issue Period. The Bidder agrees that once a duly filled Application Form is submitted by itself, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date;

10. The Bidder agrees that although the Bid Amount is required to be paid by it, along with the Application Form within the Issue Period in terms of provisions of the Companies Act and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLMs. The Bidder further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

11. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, the Company has disclosed their names as "proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document and consents of such disclosure, if any Equity Shares are Allocated to it. However, the Bidder further acknowledges and agrees, disclosure of such details in relation to the proposed Allottees in this Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the discretion of the Company, in consultation with the BRLMs;

12. The Bidder confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue size. For the purposes of this representation:

    a. The expression "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Non-Executive Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB ; and

    b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

13. The Eligible QIB confirms that:

    a. It is outside the United States and subscribing to the Equity Shares in an "offshore transaction" as defined in and in reliance upon Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate; and

    b. It has agreed to the other representations set forth in the sections titled, "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 208 and 217, respectively, and the other representations made in the Application Form.

14. The Bidder acknowledges that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price;

15. The Bidder confirms that it shall not undertake any trade in the Equity Shares credited into the beneficiary account maintained with the Depository Participant by the QIBs until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

16. The Bidder acknowledges, represents and agrees that in the event its total interest in the paid-up share capital of our Company or voting rights in our Company, whether direct or indirect, beneficial or otherwise (any such interest, your "**Holding**"), when aggregated together with any existing Holding and/or Holding of any of the persons acting in concert, results in Holding of 5% or more of the total paid-up share capital of, or voting rights in, our Company a disclosure of the aggregate shareholding and voting rights will have to be made under the SEBI Takeover Regulations. In case such Eligible QIB is an existing shareholder who, together with persons acting in concert, holds 5% or more of the underlying paid up share capital of, or voting rights in our Company a disclosure will have to be made under the SEBI Takeover Regulations in the event of a change of 2% or more in the existing Holding of the Eligible QIB and persons acting in concert;

17. The Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our

Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations; and

18. The Bidder has read and understood, and by making a Bid for the Equity Shares through the Application Forms and pursuant to the terms of this Placement Document, will be deemed to have made the representations, warranties and agreements made under "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 3, 5, 208 and 217, respectively.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the FDI Policy, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route.

ELIGIBLE QIBS WERE REQUIRED TO PROVIDE THEIR NAME, COMPLETE ADDRESS, EMAIL ID, PHONE NUMBER, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN / PAN ALLOTMENT LETTER (IF APPLICABLE), DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS WERE REQUIRED TO ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR DEPOSITORY / BENEFICIARY ACCOUNT IS HELD.

IF SO, REQUIRED BY THE BRLMS, THE ELIGIBLE QIBS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLMS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO, REQUIRED BY THE BRLMS, THE ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSING DATE, THE ELIGIBLE QIBS WHO SUBMITTED A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder was deemed to be valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company or by the BRLMs in favour of the Successful Bidder.

Submission of Application Form

All Application Forms were required to be duly completed with information including the name of the Bidder, the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (if applicable). The Bid Amount was required to be deposited in the Escrow Account as was specified in the Application Form and the Application Form was required to be submitted to the BRLMs either through electronic form or through physical delivery at either of the following addresses:

Name of the BRLMs	Address	Contact Person	Email	Contact Number
Motilal Oswal Investment Advisors Limited	Motilal Oswal Tower Rahimtullah Sayani Road Opposite Parel ST Depot Prabhadevi, Mumbai - 400 025 Maharashtra, India	Ritu Sharma/Sankita Ajinkya	mas.qip@motilaloswal.com	+91 22 7193 4380
Equirus Capital Private Limited	12th Floor, C Wing, Marathon Futurex N. M. Joshi Marg, Lower Parel Mumbai - 400 013 Maharashtra, India	Jenny Bagrecha	mas.qip@equirus.com	+91 22 4332 0735

The BRLMs were not required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

Bidders Bidding in the Issue were required to pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Payment of Bid Amount

Our Company has opened the Escrow Account in the name of "*MAS FINANCIAL SERVICES LTD - QIP ESCROW ACCOUNT*" with the Escrow Agent, in terms of the arrangement among our Company, the BRLMs and the Escrow Agent. Each Bidder was required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders were required to make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments were required to be made only through electronic fund transfer. Payments made through cash or cheques were liable to be rejected. Further, if the payment were not made favouring the Escrow Account, the Application Form was liable to be cancelled and rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in "*MAS FINANCIAL SERVICES LTD - QIP ESCROW ACCOUNT*" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount was in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, or the Application Amount has been arrived at using an indicative price higher than the Issue Price, or any Bidder lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "***Issue Procedure – Refunds***" on page 203.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. However, a discount of 4.99% of the Floor Price was offered by our Company in accordance with the provisions of the SEBI ICDR Regulations.

The "Relevant Date" referred to above, for Allotment, will be the date of the meeting in which the Board/ Finance Committee decided to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares of the Company of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

Build-up of the Book

The Eligible QIBs were required to submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the BRLMs. Such Bids could not be withdrawn or revised downwards after the Issue Closing Date. The book was maintained by the BRLMs.

Price Discovery, Terms and Allocation

Our Company, in consultation with the BRLMs, has determined the Issue Price, which shall be at or above the Floor Price and the Allocation on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations. However, our Company has offered a discount of 4.99% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by the Board pursuant to resolution dated January 17, 2024 and the resolution of our Shareholders on February 9, 2024.

After finalisation of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and filed the same with the Stock Exchanges as this Placement Document.

Method of Allocation

Our Company has determined the Allocation in consultation with the BRLMs on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price were grouped together to determine the total demand. The Allocation to all such Eligible QIBs was made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size was undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company, in consultation with the BRLMs, had the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY, IN CONSULTATION WITH THE BRLMS, IN RESPECT OF ALLOCATION IS FINAL AND BINDING ON ALL BIDDERS. BIDDERS TO NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BRLMS, AND ELIGIBLE QIBS MAY NOT HAVE RECEIVED ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BRLMS IS OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

Confirmation of Allocation Note (CAN)

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the BRLMs, in their sole and absolute discretion, has decided the Successful Bidders to whom the serially numbered CAN has been dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Bid Amount for the Equity Shares Allocated to them has been notified to such Successful Bidders. Additionally, the CAN will included the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and this Placement Document, to the Eligible QIBs is deemed to be a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLMs.

Successful Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB were deemed to have made the representations and warranties as specified in "***Notice to Investors***" on page 3 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the respective CANs.

2. In accordance with the SEBI ICDR Regulations, the Equity Shares will be offered, and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall submit the necessary documents with the Stock Exchanges in relation to the Issue and post that our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts (a) the Successful Bidders will be eligible for trading on the Stock Exchanges immediately upon such credit, and (b) the monies lying to the credit of the Escrow Account shall be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC.

6. After finalization of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and filed it with the Stock Exchanges as this Placement Document, which included the details of names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, the Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with this Placement Document.

7. In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within the timelines prescribed under the applicable laws, our Company shall repay the application monies within the timelines prescribed under the applicable laws, failing which our Company shall repay that monies with interest at such rate and in such manner as prescribed under the Companies Act and SEBI ICDR Regulations. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or the Application Amount paid by a Bidder is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Bidder and the Issue Price, or a Bidder has lowered or withdrawn the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted (as set out in the Application in the form and manner set out in the Refund Intimation Letter. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue within the timelines prescribed under the applicable laws, our Company shall repay the Bid Amount as per the timelines prescribed under the applicable laws, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act and SEBI ICDR Regulations.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to the Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form was required to be submitted as soon as practicable.

Permanent Account Number or PAN

Each Bidder was required to mention its PAN allotted under the Income Tax Act, 1961 ("**IT Act**"). A copy of PAN card was required to be submitted with the Application Form. However, this requirement may not apply to certain Bidders who are exempted from the requirement of obtaining a PAN under the IT Act. Further, the Application Forms submitted without this information were considered incomplete and were liable to be rejected. It is to be specifically noted that applicants were not required to submit the GIR number instead of the PAN as the Application Form was liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the BRLMs, could have rejected Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the BRLMs in relation to the rejection of Bids is final and binding. In the event the Bid was rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder, as set out in the Application Form. For details see "***Issue Procedure – Refund***" on page 203. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Equity Shares in dematerialised form with the Depositories

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode). Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, the Depositories Act and other applicable laws. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

The Bidders who have applied for Equity Shares to be issued pursuant to the Issue were required to have at least one beneficiary account with a Depository Participant of either of the Depositories prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with the Depositories. The Stock Exchanges have electronic connectivity with the Depositories. The trading of the Equity Shares would be in dematerialised form only for all Allottees in the respective demat segment of the Stock

Exchanges. Our Company and the BRLMs will not be responsible or liable for the delay in the credit of the Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on part of the Bidder.

PLACEMENT

No assurance can be given as to the liquidity or sustainability of the trading market for the Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares

Placement Agreement

The BRLMs have entered into the Placement Agreement dated June 19, 2024 with our Company, pursuant to which the BRLMs have agreed, subject to certain conditions, to manage the Issue and to act as the placement agents in connection with the Issue and procure Eligible QIBs to subscribe for Equity Shares, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, to the extent applicable, as amended and other applicable provisions of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations, warranties and indemnities from our Company, and it is subject to satisfaction of certain conditions and subject to termination in accordance with the terms contained therein.

The Preliminary Placement Document and this Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares offered pursuant to the Issue, will be offered in India or overseas to the public or any members of the public or any other class of prospective investors, other than Eligible QIBs.

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares offered in this Issue were offered and are being sold only outside the United States in "offshore transactions" as defined in, and in reliance on Regulation S and in accordance with the applicable laws of the jurisdiction where those offers, and sales are made. For further information, see "*Selling Restrictions*" on page 208.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges.

In connection with the Issue, the BRLMs (or their affiliates) may, for its own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be offered pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the BRLMs may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. The Affiliates of the BRLMs may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see "***Offshore Derivative Instruments***" on page 11.

From time to time, the BRLMs, and its affiliates may be engaged in or may in the future engage in transactions with and perform services, including but not limited to investment banking, advisory, banking, trading services for our Company, its Subsidiaries, its group companies, affiliates and the shareholders of our Company, as well as to their respective affiliates, pursuant to which fees and commissions have been paid or will be paid to the BRLMs and its affiliates.

Lock-up

Our Company shall not, for a period of 90 days from the date of Allotment under the Issue, without the prior written consent of the Book Running Lead Managers, directly or indirectly, (a) issue, offer, contract to issue any option, right or warrant to subscribe to any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Share; (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of Equity Shares; or (c) publicly announce any intention to enter into any transaction described in (a) or (b) above, whether any such transaction described in (a) or (b) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise. However, the foregoing restriction shall not be applicable to the (i) the issuance of the Equity Shares pursuant to the Issue; (ii) issuance of non-convertible debentures, commercial paper, debt securities, direct assignment, pass through-certificate and other debt instruments; and (iii) any transaction required by law or an order of a court of law or a statutory authority.

Our Promoters have agreed, on behalf of themselves and the members of the Promoter Group, for a period of 90 days ("**Lock-up Period**") from the date of Allotment under the Issue, that they will not, without the prior written consent of the Book Running Lead Managers, directly or indirectly: (a) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares held by the Promoters and the Promoter Group (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned by the undersigned) that the undersigned may acquire during the Lock-up Period) (the "**Lock-up Shares**"), or any securities convertible into or exercisable or exchangeable for Lock-up Shares or file any registration statement under the U.S. Securities Act of 1933, as amended, or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Lock-up Shares; or (c) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any Lock-up Shares; or (d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of the Lock-up Shares, or such other securities, in cash or otherwise or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of the Lock-Up Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above.

SELLING RESTRICTIONS

The distribution of this Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

Each purchaser of the Equity Shares in this Issue will be deemed to have made the representations, warranties, acknowledgments and agreements as described below and the under sections entitled "Notice to Investors", "Representations by Investors" and "Transfer Restrictions" on pages 3, 5 and 217, respectively.

General

Except for in India, no action has been taken or will be taken that would permit the offering of the Equity Shares offered in the Issue to occur in any jurisdiction or the possession, circulation or distribution of the Preliminary Placement Document and this Placement Document or any other material relating to the Issue in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document nor this Placement Document nor any other material relating to the Issue may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Persons into whose possession the Preliminary Placement Document and this Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

This Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 and 62 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

Republic of India

This Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Placement Document has not been and will not be registered as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Australia

This Placement Document is not a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) ("**Corporations Act**") and has not been lodged with the Australian Securities and Investments Commission and it does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act.

No offer will be made under this Placement Document to investors to whom disclosure is required to be made under Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to represent and warrant that it is either a "sophisticated investor" or a "professional investor" and that not it is not a "retail client" within the meaning of those terms in the Corporations Act.

The Equity Shares acquired in the Issue in Australia must not be offered for sale in Australia in the period of 12 months after the date of the Allotment, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under Section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to undertake to our Company that it will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those Equity Shares to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act.

No financial product advice is provided in this Placement Document and nothing in this Placement Document should be taken to constitute a recommendation or statement of opinion that is intended to influence a person or persons in making a decision to invest in the Equity Shares offered in the Issue.

This Placement Document does not take into account the objectives, financial situation or needs of any particular person. Before acting on the information contained in this Placement Document or making a decision to invest in the Equity Shares offered in the Issue, prospective investors should seek professional advice as to whether investing in the Equity Shares is appropriate in light of their own circumstances.

None of the Book Running Lead Managers or any of their respective affiliates is the holder of an Australian Financial Services Licence.

Bahrain

All marketing and offering of the Equity Shares in the Issue has been made and will be made outside the Kingdom of Bahrain. This Placement Document and the Equity Shares offered in the Issue have not been registered, filed, approved or licensed by the Central Bank of Bahrain ("**CBB**"), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism ("**MOICT**") or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in this Placement Document, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Placement Document is only intended for Accredited Investors as defined by the CBB and the Equity Shares offered by way of private placement may only be offered in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares is being made and this Placement Document will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved this Placement Document and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of the Equity Shares.

Cayman Islands

The Preliminary Placement Document does not constitute an offer or invitation to the public in the Cayman Islands to subscribe for Equity Shares in the Issue.

People's Republic of China

This Placement Document does not constitute an offer of the Equity Shares offered in the Issue, whether by way of sale or subscription, in the People's Republic of China (the "**PRC**"). The Equity Shares are not being offered and may not be offered or sold, directly or indirectly, in the PRC to or for the benefit of, legal or natural persons of the PRC. According to legal and regulatory requirements of the PRC, the Equity Shares may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any country other than the PRC.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), an offer to the public of any Equity Shares in the Issue may not be made in that Relevant State, except if the Equity Shares are offered to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation (EU) 2017/1129 (and any amendment thereto) (the "**Prospectus Regulation**"):

- to any legal entity that is a qualified investor, as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the Book Running Lead Managers for any such offer;
- or in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or the Book Running Lead Managers of a prospectus pursuant to Article 3 of the Prospectus Regulation.

For the purposes of this section, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

Each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a "qualified investor" as defined in the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors (as so defined) or in circumstances in which the prior consent of the Book Running Lead Managers has been obtained to each such proposed offer or resale.

Our Company, the Book Running Lead Managers and their affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Hong Kong

The Placement Document has not been reviewed or approved by any regulatory authority in Hong Kong. In particular, the Placement Document has not been, and will not be, registered as a "prospectus" in Hong Kong under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) ("**CO**") nor has it been authorised by the Securities and Futures Commission ("**SFC**") in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) ("**SFO**"). Recipients are advised to exercise caution in relation to the Issue. If recipients are in any doubt about any of the contents of the Placement Document, they should obtain independent professional advice.

The Placement Document does not constitute an offer or invitation to the public in Hong Kong to acquire any Equity Shares nor an advertisement of the Equity Shares in Hong Kong. The Placement Document must not be issued, circulated or distributed in Hong Kong other than:

- to "professional investors" within the meaning of the SFO and any rules made under that ordinance ("**Professional Investors**"); or
- in other circumstances which do not result in the Placement Document being a prospectus as defined in the CO nor constitute an offer to the public which requires authorization by the SFC under the SFO.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Equity Shares, which is directed at, or the content of which is likely to be accessed or read by, the public of Hong Kong other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors.

Any offer of the Equity Shares will be personal to the person to whom relevant offer documents are delivered, and a subscription for the Equity Shares will only be accepted from such person. No person who has received a copy of the Placement Document may issue, circulate or distribute the Placement Document in Hong Kong or make or give a copy of the Placement Document to any other person. No person allotted Equity Shares may sell, or offer to sell, such Shares to the public in Hong Kong within six months following the date of issue of such Equity Shares.

Japan

No securities registration statement in relation to the solicitations of the Equity Shares offered in the Issue in Japan (the "**Solicitations**") has been or will be filed pursuant to Article 4, Paragraph 1 of the Financial Instrument and Exchange Law of Japan (the "**FIEL**"). The Solicitations shall only be made (i) to Qualified Institutional Investors and (ii) to no more than 49 persons (excluding any Qualified Institutional Investors) during the six-month period prior to the contemplated date of the allotment of the Equity Shares in the Issue.

Any Qualified Institutional Investors who acquire Equity Shares in the Issue (a) may not, directly or indirectly, resell, assign, transfer, or otherwise dispose of the Equity Shares to any person in Japan or to or for the benefit of any resident of Japan, including any corporation or other entity organised under the laws of Japan, except to Qualified Institutional Investors; and (b) shall deliver a notification indicating (a) and (b) herein to any transferee of the Equity Shares.

Capitalized terms used in this sub-section and not defined in this Placement Document have the meanings given to those terms in the FIEL.

Jordan

The Equity Shares offered in the Issue have not been and will not be offered, sold or delivered at any time, directly or indirectly, in the Hashemite Kingdom of Jordan in a manner that would constitute a public offering. This Placement Document has not been and will not be reviewed or approved by, or registered with, the Jordan Securities Commission in accordance with its regulations and any other regulations in the Hashemite Kingdom of Jordan. The Equity Shares are not and will not be traded on the Amman Stock Exchange. The Equity Shares have not been and will not be offered, sold or promoted or advertised in Jordan other than in compliance with the Securities Law No. (76) of 2002, as amended, the Law Regulating Dealings in Foreign Exchange No. (50) of 2008, and regulations issued pursuant thereto governing the issue of offering and sale of securities. Without limiting the foregoing, the Equity Shares have not been and will not, in any manner, be offered, sold, promoted or advertised to more than thirty (30) persons in Jordan, without complying with the required approval and notification requirements set-out under the above-referenced laws and the regulations issued pursuant to them

Kuwait

This Placement Document has not been licensed for the offering, promotion, marketing, advertisement or sale of the Equity Shares offered in the Issue in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares offered in the Issue in the State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of securities in the State of Kuwait ("**Kuwait Securities Laws**"). Therefore, in accordance with the Kuwait Securities Laws, no private or public offering of the Equity Shares is or will be made in the State of Kuwait, no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Mauritius

In accordance with The Securities Act 2005 of Mauritius, no offer of the Equity Shares offered in the Issue may be made to the public in Mauritius without, amongst other things, the prior approval of the Mauritius Financial Services Commission. This Placement Document has not been approved or registered by the Mauritius Financial Services Commission. Accordingly, this Placement Document does not constitute a public offering. The Preliminary Placement Document is for the exclusive use of the person to whom it has been given by a Book Running Lead Manager and is a private concern between the sender and the recipient.

New Zealand

This Placement Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMA Act**"). The Equity Shares offered in the Issue may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who: (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act; (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act; (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or (e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Oman

This Placement Document does not constitute an offer to sell or the solicitation of any offer to buy non-Omani securities in the Sultanate of Oman. This Placement Document is strictly private and confidential and is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of the Sultanate of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient.

This Placement Document has not been approved by the Capital Market Authority of Oman (the "**CMA**") or any other regulatory body or authority in the Sultanate of Oman ("**Oman**"), nor have the Book Running Lead Managers or any placement agent acting on their behalf received authorisation, licensing or approval from the CMA or any other regulatory authority in Oman, to market, offer, sell, or distribute the Equity Shares in Oman.

No marketing, offering, selling or distribution of any Equity Shares has been or will be made from within Oman and no subscription for any Equity Shares may or will be consummated within Oman. Neither the Book Running Lead Managers nor any placement agent acting on their behalf is a company licensed by the CMA to provide investment advisory, brokerage, or portfolio management services in Oman, nor a bank licensed by the Central Bank of Oman to provide investment banking services in Oman. Neither the Book Running Lead Managers nor any placement agent acting on their behalf advise persons or entities resident or based in Oman as to the appropriateness of investing in or purchasing or selling securities or other financial products.

The Equity Shares offered in the Issue have not and will not be listed on any stock exchange in the Sultanate of Oman.

Nothing contained in this Placement Document is intended to constitute Omani investment, legal, tax, accounting or other professional advice. This Placement Document is for your information only, and nothing herein is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice on the basis of your situation.

Qatar (excluding the Qatar Financial Centre)

This Placement Document does not, and is not intended to, constitute an invitation or an offer of Equity Shares in the State of Qatar and accordingly should not be construed as such. The Equity Shares offered in the Issue have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this Placement Document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, or any other authority or agency in the State of Qatar; (b) our Company and the Book Running Lead Managers are not authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Issue has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. Our Company and the Book Running Lead Managers are not, by distributing this Placement Document, advising individuals resident in the State of Qatar as to the appropriateness of purchasing Equity Shares in the Offer. Nothing contained in this Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar Financial Centre

This Placement Document does not, and is not intended to, constitute an invitation or offer of Equity Shares from or within the Qatar Financial Centre ("**QFC**"), and accordingly should not be construed as such. The Preliminary Placement Document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. The Preliminary Placement Document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licenced by or registered with any licensing authorities within the QFC.

Singapore

This Placement Document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore ("**MAS**") under the Securities and Futures Act (Chapter 289) of Singapore ("**SFA**"). Accordingly, the Equity Shares offered in the Issue may not be offered or sold, or made the subject of an invitation for subscription or purchase nor may this Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Equity Shares be circulated or distributed, whether directly or indirectly, in Singapore other than (i) to an "institutional investor" within the meaning of Section 274 of the SFA and in accordance with the conditions of an exemption invoked under Section 274, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) other pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for a corporation, in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), our Company has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA) that the Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

South Africa

In South Africa, the offering of the Equity Shares in the Issue will only be made by way of private placement to:

(a) selected persons falling within one of the specified categories listed in section 96(1)(a) of the South African Companies Act of 2008, as amended (the "**South African Companies Act**"); and

(b) selected persons, acting as principal, acquiring Equity Shares for a total acquisition cost of ZAR1,000,000 or more, as contemplated in section 96(1)(b) of the South African Companies Act,

and in each case to whom the offer of the Equity Shares will specifically be addressed, and only by whom the offer will be capable of acceptance (the "**South African Qualifying Investors**"). This Placement Document is being made available only to such South African Qualifying Investors. The information contained in this Placement Document does not constitute, nor form part of, any offer or invitation to sell or issue, an advertisement or any solicitation of any offer or invitation to purchase or subscribe for any Equity Shares or any other securities and is not an "offer to the public" as contemplated in the South African Companies Act. This Placement Document does not, nor does it intend to, constitute a "registered prospectus" or an "advertisement", as contemplated by the South African Companies Act and no prospectus has been filed with the Companies and Intellectual Property Commission (the "**CIPC**") in respect of the Issue of the Equity Shares. As a result, this Placement Document does not comply with the substance and form requirements for a prospectus set out in the South African Companies Act and the South African Companies Regulations of 2011, and has not been approved by, and/or registered with, the CIPC.

The information contained in this Placement Document constitutes factual information as contemplated in section 1(3)(a) of the South African Financial Advisory and Intermediary Services Act of 2002, as amended (the "**FAIS Act**") and should not be construed as an express or implied recommendation, guide or proposal that any particular transaction in respect of the Equity Shares or in relation to the business or future investments of the Bank is appropriate to the particular investment objectives, financial situation or needs of a prospective investor, and nothing in this Placement Document should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa. Our Company is not a financial services provider licenced as such under the FAIS Act.

South Korea

No securities registration statement in relation to the Solicitations (as defined under Financial Investment Services and Capital Markets Act of the Republic of Korea ("**South Korea**") (the "**FISCMA**")) of the Equity Shares offered in the Issue in South Korea has been or will be filed pursuant to the FISCMA. The Solicitations shall only be made (i) to certain professionals as prescribed in the FISCMA and the enforcement decree promulgated thereunder ("**Professional Investors**") and (ii) to no more than 49 persons (excluding any Professional Investors) during the six-month period prior to the contemplated date of the allotment of the Equity Shares in the Issue.

Furthermore, the Equity Shares may not be offered, sold, transferred or delivered for reoffering or resale, directly or indirectly, in South Korea or to, or for the account or benefit of, any resident (as defined under the Foreign Exchange Transactions Act of South Korea and the decree, rules and regulations promulgated thereunder) thereof for a period of one year from the date of the issuance of the Equity Shares, except as otherwise permitted under applicable South Korean laws and regulations.

Switzerland

The offering of the Equity Shares offered in the Issue in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**") because such offering in Switzerland is directed only at investors classified as "professional clients" within the meaning of the FinSA and the Equity Shares offered in the Offer will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This document does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the Issue.

No key information document under article 58 of the FinSA or article 59(2) of the FinSA in respect of the Issue has been prepared and published. Accordingly, the Equity Shares offered in the Issue may not be offered to "private clients" within the meaning of the FinSA in Switzerland.

Each person in Switzerland who acquires Equity Shares in the Issue shall be deemed to have represented to our Company and the Book Running Lead Managers that it is a "professional client" within the meaning of the FinSA and that it has not opted-in to be treated as a "private client" on the basis of article 5(5) of the FinSA.

This document is not intended to constitute an advertising document within the meaning of article 68 of the FinSA and article 95 of the Swiss Federal Financial Services Ordinance.

The Equity Shares do not constitute a participation in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes and are not licensed by the Swiss Financial Market Supervisory Authority ("**FINMA**") thereunder. Accordingly, neither the Equity Shares nor the Shareholders benefit from protection under the Swiss Federal Act on Collective Investment Schemes or supervision by FINMA.

United Arab Emirates (excluding the Dubai International Financial Centre)

No offering, marketing, promotion, advertising or distribution (collectively, "**Promotion"**) of the Preliminary Placement Document or the Equity Shares may be made in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE.

The Promotion of the Preliminary Placement Document and the Equity Shares has not been and will not be approved by the SCA and, as such, the Preliminary Placement Document does not constitute an offer to the general public in the UAE to acquire any Equity Shares. Except where the Promotion of the Preliminary Placement Document and the Equity Shares is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE, the Promotion of the Preliminary Placement Document and the Equity Shares in the UAE is being made only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations).

None of the SCA, the Central Bank of the United Arab Emirates or any other regulatory authority in the UAE has reviewed or approved the contents of the Preliminary Placement Document and nor does any such entity accept any liability for the contents of the Preliminary Placement Document.

Dubai International Financial Centre

The Equity Shares offered in the Issue are not being offered to any persons in the Dubai International Financial Centre except on that basis that an offer is: (i) an "Exempt Offer" in accordance with the Markets Rules (MKT) (the "**Markets Rules**") adopted by the Dubai Financial Services Authority (the "**DFSA**"); and (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook and are not natural Persons. The Placement Document must not be delivered to, or relied on by, any other person. The DFSA has not approved the Placement Document nor taken steps to verify the information set out in it, and has no responsibility for it. Capitalised terms not otherwise defined in the Placement Document have the meaning given to those terms in the Markets Rules.

The Equity Shares may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Equity Shares offered in the Issue should conduct their own due diligence on the Equity Shares. If you do not understand the contents of the Placement Document, you should consult an authorised financial adviser.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Equity Shares at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Managers for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Equity Shares shall require our Company or the Book Running Lead Managers to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

This Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as "relevant persons"). This Placement Document is directed only at relevant persons. Other persons should not act on this Placement Document or any of its contents. This Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

United States

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares offered in the Issue were offered and are being sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S. To help ensure compliance with Regulation S, each purchaser of Equity Shares in the Issue will be deemed to have made the representations, warranties, acknowledgements and agreements set forth in "*Transfer Restrictions*" on page 217. The Equity Shares purchased in the Issue are transferable only in accordance with the restrictions described in "*Transfer Restrictions*" on page 217.

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of Equity Shares offered in the Issue within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the U.S. Securities Act.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to subscribing for Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on a recognized Stock Exchanges, is not permitted for a period of one year from the date of Allotment. In addition to the above, Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to an investment in the Equity Shares and related matters concerning the Issue.

United States

Each purchaser of the Equity Shares offered in the Issue shall be deemed to have represented, warranted and acknowledged to and agreed with our Company and the Book Running Lead Managers as follows:

- It understands that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and are being offered and sold to it in reliance on Regulation S.
- It was outside the United States at the time the offer of the Equity Shares offered in the Issue was made to it and it was outside the United States when its buy order for the Equity Shares offered in the Issue was originated.
- It did not purchase the Equity Shares offered in the Issue as a result of any "directed selling efforts" (as defined in Regulation S).
- It is buying the Equity Shares offered in the Issue for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares offered in the Issue, it agrees that it will not offer, sell, pledge or otherwise transfer the Equity Shares offered in the Issue except in transactions complying with Rule 903 or Rule 904 of Regulation S or an available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.
- Where it is subscribing to the Equity Shares offered in the Issue as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and it has full power to make the representations, warranties, agreements and acknowledgements herein.
- Where it is subscribing to the Equity Shares offered in the Issue for one or more managed accounts, it represents and warrants that it was authorised in writing by each such managed account to subscribe to the Equity Shares offered in the Issue for each managed account and to make (and it hereby makes) the representations, warranties, agreements and acknowledgements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.
- It agrees to indemnify and hold our Company and the Book Running Lead Managers harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares purchased in the Issue.
- It acknowledges that our Company, the Book Running Lead Managers and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Our Company, our representatives and our agents will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares purchased in the Issue made other than in compliance with the restrictions set forth herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the respective websites of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the BRLMs or any of its respective affiliates or advisors.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in India in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 9, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Regulations**"), which regulate *inter alia* the recognition, ownership and governance of stock exchanges and clearing corporations in India together with providing for minimum net-worth requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by listed companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013 the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations, as well as pursuant to the listing agreements entered into by our Company with the Stock Exchanges. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Delisting of equity shares from the stock exchanges, whether by way of a compulsory or a voluntary delisting, is governed by the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended (the "**Delisting Regulations**"). Following a compulsory delisting of equity shares, a company, its whole-time directors, its promoters, person(s) responsible for ensuring compliance with the securities laws and the companies promoted by any of them cannot directly or indirectly access the securities market or seek listing of any equity shares for a period of 10 years from the date of such delisting. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

Pursuant to the provisions of the SCRR, all listed companies (except exempted public sector undertakings) are required to maintain a minimum public shareholding of 25%. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such the public shareholding having fallen below the 25% threshold. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

Disclosures under the Companies Act and securities regulations.

Under the Companies Act, a public offering of securities in India must be made by means of a prospectus, which must contain information specified in the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI ICDR Regulations. The prospectus must be filed with the relevant registrar of companies having jurisdiction over the place where a company's registered office is situated. A company's directors and promoters shall be subject to civil and criminal liability for misrepresentation in a prospectus. The Companies Act also sets forth procedures for the acceptance of subscriptions and payment of commission rates for the sale of securities. Pursuant to the provisions of the SEBI Act, SEBI has issued detailed guidelines concerning disclosures by public companies and to further investor protection. The SEBI ICDR Regulations permit companies to price their domestic issues of securities in consultation with the lead merchant banker or through the book building process.

Public limited companies are required under the Companies Act, and other applicable guidelines to prepare, file with the RoC and circulate to their shareholders audited annual accounts which comply with the Companies Act's disclosure requirements and regulations governing their manner of presentation and which include sections pertaining to corporate governance, related party transactions and the management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations. Accordingly, companies are required to publish unaudited financial statements (subject to a limited review by the company's auditors) on a quarterly basis and are required to inform stock exchanges immediately regarding any unpublished price sensitive information.

Insider Trading Regulations

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (the "**Insider Trading Regulations**") have been notified by SEBI to amongst other things, prohibit and penalize insider trading in India and prohibit dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The Insider Trading Regulations also impose certain restrictions on the communication of UPSI relating to a company or securities listed or proposed to be listed. In terms of the Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. It also provides disclosure obligations for promoters, employees and directors, with regard to their shareholding in the company, and the changes therein. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the Insider Trading Regulations.

The Insider Trading Regulations define the term "unpublished price sensitive information" to mean any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of its securities and ordinarily includes but not restricted to information relating to the following: (a) financial results; (b) dividends; (c) change in capital structure; (d) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions; and (e) changes in key managerial personnel. Further, in terms of the Insider Trading Regulations, "generally available information" is defined as information that is accessible to the public on a non-discriminatory basis. An "insider" means any person who is i) a connected person; or ii) in possession of or having access to unpublished price sensitive information. The term "connected person" means any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holding any position, including a professional or business relationship between himself and the company, whether temporary or permanent, that allows such person, directly or indirectly, to have access to unpublished price sensitive information or is reasonably expected to allow such access.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities (including fiduciaries and intermediaries) that are required to handle UPSI in the course of business operations to establish (i) an internal code of practices and procedures for fair disclosure of UPSI; (ii) an internal code to regulate, monitor and report trading by designated persons and immediate relatives of designated persons; and (iii) a policy for procedures to be adopted by a company in case of any leak of UPSI. There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a coordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the NIFTY 50 of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down, for all scrips in the compulsory rolling settlement. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Settlement

The stock exchanges in India operate on a trading day plus two, or T+2 rolling settlement system. At the end of the T+2 period, obligations are settled with buyers of securities paying for and receiving securities, while sellers transfer and receive payment for securities. For example, trades executed on a Monday would typically be settled on a Wednesday.

Further, in accordance with the circular dated September 7, 2021, issued by SEBI, at any time on or after January 1, 2022, a Stock Exchanges may choose to offer T+1 settlement cycle after giving an advance notice of at least one month.

Trading Hours

Trading on both BSE and NSE normally occurs from Monday through Friday between 9:15 a.m. IST and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9.00 a.m. IST to 9.15 a.m. IST that has been introduced). BSE and NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours. **Internet-Based Securities Trading and Security Trading using Wireless Technology Services**

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. This permits clients throughout the country to trade using brokers' internet trading systems. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

Trading Procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE online trading facility in 1995. This 100% automated screen-based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform BOLT Plus. NSE has a fully automated trading system called NEAT, which operates on strict time/price priority besides enabling efficient trade.

Depositories

The Depositories Act, 1996 provides a legal framework for the establishment of depositories to record ownership details and effect transfers in electronic book-entry form. Further, SEBI has framed the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the specific regulations in relation to substantial acquisition of shares and takeover. After listing on the stock exchanges, the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (the "**Takeover Regulations**") will apply to our Company, which provide specific regulations in relation to substantial acquisition of shares and takeovers. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribes certain thresholds or trigger points in the shareholding that a person or entity (along with persons acting in concert with such person or entity) has in the listed Indian company, which give rise to certain obligations on the part of the acquirer. Acquisition of shares or voting rights up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions (direct or indirect, along with persons acting in concert with such acquirer) crossing particular thresholds may result in the acquirer having to make an open offer for the shares of the target company.

Buy-back

A company may buy-back its shares subject to compliance with the requirements of Section 68 of the Companies Act, 2013, as amended and the SEBI (Buy-back of Securities) Regulations 2018, as amended. Under Section 68 of the Companies Act, 2013, as amended, a company may buy-back its shares out of its free reserves or securities premium account or the proceeds of the issue of any shares or other specified securities, other than proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is the information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association. The prospective investors are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share Capital

The authorised share capital of the Company is ₹ 200,00,00,000 divided into 20,00,00,000 Equity Shares of ₹ 10 each. As on the date of this Placement Document, the issued, subscribed and paid-up capital of the Company is ₹ 1,639,861,290 comprising of 163,986,129 Equity Shares of face value of ₹ 10 each.

Main objects of our Company

1. to carry on the business of leasing and hire purchase finance, loans under hypothecation, personal loans, micro loans under micro financing, agricultural finance, loan syndication, securitization, including distribution of credit by way of synchronization with banks, financial institutions etc. And to provide on lease or hire purchase or on loan or by any other mode of financing whether under hypothecation or mortgage all types of industrial and office and/or household plant, equipment, machinery, vehicles, land and building, real estates, movable and immovable properties, consumer durables, two wheelers, four wheelers, construction materials/ equipment etc. for private, personal or official purposes;

2. to render portfolio management service by investment in shares, debentures, stocks, debenture stock bonds, company deposits, government securities, government loans, national savings and post office savings schemes, units and to pass on the benefit of portfolio investment to investors as dividend, interest, loans and to act as brokers/underwriters, managers, merchant bankers, advisors, financial consultants to issue of shares, debentures, debenture stocks, bonds, securities; and

3. to act as issue, house, registrars, share transfer agents and to provide complete range of financial and management consultancy services like investment planning, loan syndications and to assist in providing finance for any company, firm, person, association of persons by way of loans, advances, deposits and any other form of finance and to carry on the business of financing and advancing short term and long term loans and credit financial facilities by way of bills of acceptance, bills discounting and other modes of finance including credit financial facilities by way of bills of acceptance, bills discounting and other modes of finance including credit cards or credit systems to individuals, firms, companies, co-operative societies or association of persons by whatever name called either on security or without any security or any third party guarantee or without such guarantee as may be considered appropriate.

The main object clause and objects incidental or ancillary to the main objects contained in the Memorandum of Association enable our Company to undertake its existing activities.

Issue of Sweat Equity Shares

Under Indian law, the company may issue Sweat Equity Shares i.e. shares issued to employees or directors at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called, of a class of shares already issued if the following conditions are fulfilled:

(a) The issue of Sweat Equity Shares is authorized by a special resolution passed by the Company in the General Meeting;

(b) The Resolution specifies the number of shares, their current market price, consideration if any and the class or classes of Directors or Employees to whom such equity shares are to be issued.

(c) not less than one year has, at the date of such issue, elapsed since the date on which the company had commenced business; and

(d) where the equity shares of the company are listed on a recognised stock exchange, the sweat equity shares are issued in accordance with the regulations made by the Securities and Exchange Board in this behalf and if they are not so listed, the sweat equity shares are issued in accordance with such rules as may be prescribed

The rights, limitations, restrictions and provisions as are for the time being applicable to equity shares shall be applicable to the sweat equity shares issued under this section and the holders of such shares shall rank *pari-passu* with other equity shareholders.

Dividends

The company may declare dividends upon a recommendation by its board of directors and approval by a majority of its shareholders at the annual general meeting of its shareholders, but no dividend shall exceed the amount recommended by the Board.

The Board has the authority to allocate profits for reserves at its discretion, to be used for various company purposes, including contingencies or dividend equalization. These reserves may be employed in the business or invested as deemed fit by the Board. Profits can also be carried forward without setting them aside as reserves. In case of insufficient profits, a company may declare a dividend from surplus, subject to legal conditions specified in the Act and rules.

Any dividend, interest or other monies payable in cash in respect of shares may be paid through Electronic Clearing System, where details of the Bank Account is provided by the shareholder. Where Bank mandate is not provided, any dividend payable in cash may be paid by cheque or warrant to the shareholder entitled to the payment of the dividend.

No dividend on any share may be waived in whole or in part by any document (whether or not it is sealed), and it will only take effect if it is signed by the member (or the person entitled to the share in the event of the holder's death or bankruptcy) and delivered to the company, and only if and to the extent that the Board accepts it as such or takes action on it. The Board shall not forfeit any unclaimed dividend, and the Company shall adhere to all Act laws and guidelines pertaining to underpaid or unclaimed dividends. No dividend shall carry interest as against the Company.

Bonus Shares

In addition to permitting dividends to be paid as described above, the Companies Act permits the Board, subject to the approval of the Shareholders of our Company, to distribute to the Shareholders, in the form of fully paid-up bonus shares, an amount transferred from the company's free reserves, securities premium account or the capital redemption reserve account provided that no issue of bonus shares shall be made by capitalising reserves created by the revaluation of assets. These bonus equity shares must be distributed to the Shareholders in proportion to the number of equity shares owned by them.

Bonus shares can only be issued if:

(i) the company is authorised by its articles;

(ii) the company has been authorised to issue such bonus shares in the general meeting of the company;

(iii) the company has not defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/interest payments on fixed deposits or debt securities issued by it.

(iv) the partly paid-up shares, if any outstanding on the date of allotment, are made fully paid-up;

(v) and the company complies with the conditions as may be prescribed

Bonus shares shall not be issued in lieu of dividend.

Pre-Emptive Rights and Alteration of Share Capital

Subject to the provisions of the Companies Act, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

Pursuant to the terms of our Articles of Association, our Company may, from time to time: (a) increase its share capital by such sum, to be divided into shares of such amount, as it may think expedient; (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (d) sub-divide its shares or any of them into shares of smaller amount than is fixed by the memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and (e) cancel any shares which, at the date of the passing of the resolution in relation to them, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. Further, our Company may, by special resolution subject to authorisation by law, reduce in any manner and with, and subject to, the applicable provisions of the Act,— (a) its share capital; (b) any capital redemption reserve account; or (c) any share premium account.

Issuance of Preference Shares

Subject to Section 55 of the Companies Act, and in accordance with the Articles, Company shall have the power to issue preference shares which are or at the option of the Company are liable to be redeemed within a period not exceeding twenty years from the date of issue, or such other period as provided in law and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

Forfeiture of shares

If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred By the company by reason of non-payment.

The notice aforesaid shall:

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) State that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

If the specified notice requirements are not met, the Board can forfeit any share mentioned in the notice before the required payment is made.

General meetings of shareholders

There are two types of general meetings of shareholders: (i) AGM; and (ii) EGM. Our Company must hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. Our Board may convene an EGM whenever the Board thinks fit. Written notice or notice via electronic mode means setting out the business to be transacted at the meeting must be given at least 21 days prior to the date set for the general meeting to the Shareholders. Shorter notice is permitted if consent is received from 95% of the Shareholders entitled to vote at such meeting.

Voting rights

At a general meeting, every member holding shares is entitled to vote through e-voting process. Upon a poll, the voting rights of each shareholder entitled to vote and present in person or by proxy is in the same proportion as the capital paid up on each share held by such holder bears to our Company's total paid up capital. The Chairman of the meeting has a casting vote or second vote.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. A shareholder may exercise his voting rights by proxy to be given in the form prescribed. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting. A proxy may not vote except on a poll and does not have a right to speak at meetings.

Pursuant to the terms of our Articles of Association, and subject to any rights or restrictions for the time being attached to any class or classes of shares, — (a) on a show of hands, every member holding equity shares present in person or proxy shall have one vote; and (b) on a poll, voting rights of members shall be in proportion to his share in the equity share capital of the company. A member may exercise his vote at a meeting through electronic means in accordance with the Act and rules thereunder.

Joint Holders

Joint holders (up to three persons) of a share are considered joint tenants with survivorship benefits, with liabilities for all payments related to the share. Upon the death of a joint holder, the surviving joint holder(s) is recognized by the Company as the sole titleholder, subject to providing evidence of death. Any joint holder can give valid receipts for dividends, interests, or other payments related to the shares. The first person in the register of members among joint holders is entitled to share certificates and notices, considered served to all joint holders.

Joint holders can vote at meetings, and in the case of a deceased member, executors or administrators are treated as joint holders. Similar rules regarding joint holders of shares apply to other securities, including debentures, registered jointly.

Transfer and transmission of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to STT (levied on and collected by the stock exchanges on which such equity shares are sold), however, are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the Depositories. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Our Company shall keep a book in which every transfer or transmission of shares will be entered**.**

Pursuant to the SEBI Listing Regulations, except in case of transmission or transposition of Equity Shares, requests for effecting transfer of Equity Shares shall not be processed unless the Equity Shares are held in dematerialized form with a depository.

The Equity Shares shall be freely transferable, subject to applicable laws.

Buy-back

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act and any related SEBI guidelines issued in connection therewith.

Winding up

Our Articles of Association provide that on winding up, the liquidator may, with the sanction of a special resolution and any other sanction required under the Companies Act, 2013, divide amongst the members, in specie or kind, the whole or any part of the assets of our Company and vest any part of the assets of the Company in trustees upon such trust for the liquidators.

TAXATION

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

Date: June 19, 2024

To,

Board of Directors
MAS Financial Services Limited
6, Ground Floor, Narayan Chambers
Behind Patang Hotel, Ashram Road
Ahmedabad – 380 009
Gujarat, India

Motilal Oswal Investment Advisors Limited
Motilal Oswal Tower
Rahimtullah Sayani Road
Opposite Parel ST Depot
Prabhadevi, Mumbai - 400 025
Maharashtra, India

Equirus Capital Private Limited
12th Floor, C Wing, Marathon Futurex
N. M. Joshi Marg, Lower Parel
Mumbai - 400 013
Maharashtra, India

(hereinafter referred to as the "**Placement Agents**")

Subject: Qualified institutions placement of equity shares of face value ₹ 10 each ("Equity Shares") by MAS Financial Services Limited (the "Company") under Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and Section 42 and 62 of the Companies Act, 2013, as amended, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended (the "Issue").

We, M/s. Mukesh M. Shah & Co., Chartered Accountants, statutory auditors of the Company, hereby report the possible special tax benefits available to the Company and the shareholders of the Company, under the Income Tax Act, 1961, as amended (the "**IT Act**"), applicable Indirect Tax Laws (as defined in the Annexure A), along with the rules, regulations, circulars and notifications issued thereon, as applicable to the assessment year 2025-2026 relevant to the financial year 2024-2025, presently in force in India, in the enclosed statement at **Annexure A**.

Several of these stated tax benefits/consequences are dependent on the Company and/or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of the Company and/or its shareholders to derive the tax benefits is dependent on fulfilling such conditions.

The benefits discussed in enclosed Annexure A cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed Annexure A and its contents is the responsibility of the Management of the Company. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offer particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

The Management is responsible for ensuring that the Company complies with the requirements of the applicable laws and shall be responsible for providing us the required information/documents as may be required by us for certifying the requirement as per paragraph above.

The benefits discussed in the enclosed annexure are not exhaustive. We do not express any opinion or provide any assurance as to whether:

i) the Company or its shareholders will continue to obtain these benefits in future; or
ii) the conditions prescribed for availing the benefits have been/would be met with; or
iii) the revenue authorities / courts will concur with the views expressed herein.

We consent to the inclusion of the above information in the Preliminary Placement Document and Placement Document to be filed by the Company with the stock exchanges on which the Equity Shares of the Company are listed (the "**Stock Exchanges**"), the Securities and Exchange Board of India, and the Registrar of Companies, Gujarat and Dadar & Nagar Haveli at Ahmedabad, and any other authority and such other documents as may be prepared in connection with the Issue.

We confirm that the information in this certificate is true, fair and accurate, and is in accordance with the requirements of the Companies Act, 2013 as amended, the SEBI ICDR Regulations and other applicable law, and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

This statement is prepared for inclusion in the Preliminary Placement Document and Placement Document (PD) in connection with the Issue, and may accordingly be furnished to the Stock Exchanges or any other judicial, statutory and regulatory authorities as required. The aforesaid information contained herein and in **Annexure A** can also be shared with and relied on by the Placement Agents, legal counsel and any other advisors and intermediaries appointed in relation to the Issue.

We undertake to immediately inform in writing to the Placement Agents and legal counsel in case of any changes to the above until the date when the Equity Shares issued pursuant to the Issue commence trading on the Stock Exchanges. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Preliminary Placement Document or Placement Document.

Yours sincerely,

For M/s. Mukesh M. Shah & Co.
Chartered Accountants
Firm Registration Number: 106625W

Chandresh S. Shah
Partner
Membership No.: 042132
Place: Ahmedabad
Date: June 19, 2024
UDIN:

CC.:

Domestic Legal Counsel to the BRLMs
J. Sagar Associates
B-303, 3rd Floor
Ansal Plaza, Hudco Place
August Kranti Marg
New Delhi – 110 049, India

Domestic Legal Counsel to the Company
IndusLaw
2nd Floor
Block D, The MIRA
Mathura Road
New Delhi – 110 065, India

Annexure A

There are no special tax benefits available to the Company and the shareholders of the Company under the current direct tax and indirect tax laws presently in force in India.

LEGAL PROCEEDINGS

Our Company, Subsidiaries, Directors and Promoters are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of civil proceedings, criminal proceedings, and tax disputes amongst others, which are pending before various adjudicating forums.

As on the date of this Placement Document, except as disclosed below, there are no outstanding legal proceedings which have been considered material in accordance with our Company's policy in relation to the disclosure of material events framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted by the Board pursuant to its resolution dated November 1, 2023.

Additionally, solely for the purpose of the Issue, the following outstanding legal proceedings have been disclosed in this section involving our Company, its Directors, its Subsidiaries and its Promoters (as applicable):

- *all outstanding criminal proceedings involving our Company, its Subsidiaries, its Directors and its Promoters;*
- *any outstanding actions (including any show-cause notices received) by statutory and/or regulatory authorities including stock exchanges, involving our Company, its Directors, its Promoters and its Subsidiaries;*
- *all outstanding civil proceedings involving our Company and its Subsidiaries, where the amount involved in such proceeding exceeds ₹ 25.40 million i.e. 1% of the profit after tax of our Company, on a consolidated basis for Fiscal 2024* ***("Materiality Threshold")****;*
- *all outstanding direct and indirect tax matters (including show cause notices) involving our Company and its Subsidiaries which will be disclosed in a consolidated manner (indicating total number of direct tax and indirect tax matters and the aggregate amounts involved under both);*
- *all other outstanding litigation involving our Company and its Subsidiaries, wherein there is no monetary liability, amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could, individually or in the aggregate, materially and adversely affect the reputation, business, operations, prospects or financial position of the Company on a consolidated basis;*
- *cases filed under Section 138 of Negotiable Instruments, Act, 1881 in a consolidated manner, indicating the number of such cases and the total amount involved; and*
- *all outstanding litigation involving our Promoters and Directors wherein an adverse outcome could materially and adversely affect the reputation, prospects, operations or financial position of the Company, on a consolidated basis.*

The Materiality Threshold was adopted by the Finance Committee of the Board, solely for the purpose of the Issue pursuant to its resolution dated June 19, 2024

Further, except as disclosed in this section, there are no:

- *inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last three years, involving the Company and its Subsidiaries, and any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years, involving the Company and its Subsidiaries;*
- *any material frauds committed against the Company in the last three years, and if so, the action taken by the Company;*
- *any significant and material order passed by the regulators, courts and tribunals impacting the going concern status of the Company on a consolidated basis or its future operations;*
- *any default by the Company, including therein the amount involved, duration of default and present status, in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon;*

- *any default in annual filings of our Company under the Companies Act, 2013 or the rules made thereunder;*

- *any litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoters of our Company during the last three years, and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any; and*

- *summary of reservations, qualifications or adverse remarks of the auditors in their respective reports on the audited financial statements in the last five financial years and their impact. And disclosure, if any, on the wilful defaulter status of the Company, Subsidiary, Associates, the Promoters or Directors, if any shall be included in the litigation section.*

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, its Subsidiaries, its Directors and its Promoters, from third parties (excluding statutory / regulatory / judicial / quasi-judicial / governmental authorities or notices threatening criminal action) shall, unless otherwise decided by the Board of Directors, not be considered as litigation proceedings till such time that any of our Company, its Subsidiaries, its Directors and its Promoters, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced. Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

Litigation involving our Company

Litigation against our Company

Criminal proceedings

1. Kantilal Tulsidas Vaja ("**Applicant**") filed a criminal inquiry application (3/2013) before the Chief Judicial Magistrate, Junagarh under sections 33, 38 and 42 of the Gujarat Money Lenders' Act, 2011 and sections 406, 409 and 420 of the Indian Penal Code, 1860 against our Company and others, including Kamlesh Chimanlal Gandhi ("**Accused**"). It was alleged in the application that the Accused, in connivance with each other, charged surplus interest and misused the blank cheques provided by the applicant in relation to a loan availed by the applicant from our Company. The matter is currently pending.

2. A criminal complaint was filed against our Company by Suryakant Arjun Pawar before the court of Judicial Magistrate, Pandharpur under section 420, 467, and 34 of the Indian Penal Code, 1860. It was alleged in the complaint, even after the payment of the full amount by the complainant, our Company had not issued the NOC, stating full payment, and had not returned the documentation in relation to the car (Against which the loan was taken). The matter is currently pending.

Actions taken by regulatory and statutory authorities

Nil

Civil proceedings above the Civil Materiality Threshold

Nil

Litigation by our Company

Criminal proceedings

1. Our Company has filed 2,595 cases pending before various judicial forums for alleged violation of section 138 of Negotiable Instruments Act, 1881 and 8,268 cases pending before various judicial forums for alleged violation of section 25 of the Payment and Settlement Act, 2007, for recovery of amounts due for which cheques and/or bank mandates were issued in favour of our Company have been dishonoured. The total monetary value involved in these matters is ₹ 1,965.68 million.

   Criminal revision petitions/ appeals have been filed by the accused parties in 8 such proceedings. Further, we have also appealed 53 orders for acquittal under section 138 of Negotiable Instruments Act, 1881.

2. A first information report ("**FIR**") dated December 15, 2022, was filed by our Company against M J Enterprise and others ("**Accused**") at Vejalpur police station under sections 406, 420, 467, 468, 471, 120B of the Indian Penal Code, 1860 on the grounds of misappropriation, criminal breach of trust, cheating, and forgery. The Accused had obtained a loan from our Company amounting to ₹ 7.28 million, for the purchase of machinery. It was alleged that the Accused after availing the loan from our Company misappropriated the funds. Pursuant to this, Ankit Kothiya, one of the Accused has filed an application on October 19, 2023 praying for the quashing of the FIR filed by our Company before the Gujarat High Court at Ahmedabad. The matter is currently pending.

3. The Chief Metropolitan Magistrate, Ahmedabad by its order dated January 8, 2015, under section 397 of the Criminal Procedure Code, 1973 had approved the public auction of a seized vehicle which hypothecated with our Company in relation to a loan availed by Mohammad Aarif Alimahmud Ansari. Our Company had filed an application with the Additional Session judge City Civil and Session Court, Ahmedabad challenging the order which was dismissed on September 11, 2017. Further, our Company had filed another application dated February 23, 2018 with the High Court of Gujarat at Ahmedabad, for quashing of the order dated September 11, 2017 dismissing the application filed by our Company. The matter is currently pending.

4. A first information report ("**FIR**") dated November 2, 2012, was filed by our Company against Thakur Sinh Maansinh Jhala ("**Accused**") at Anand Town Police Station under sections 408 and 420 of the Indian Penal Code, 1860 on the ground of criminal breach of trust and cheating. The Accused was an employee of our Company and had misused the receipts issued against recovery of loans from customers amount to ₹ 0.31 million. The matter is currently pending.

5. Our Company has filed a criminal revision petition dated June 12, 2024, under section 397 of the Criminal Procedure Code, 1973 before the Session Judge at Shajapur (M.P.) for setting aside of an order dated January 8, 2024, restricting the sale of vehicle under hypothecation in relation to a vehicle loan availed by Ravi Goyal from our Company. The matter is currently pending.

6. Our Company has filed a criminal revision application with the Visanagar Additional District and Sessions Court stating that our Company had provided a loan for purchase of a motorcycle to Alpeshji Pravinji Thakur ("**Debtor**"). The Debtor defaulted on repayment of the loan. Thereafter the said motorcycle was ceased by the Visanagar Taluka Police Station ("**Police**") under sections 65(a), 65(e), 81 and 83 of the Gujarat Prohibition Act, 1949 and section 473 of the Indian Penal Code. The application by our Company for obtaining possession of the said motorcycle from the Police before the Visanagar Judicial Magistrate was rejected. Thus, our Company filed this criminal revision application. The matter is currently pending.

7. Our Company has filed a criminal application under section 451 and 457 of the Criminal Procedure Code, 1973 before the Special Judge (N.D.P.S) at Neemuch (Madhya Pradesh) requesting for an order directing the Police Station, Neemuch to hand over custody of the seized hypothecated vehicle in relation to loan availed by Farooq Aziz Mansoori to our Company. The matter is currently pending.

Civil proceedings above the Civil Materiality Threshold

Nil

Litigation involving our Subsidiaries

Litigation against our Subsidiaries

Criminal proceedings

1. A FIR dated August 23, 2009, was filed by MRHMFL, our Subsidiary against Ajay Narayan Joshi & Others ("**Accused**") at Ellisbridge Police Station, Ahmedabad under sections 406, 420, 467, 468, 471, and 34 of the of the Indian Penal Code, 1860 on the grounds of misappropriation, criminal breach of trust, cheating, and forgery. The Accused had obtained a mortgage loan from our Subsidiary amounting to ₹ 1.44 million. It is alleged that the property documents submitted by the Accused were forged. The matter is currently pending.

Actions taken by regulatory and statutory authorities

Nil

Civil proceedings above the Materiality Threshold

Nil

Litigation by our Subsidiaries

Criminal proceedings

1. MRHMFL, our Subsidiary has filed 173 cases pending before various judicial forums for alleged violation of section 138 of Negotiable Instruments Act, 1881, for recovery of amounts due for which cheques were issued in favour of our Company have been dishonoured. The total monetary value involved in these matters is ₹ 121.03 million.

Civil proceedings above the Civil Materiality Threshold

Nil

Other outstanding litigation involving our Company and our Subsidiaries, wherein the amount involved cannot be determined or is below the Civil Materiality Threshold, but an adverse outcome of which could, individually or in the aggregate, materially and adversely affect the reputation, operations or financial position of our Company on a consolidated basis:

Nil

Litigation involving our Directors

Criminal proceedings against our Directors

Except as disclosed under "*Litigation against our Company - Criminal proceedings*" in relation to the criminal inquiry application filed before the Chief Judicial Magistrate, Junagarh, there are no other criminal proceedings initiated against our Directors.

Criminal proceedings by our Directors

Nil

Actions taken by regulatory and statutory authorities

Nil

Litigation involving our Promoters

Criminal proceedings against our Promoters

Except as disclosed under "*Litigation against our Company - Criminal proceedings*" in relation to the criminal inquiry application filed before the Chief Judicial Magistrate, Junagarh, there are no other criminal proceedings initiated against our Promoters.

Criminal proceedings by our Promoters

Nil

Actions taken by regulatory and statutory authorities

Nil

Other outstanding litigation involving our Promoters and our Directors wherein an adverse outcome could materially and adversely affect the reputation, operations or financial position of our Company, on a consolidated basis

Nil

Inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 in the last three years preceding the year of the Issue Documents, involving our Company and its Subsidiaries, and any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of the Issue Documents, involving our Company and its Subsidiaries

Nil

Material frauds committed against our Company in the last three years, and if so, the action taken by our Company

S. No.	Period ended	Details of the material fraud and amount involved	Actions taken
1.	31st March, 2024	On 22/02/2023, collections team of our lending partner reported a case of M/s Nira Sweet Home and Ice-cream. (loan Account Number: 000121-22024004) of Rs. 10,42,000. This loan was disbursed to savings bank account No 110095117685 of Canara Bank, Phaltan Branch, Maharashtra. First EMI repayment of the above loan bounced and when collection team visited the business location for collecting, they found that the loan amount was not received by the applicant. Also, upon inquiries with the Bank, it was learnt that the account had been put on freeze as they have noticed suspicious transaction patterns in the bank account during their internal review (AML), it was also that the regular balance ordinarily available in the bank account was entirely incommensurate to the funds injected via loan disbursal and or even the due EMI. Then the underlying bank statement provided to Landingkart were shared for processing the loan, Canara Bank, Phaltan Branch manager confirmed that the statement was forged and the actual statement had limited transactions against the statement given to Lendingkart. Based on this incident, Lendingkart instituted internal review and found that there are multiple cases of manipulated bank accounts. Modus Operandi: External party Mr. Sameer and his associates introduced themselves as a DSA with other financial institutions reached out to LSP (Salesperson) Mr. Sahil Bhadoriya and asked him if he can help to process loans sourced by him. These external parties logged in loan applications through LFL's website and shared lead details including applicant name, lead ID, mobile number etc. to Mr. Sahil. He would pull these identified cases to himself manually from the processing queue to bypass regular process of auto allocation. In all these cases customers are real and are available. The business was set up by fraudsters and was seen during FI and/or Document Executive visits. The fraudsters paid the first couple	• FIR was filed with Vejalpur Police station. • Thorough investigation was conducted to ensure that no employees were involved in the fraud • The company has decided to discontinue the cases from state of Maharashtra in the intervening time until the outcome of internal assessment of the incidence • The company shall ensure accurate verification of bank statements of the proposed customers

S. No.	Period ended	Details of the material fraud and amount involved	Actions taken
		of EMIs of these loans to ensure Early Warning Systems are not triggered. As a process, Lendingkart carry out field investigation based on internal LK triggers. Whatever FI was carried out by the external parties, fraudsters ensured that there was a proper business "set up" and hence all the reports came out as positive. Based on the early collections feedback, it was learnt that customers (who were used in this fraud) receive only a small percentage of the loan amount and the balance is with the fraudsters. Amount involved in the fraud: Rs. 86,53,920	
2.	March 31, 2023	Our Company took a loan from a co-lending partner. After disbursing necessary funds, the first EMI repayment had bounced. During the internal review, discrepancies were found in the bank statement given for the purpose of underwriting loan facilities. Upon inquiry about the business location as well inquiry as with the bank, it was found that the account had been put on debit freeze by the bank due to suspicious transaction patterns. During the internal review, a separate pattern was identified, all the loans were processed by same loan specialist of the sales team of the co-lending partner through direct marketing route. Amount involved in the case was ₹11,646,520.	• The FIR was filed in Vastrapur Police Station. Also, application under section 138 was made. • Thorough investigation was conducted to ensure that no employees were involved in the fraud. • Our Company has decided to discontinue the cases from state of Maharashtra in the intervening time until the outcome of internal assessment of the incidence. • Our Company shall ensure accurate verification of bank statements of the proposed customers • Our Company is in discussion with the sourcing partner to improve the verification of bank statements.
3.	March 31, 2023	The customer posed as a manufacturer of non-woven backing paper and provided quotation for the machinery required which was to be financed. Wrong rent agreement was shown and documents were carefully forged to make our Company believe that the transactions were genuine. After disbursement was made to the supplier, the customer along with supplier, DSA and another associate misappropriated the funds. The supplier never supplied the machinery. During post installation visit, the owner claimed that the machinery was supplied but the customer had not paid the EMIs. Hence detailed review was undertaken. It was concluded that it was wrongly claimed that the machinery was supplied. Amount involved in the fraud was ₹7,278,000	• FIR was filed with Vejalpur Police station. Also, application under section 138 was made. • Thorough investigation was conducted to ensure that no employees were involved in the fraud. • Our Company has decided to verify additional documents for machinery finance. Also, care will be taken while selecting the suppliers.

Significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company on a consolidated basis or its future operations

Nil

Default by our Company, including therein the amount involved, duration of default and present status, in repayment of statutory dues, debentures and interest thereon, deposits and interest thereon and loan from any bank or financial institution and interest thereon.

S. No.	Particulars	Duration of Default	Default as on March 31, 2024 (*In ₹ million*)
1.	Income Tax	AY 2017-18	1.19*

**After adjusting the advance paid / refund of ₹ 3.26 million.*

Default in annual filings of our Company under the Companies Act, 2013

Nil

Litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoters of our Company during the last three years immediately preceding the year of the Issue Documents, and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any.

Nil

Tax litigation

Except as disclosed below, there are no outstanding tax litigations, involving our Company and its Subsidiaries as on the date of this Placement Document:

Nature of cases	No. of cases	Total amount involved (₹ in million)
Litigation involving the Company		
By our Company	Nil	Nil
Against our Company	1	1.19
Total	**1**	1.19
Litigation involving our Subsidiaries		
By our Subsidiaries	Nil	Nil
Against our Subsidiaries	Nil	Nil
Total	Nil	Nil

STATUTORY AUDITORS

In term of the provisions of Section 139 of the Companies Act, 2013, M/s Mukesh M. Shah & Co., Chartered Accountants, were appointed as our Company's Statutory Auditors pursuant to a resolution adopted by our Shareholders at the AGM held on August 25, 2021 for a period of three years, to hold office from the conclusion of that AGM until the conclusion of the AGM to be held in 2024.

The peer review certificate of our current Statutory Auditors is valid as of the date of this Placement Document.

FINANCIAL INFORMATION

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Mas Financial Services Limited

Consolidated Financial Statements

for the periods ended

March 31, 2024

March 31, 2023

March 31, 2022

INDEPENDENT AUDITORS' REPORT

To the Members of MAS Financial Services Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of MAS Financial Services Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprises of the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ("the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year then ended.

Basis for Opinion

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained by us and the other auditors in terms of their report referred to in other matters section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Impairment of Loans:** **Charge: INR 27.01 Crores for the year ended 31st March, 2024** **Provision: INR 135.30 Crores as at 31st March, 2024** Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of	**<u>Principal Audit Procedures</u>** Procedures performed by us have been enumerated herein below: We performed end to end process walkthroughs to identify the key systems, applications and controls used in ECL processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key systems used in ECL process. Key aspects of our controls testing involved following:

Sr. No.	Key Audit Matter	Auditor’s Response
	management judgement and therefore increased levels of audit focus in the Group’s estimation of ECLs are: • Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. • Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default (“PD”), Loss Given Default (“LGD”), and Exposures at Default (“EAD”). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Group companies’modelling approach. • Economic scenarios – Ind AS 109 requires the Group Companies to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment. • Qualitative adjustments – Adjustments to the model-driven ECL results are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. They represent approximately 16.10% of ECL balances as at 31 March 2024. These adjustments are inherently uncertain and significant management judgement is involved considering internal assessment of emerging forward looking economic factors and related uncertainties. The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Group. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the conssolidated financial statements, we have considered this as a key audit matter. **Disclosures:** The disclosures regarding the Group companies’ application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS	• Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models. • Testing the ‘Governance Framework’ controls over validation, implementation and model monitoring in line with Reserve Bank of India guidance. • Testing the design and operating effectiveness of the key controls over the application of the staging criteria. • Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights. • Testing management’s controls over authorisation and calculation of post model adjustments and management overlays. • Testing management’s controls on compliance with Ind AS 109 disclosures related to ECL. • Testing key controls operating over the information technology system in relation to loan impairment including system access and system change management, program development and computer operations. **Test of Details:** Key aspects of our testing included: • Sample testing over key inputs, data and assumptions impacting ECL calculations to assess completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied. • Model calculations testing through re-performance, where possible. • Test of details of post model adjustments, considering the size and complexity of management overlays, to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data. Assessing disclosures - We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining ECL. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear.

Sr. No.	Key Audit Matter	Auditor's Response
	109 ECL results.	
2	**Information Technology:** **IT Systems and controls** The Group Companies' key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data. Due to the pervasive nature of role of information technology systems in financial reporting, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.	In course of audit, our focus was on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. We performed a range of audit procedures, which included: • Review of the report of IS Audit carried during the year by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting. • Our other processes include: o selectively recomputing interest calculations and maturity dates; o Selectively re-evaluating masters updation, interface with resultant reports; o Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system) o Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission Other areas that were independently assessed included password policies, system configurations, system interface controls, controls over changes to applications and databases.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, the Consolidated financial performance and the changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the holding and its subsidiary companies to express an opinion on the consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entity included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled "Other Matter" in this audit report.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

a) We did not audit the financial statements of subsidiary included in the Consolidated financial statements, whose financial statements reflect [the figures reported below are before giving effect to consolidation adjustments] total assets of ₹ 499.34 Crores as at March 31, 2024, total revenues of ₹ 62.46 Crores, total net profit after tax of ₹ 7.58 Crores, total comprehensive income of ₹ 5.72 Crores and net cash inflow amounting to ₹ 33.96 Crores for the year ended on that date, as considered in the consolidated financial statements. This financial statements has been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the audit report of the other auditor.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on the separate financial statements of a subsidiary were audited by other auditor, as noted in the "Other matter" paragraph, we report, to the extent applicable, that:

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

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors. The backup of the books of account and other books and papers maintained in electronic form, has been maintained on a daily basis on servers physically located in India during the year.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting with reference to the financial statements of the Holding Company and its subsidiary incorporated in India and the operating effectiveness of such controls, refer to our separate report in the Annexure -A, which is based on the auditors' reports of the Holding Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those Companies.

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

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

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

   iv. (a) The respective managements of the Holding Company and its subsidiary, which are companies incorporated in India, whose financial statement have been audited under the Act, have represented to us and to the other auditors of such subsidiary, to the best of their knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary or in any other person(s) or entity(ies), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiary, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary, to the best of their knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary, with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, directly or indirectly, lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or the other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid during the year by the Holding Company and subsidiary company, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with Section 123 of the Act, as applicable.

   The interim dividend declared and paid during the year by the Holding Company, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with Section 123 of the Act, as applicable.

   As stated in notes to the consolidated financial statements, the Board of Directors of the Holding Company and subsidiary company, whose financial statements have been audited under the Act, where applicable, have proposed final dividend for the year which is subject to the approval of the members of Holding Company and Subsidiary Company at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination, which included test checks, the Holding Company and its subsidiary companies incorporated in India have used accounting software for maintaining books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software except that in case of holding company and a subsidiary, audit trail feature was not enabled at database level for accounting software to log any direct data changes. Further, during the course of our audit, we and respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with in respect of such accounting software where such feature is enabled.

   As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), is applicable from April 1, 2013, reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

vii. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and by other auditors of its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports except-

Sr.	**Name of the entity**	**CIN**	**Holding**	**Clause number of**

No.			company / Subsidiary	the CARO report which is unfavourable or qualified or adverse
1	MAS Financial Services Limited	L65910GJ1995PLC026064	Holding Company	Clause (xi)(a)

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Place: Ahmedabad
Date: April 24, 2024
UDIN: 24042132BJZWZG8914

Chandresh S. Shah
Partner
Membership No.: **042132**

"ANNEXURE A" TO THE AUDITORS' REPORT

Report on the Internal Financial Control clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of MAS Financial Services Limited (hereinafter referred to as "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies, which are incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures

of the company are being made only in accordance with authorizations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Holding company and its subsidiary companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other matter

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to a subsidiary company, which is company incorporated in India, is based solely on the corresponding report of the auditors of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Place: Ahmedabad
Date: April 24, 2024
UDIN: 24042132BJZWZG8914

Chandresh S. Shah
Partner
Membership No.: **042132**

MAS FINANCIAL SERVICES LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2024

(₹ in Crores)

	Note no.	As at 31 March 2024	As at 31 March 2023
ASSETS			
Financial assets			
Cash and cash equivalents	5	**212.67**	238.67
Bank balance other than cash and cash equivalents	6	**665.83**	565.29
Trade receivables	7	**6.54**	4.30
Loans	8	**7,719.44**	6,246.24
Investments	9	**726.16**	791.04
Other financial assets	10	**78.86**	61.63
Total financial assets		**9,409.50**	7,907.17
Non-financial assets			
Income tax assets (net)	30	**2.52**	2.52
Deferred tax assets (net)	30	**11.85**	19.33
Property, plant and equipment	11(a)	**21.23**	14.66
Capital work-in-progress	11(d)	**69.80**	57.66
Right-of-use asset	11(c)	**3.19**	1.18
Intangible assets under development	11(e)	**0.24**	0.33
Other intangible assets	11(b)	**1.01**	1.03
Other non-financial assets	12	**28.00**	11.34
Total non-financial assets		**137.84**	108.05
Total assets		**9,547.34**	8,015.22
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	13		
(I)Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		**0.03**	0.13
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**21.12**	14.55
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		**-**	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**1.89**	1.84
Debt securities	14	**626.86**	627.26
Borrowings (other than debt securities)	15	**6,496.88**	5,247.57
Subordinated liabilities	16	**302.11**	252.70
Other financial liabilities	17	**258.36**	310.34
Total financial liabilities		**7,707.25**	6,454.39
Non-financial liabilities			
Current tax liabilities (net)	30	**4.70**	2.06
Provisions	18	**10.11**	9.49
Other non-financial liabilities	19	**6.71**	4.61
Total non-financial liabilities		**21.52**	16.16
Total liabilities		**7,728.77**	6,470.55
EQUITY			
Equity share capital	20	**163.99**	54.66
Other equity	21	**1,618.72**	1,463.99
Equity attributable to the owners of the Holding Company		**1,782.71**	1,518.65
Non-controlling interest		**35.86**	26.02
Total equity		**1,818.57**	1,544.67
Total liabilities and equity		**9,547.34**	8,015.22

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached

For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of MAS Financial Services Limited

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Chandresh S. Shah
Partner
Membership No: 042132

Ahmedabad
24 April 2024

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad

24 April 2024

𝕸𝕬𝕾 FINANCIAL SERVICES LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

		Note no.	Year ended 31 March 2024	Year ended 31 March 2023
I.	**Revenue from operations**			
	Interest income	22	**1,077.09**	834.04
	Gain on assignment of financial assets		**122.32**	71.47
	Fees and commission income		**66.48**	50.90
	Net gain on fair value changes	23	**13.27**	22.19
	Total revenue from operations		**1,279.16**	978.60
	Other income	24	**6.52**	2.43
	Total income		**1,285.68**	981.03
II.	**Expenses**			
	Finance costs	25	**646.71**	496.01
	Fees and commission expense		**48.80**	48.01
	Impairment on financial assets	26	**90.61**	53.36
	Employee benefits expenses	27	**100.45**	70.70
	Depreciation, amortization and impairment	28	**4.29**	2.72
	Others expenses	29	**55.15**	38.58
	Total expenses		**946.01**	709.38
	Profit before exceptional items and tax (I - II)		**339.67**	271.65
	Exceptional items		**-**	-
III.	**Profit before tax**		**339.67**	271.65
IV.	**Tax expense:**			
	Current tax	30	**83.06**	67.23
	Excess provision for tax relating to prior years	30	**(0.21)**	(2.47)
	Net current tax expense		**82.85**	64.76
	Deferred tax expense / (credit)	30	**2.81**	1.07
	Net tax expense		**85.66**	65.83
V.	**Profit for the year (III - IV)**		**254.01**	205.82
VI.	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss:			
	Re-measurement of the defined benefit liabilities		**(0.51)**	0.08
	Income tax impact on above		**0.13**	(0.02)
	Total (A)		**(0.38)**	0.06
	(B) Items that will be reclassified to profit or loss:			
	Loans and advances through other comprehensive Income		**19.08**	(24.69)
	Income tax impact on above		**(4.80)**	6.21
	Total (B)		**14.28**	(18.48)
	Other comprehensive income (A+B)		**13.90**	(18.42)
VII.	**Total comprehensive income for the year (V + VI)**		**267.91**	187.40
VIII.	**Profit for the year attributable to**			
	Owners of the Holding Company		**251.05**	203.26
	Non-controlling interest		**2.96**	2.56
IX.	**Other comprehensive income attributable to**			
	Owners of the Holding Company		**14.63**	(18.84)
	Non-controlling interest		**(0.73)**	0.42
X.	**Total comprehensive income attributable to**			
	Owners of the Holding Company		**265.68**	184.42
	Non-controlling interest		**2.23**	2.98
XI.	**Earnings per equity share (of ₹ 10 each):**	31		
	Basic (₹)		**15.31**	12.39
	Diluted (₹)		**15.31**	12.39

See accompanying notes to the financial statements

In terms of our report of even date attached

For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
𝕸𝕬𝕾 Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Ahmedabad
24 April 2024

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ahmedabad
24 April 2024

Ankit Jain
(Chief Financial Officer)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1. A CORPORATE INFORMATION

MAS Financial Services Limited (the "Holding Company") together with its subsidiary MAS Rural Housing & Mortgage Finance Limited and MASFIN Insurance Broking Private Limited (hereinafter referred to as the "Group") are public companies domiciled in India. The Holding Company is registered as a non deposit taking non-banking finance company ("NBFC") with Reserve Bank of India ("RBI"). MAS Rural Housing & Mortgage Finance Limited is registered as a non deposit taking housing finance company ("HFC") with National Housing Bank ("NHB"). The Group is engaged in the business of providing Micro Enterprise Loans ("MEL"), Small and Medium Enterprise loans ("SME"), Two Wheeler loans ("TW"),Salaried Personal loans ("SPL"), Commercial Vehicle loans ("CV"), loans to NBFCs, housing loans, commercial property loans and project loans for real estate projects to customers especially in the segment of affordable housing in rural and urban areas. MASFIN Insurance Broking Private Limited is acting as an agent in providing insurance services. The Holding Company's equity shares are listed on two recognised stock exchanges in India i.e. BSE Limited and the National Stock Exchange of India Limited.

The Holding Company's registered office is at 6, Ground Floor, Narayan Chambers, behind Patang Hotel, Ashram Road, Ahmedabad - 380009, Gujarat, India.

B RECENT ACCOUNTING DEVELOPMENTS:

The following Indian Accounting Standards have been modified on miscellaneous issues with effect from April 1, 2023. Such changes include clarification/guidance on:

(i) Ind AS 101 – First time adoption of Ind AS – Deferred tax assets and deferred tax liabilities to be recognized for all temporary differences associated with right-of-use assets, lease liabilities,decommissioning / restoration / similar liabilities.

ii) Ind AS 107 – Financial Instruments: Disclosures – Information about the measurement basis for financial instruments shall be disclosed as part of material accounting policy information.

(iii) Ind AS 1 – Presentation of Financial Statements & Ind AS 34 – Interim Financial Reporting – Material accounting policy information (including focus on how an entity applied the requirements of Ind AS) shall be disclosed instead of significant accounting policies as part of financial statements.

(iv) Ind AS 8 – Accounting policies, changes in accounting estimate and errors – Clarification on what constitutes an accounting estimate provided.

(v) Ind AS 12 – Income Taxes – In case of a transaction which give rise to equal taxable and deductible temporary differences, the initial recognition exemption from deferred tax is no longer applicable and deferred tax liability & deferred tax asset shall be recognized on gross basis for such cases.

None of the above amendments had any material effect on the group's financial statements,except for disclosure of Material Accounting Policies instead of Significant Accounting Policies in the Financial Statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance and principles of consolidation

These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 ("the Act"), and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Group has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC).CC.PD.No.109/22. 10.106/2019-20 dated 13 March 2020.

Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

Principles of consolidation

These consolidated financial statements are prepared on the following basis in accordance with Ind AS 110 on 'Consolidated Financial Statements' specified under Section 133 of the Act.

i) Subsidiary -

Subsidiary in an entity controlled by the Holding Company. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which controls commences until the date on which control ceases.

ii) Non-controlling interest ("NCI")

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii) Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value on the date the control is lost. Any resulting gain or loss is recognized in profit or loss.

2. BASIS OF PREPARATION *(Continued)*

2.1 Statement of compliance and principles of consolidation *(Continued)*

iv) Transactions eliminated on consolidation

The financial statements of the Holding Company and its subsidiary used in the consolidation procedure are drawn up to the same reporting date i.e. 31 March 2024. The financial statements of the Holding Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. The Group follows uniform accounting policies for like transactions and other events in similar circumstances.

v) The following subsidiary company has been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Country of incorporation	Ownership held by	% of holding and voting power as at 31 March 2024	31 March 2023
𝕸𝔄𝔖 Rural Housing & Mortgage Finance Limited	Subsidiary company	India	𝕸𝔄𝔖 Financial Services Limited	60.77%	59.67%
MASFIN Insurance Broking Private Limited	Subsidiary company	India	𝕸𝔄𝔖 Financial Services Limited	69.00%	69.00%
MASFIN Insurance Broking Private Limited	Associate Company	India	𝕸𝔄𝔖 Rural Housing and Mortgage Finance Limited	30.00%	30.00%

2.2 Basis of measurement

The consolidated financial statements have been prepared on historical cost convention and on accrual basis, except for certain financial instruments which are measured at fair value as required by relevant Ind AS.

2.3 Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Group operates (the "functional currency"). Amounts in the consolidated financial statements are presented in crores rounded off to two decimal places as permitted by Schedule III to the Act, except when otherwise indicated.

2.4 Use of estimates, judgements and assumptions

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised prospectively.

Judgements

In the process of applying the Group’s accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Business model assessment

Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest (the "SPPI") test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or FVOCI that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group’s continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value please refer note 3.8 and note 41.

2. BASIS OF PREPARATION *(Continued)*

2.4 Use of judgements, estimates and assumptions *(continued)*

Estimates and assumptions *(Continued)*

ii) Effective interest rate ("EIR") method

The Group’s EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group’s expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Group’s criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

e) Management overlay is used in circumstances where management in its objective review and internal assessment of emerging forward looking economic factors and related uncertainties.

iv) Provisions and other contingent liabilities

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Group's business.

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

For further details on provisions and other contingencies refer note 3.16.

v) Provision for income tax and deferred tax assets

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recovered for uncertain tax positions. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

vi) Defined Benefit Plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

2. BASIS OF PREPARATION *(Continued)*

2.5 Presentation of the consolidated financial statements

The Group presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in note 39.

Financial assets and financial liability are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

i) The normal course of business
ii) The event of default

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Sr No.	Material Accounting Policies	Reference In Balance Sheet & Profit And Loss Notes
1	Recognition of interest income	22
2	Impairment of financial assets	8.1, 26
3	Property, plant and equipment	11(a)
4	Financial instrument	41
5	Intangible assets	11(e), 11(b)
6	Leases	11(c), 44
7	Retirement and other employee benefits	27, 40
8	Finance Cost	25

3.1 Recognition of interest income

A. EIR method

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

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as stage 3, the Group calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Group reverts to calculating interest income on a gross basis.

3.2 Financial instrument - initial recognition

A. Date of recognition

All financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments (refer note 3.3(A)). Financial instruments are initially measured at their fair value (as defined in note 3.8), transaction costs are added to, or subtracted from this amount, except in the case of financial assets and financial liabilities recorded at FVTPL.

C. Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

i) Amortised cost
ii) FVOCI
iii) FVTPL

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel.

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

d) The expected frequency, value and timing of sales are also important aspects of the Group’s assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case’ scenarios into account.

SPPI test

As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

‘Principal’ for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, the financial assets are measured as follows:

i) Financial assets carried at amortised cost ("AC")

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets measured at FVOCI

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) Financial assets at FVTPL

A financial asset which is not classified in any of the above categories are measured at FVTPL.

B. Financial liability

i) Initial recognition and measurement

All financial liability are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) Subsequent measurement

Financial liabilities are carried at amortized cost using the EIR method.

3.4 Reclassification of financial assets

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the circumstances in which the Group changes in its business model for managing those financial assets.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

3.5 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

B. Derecognition of financial assets other than due to substantial modification

i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109.

As per the guidelines of RBI, the Group is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continue to recognise the portion retained by it as MRR.

ii) Financial liability

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

3.6 Impairment of financial assets

A. Overview of the ECL principles

In accordance with Ind AS 109, the Group uses ECL model, for evaluating impairment of financial assets together with loan commitments other than those measured at FVTPL.

ECL are measured through a loss allowance at an amount equal to:

i.) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii.) Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Group categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant increase in credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the life time ECL.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. Borrowers are also classified under stage 3 bucket under instances like fraud identification and legal proceeding. Further, stage 3 loan accounts are identified at customer level (i.e. a Stage 1 or 2 customer having other loans which are in Stage 3). The Group records an allowance for life time ECL.

There is a curing period with Stage 3 loan, where even if the DPD days are reduced by 90 days the same will not be upgraded to Stage 1 until the loan is 0 DPD.

Loan commitments: When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.6 Impairment of financial assets *(Continued)*

B. The calculation of ECLs

For retail loans

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, expected drawdowns on committed facilities and accrued interest. Further, the EAD for stage 3 retail loan is the outstanding exposure at the time loan is classified as Stage 3 for the first time

LGD LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total POS)
% LGD = 1 – recovery rate

For retail asset channel ("RAC") loan portfolio

For RAC loan portfolio, the Group has developed internal rating based approach for the purpose of ECL. The credit rating framework of the Group consists of various parameters based on which RAC loan portfolio is evaluated and credit rating is assigned accordingly.

The Group has developed its PD matrix based on the external benchmarking of various external reports, ratings & Basel norms. This PD matrix is calibrated with its historical data and major events on regular time interval in accordance with its ECL policy.

The LGD has been considered based on Basel-II Framework (International Regulatory Framework of Banks) for all the level of credit rating portfolio.

The Group has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated EAD and LGDs are reviewed. While at every year end, PDs are reviewed and changes in the forward looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%. Credit impairment loans are determined at borrower level.

Loan commitments: When estimating ECL for undrawn loan commitments, the Group estimates the amount sanctioned that will be disbursed after the reporting date. The ECL is then calculated using PD and LGD.

Management overlay is used to adjust the ECL allowance in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Group's lending portfolios. Emerging local or global macroeconomic, micro economic or political events, and natural disasters that are not incorporated into the current parameters, risk ratings, or forward looking information are examples of such circumstances. The use of management overlay may impact the amount of ECL recognized.

Significant increase in credit risk

The Group monitors all financial assets, including loan commitments issued that are subject to impairment requirements, to assess whether there has been a significant increase in credit risk since initial recognition. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience that is available without undue cost or effort. However, when a financial asset becomes 30 days past due, the Group considers that a significant increase in credit risk has occurred and the asset is classified in Stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL. Further, a stage 2 customer having other loans which are in stage 1 are considered to have significant increase in credit risk

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.6 Impairment of financial assets *(Continued)*

B. The calculation of ECLs *(Continued)*

Definition of default

The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL.

Financial assets in default represent those that are at least 90 DPD in respect of principal or interest and/or where the assets are otherwise considered to be unlikely to pay, including those that are credit-impaired.

C. Loans and advances measured at FVOCI

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to the statement of profit and loss. The accumulated loss recognised in OCI is recycled to the statement of profit and loss upon derecognition of the assets.

D. Forward looking information

In its ECL models, the Group relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time. For this purpose, the Group has used the data source of Economist Intelligence Unit.

3.7 Write-offs

The gross carrying amount of a financial asset is written off when the chances of recoveries are remote. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in Statement of profit and loss.

3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

• Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;

• Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and

• Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.9 (I) Recognition of other income

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115 :

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

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

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

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

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

A. Dividend income

Dividend income (including from FVOCI investments) is recognised when the Group’s right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

B. Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

C. Other interest income

Other interest income is recognised on a time proportionate basis.

D. Fees and commission income

Fees and commission income such as stamp and document charges, guarantee commission, service income, due diligence & evaluation changes and portfolio monitoring fees etc. are recognised on point in time basis.

3.9 (II) Recognition of other expense

A. Finance cost

Finance costs are the interest and other costs that the Group incurs in connection with the borrowing of funds. Interest expenses are computed based on effective interest rate method. Finance costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortized cost. Financial instruments include bank term loans, non-convertible debentures, commercial papers, subordinated debts, perpetual debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Finance costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other finance costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.11 Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the Group and the cost of the item can be measured reliably.

Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act. Land is not depreciated.All assets individually costing less than Rs. 5,000 are fully depreciated in the year of purchase.

The estimated useful lives are, as follows:

i) Buildings - 60 years
ii) Office equipment - 3 to 15 years
iii) Furniture and fixtures - 10 years
iv) Vehicles - 8 years

Depreciation is provided on a pro-rata basis from the date on which such asset is purchased or ready for its intended use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date. Capital work-in-progress is stated at cost, net of impairment loss, if any.

3.12 Intangible assets

The Group’s intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives (three years) using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as ‘Intangible assets under development'.

3.13 Impairment of non financial assets - property, plant and equipment and intangible assets

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.14 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:
- Leases of low value assets; and
- Leases with a duration of 12 months or less

Lease payments associated with short term leases or low value leases are recognised as an expense on a straight-line basis over the lease term.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

3.15 Retirement and other employee benefits

Defined contribution plans

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Group pays gratuity to the employees whoever has completed five years of service with the Group at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Group to the Life Insurance Corporation of India who administers the fund of the Group.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.16 Provisions, contingent liabilities and contingent assets

A. Provisions

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

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are neither recognised not disclosed in the financial statements.

3.17 Taxes

A. Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or equity.

B. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.18 Earnings per share

Basic earnings per share is computed by dividing the profit after tax (i.e. profit attributable to the owners of the parent) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.19 Dividends on ordinary shares

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Holding Company when the distribution is authorised and the distribution is no longer at the discretion of the Holding Company. As per the Act, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

3.20 Repossessed asset

In the normal course of business whenever default occurs, the Group may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle the outstanding debt.

3.21 (I) Foreign Currency Transactions

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency at rates of exchange on the reporting date.

Exchange difference on restatement of all other monetary items is recognised in the Statement of Profit and Loss.

(II) Derivatives

A derivative is a financial instrument or other contract with all three of the following characteristics:

i) Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the ‘underlying’).

ii) It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.

iii) It is settled at a future date.

The Group enters into derivative transactions with various counterparties to hedge its foreign currency exchange rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes forward contracts.

Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are recognised in the Statement of Profit and Loss.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

MAS FINANCIAL SERVICES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

(A) Equity share capital

Equity share of ₹ 10 each issued, subscribed and fully paid	
Restated balance at 1 April 2022	**54.66**
Changes in equity share capital during the year	-
Balance at 31 March 2023	**54.66**
Changes in Equity Share Capital due to prior period errors	-
Restated balance at 31 March 2023	**54.66**
Changes in equity share capital during the year	109.32
Balance at 31 March 2024	**163.99**

(B) Other equity

	Reserves and surplus					Other comprehensive income		Total
	Reserve u/s. 45-IC of RBI Act, 1934	Reserve fund u/s. 29-C of NHB Act, 1987	Equity component of compound financial instruments	Securities premium	Retained earnings	Equity instruments through OCI	Loans and advances through OCI	
Restated balance at 31 March 2022	**211.91**	**4.70**	**0.11**	**426.95**	**537.08**	*** 0.00**	**114.50**	**1,295.25**
Profit for the year	-	-	-	-	203.26	-	-	203.26
Re-measurement of defined benefit plans (net of taxes)	-	-	-	-	0.06	-	-	0.06
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(15.17)	(15.17)
Final dividend on equity shares	-	-	-	-	(9.57)	-	-	(9.57)
Interim dividend on equity shares	-	-	-	-	(9.84)	-	-	(9.84)
Transfer to reserve u/s. 45-IC of RBI Act, 1934	40.19	-	-	-	(40.19)	-	-	-
Transfer to reserve u/s. u/s. 29-C of NHB Act,1987	-	1.17	-	-	(1.17)	-	-	-
Restated balance at 31 March 2023	**252.10**	**5.87**	**0.11**	**426.95**	**679.63**	*** 0.00**	**99.33**	**1,463.99**
Profit for the year	-	-	-	-	251.05	-	-	251.05
Re-measurement of defined benefit plans (net of taxes)	-	-	-	-	(0.38)	-	-	(0.38)
Other comprehensive income (net of taxes)	-	-	-	-	-	-	42.02	42.02
Final Dividend on equity shares	-	-	-	-	(10.11)	-	-	(10.11)
Interim Dividend on equity shares	-	-	-	-	(16.40)	-	-	(16.40)
Transfer to reserve u/s. 45-IC of the RBI Act, 1934	49.55	-	-	-	(49.55)	-	-	-
Transfer to reserve u/s. 29-C of NHB Act,1987	-	1.21	-	-	(1.21)	-	-	-
Effect of changes in the Group's interest	-	0.11	0.01	-	(2.28)	-	0.03	(2.13)
On issue of bonus shares	-			(109.32)	-	-	-	(109.32)
Balance at 31 March 2024	**301.65**	**7.19**	**0.12**	**317.63**	**850.75**	*** 0.00**	**141.38**	**1,618.72**

* Represents amount less than ₹ 50,000

In terms of our report of even date attached

For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Ahmedabad
24 April 2024

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
24 April 2024

MAS FINANCIAL SERVICES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

	Year ended 31 March 2024		Year ended 31 March 2023	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax		**339.67**		271.65
Adjustments for :				
Depreciation and amortisation	**4.29**		2.72	
Finance cost	**646.71**		496.01	
Impairment on financial assets	**90.61**		53.36	
(Profit) / loss on sale of property, plant and equipment	**(0.04)**		(0.10)	
Interest income	**(1,077.09)**		(834.04)	
Gain on assignment of financial assets	**(122.32)**		(71.47)	
Net gain on fair value changes	**(2.48)**		(2.83)	
Net gain on sale of investments measured at amortized cost	**(4.84)**		(1.35)	
Unrealised gain on foreign exchange	**(0.06)**		-	
Gain on derecognition of leased asset	**(0.04)**		-	
		(465.26)		(357.70)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**(125.59)**		(86.05)
Changes in working capital:				
Adjustments for (increase)/decrease in operating assets:				
Loans	**(1,380.87)**		(1,424.68)	
Trade receivables	**(2.24)**		(3.25)	
Advances received against loan agreements	**0.47**		(6.04)	
Bank balance other than cash and cash equivalents	**(100.54)**		20.73	
Other financial asset	**(6.04)**		(14.85)	
Other non-financial asset	**(17.16)**		(7.07)	
Adjustments for increase/(decrease) in operating liabilities:				
Trade payable and other payable	**6.52**		0.38	
Other financial liabilities	**(16.06)**		(172.99)	
Other non-financial liabilities	**2.10**		(4.55)	
Provisions (Also refer note 34)	**0.62**	**(1,513.20)**	2.32	(1,610.00)
CASH GENERATED FROM / (USED IN) OPERATIONS		**(1,638.79)**		(1,696.05)
Interest income received	**975.40**		767.52	
Interest income on Investment measured at amortised cost	**76.48**		48.61	
Finance cost paid	**(698.94)**		(484.55)	
Income tax paid (net)	**(80.20)**	**272.74**	(61.47)	270.11
NET CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)		**(1,366.05)**		(1,425.94)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipments and intangible assets, including capital advances	**(22.29)**		(10.95)	
Proceeds from sale of property, plant and equipments and intangible assets	**0.11**		0.24	
Purchase of investments	**(2,628.30)**		(2,886.72)	
Redemption of investments	**2,700.56**		2,593.38	
Profit on redemption of long term investment	**-**		-	
NET CASH FLOW GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)		**50.08**		(304.05)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of shares (net)	**5.00**		0.01	
Proceeds from debt securities and borrowings	**3,842.18**		3,193.32	
Repayments of debt securities and borrowings	**(2,319.84)**		(1,283.55)	
Short term loans (Net)	**(210.28)**		(206.03)	
Repayment of lease liabilities	**(0.54)**		(0.28)	
Dividends paid	**(26.55)**		(19.45)	
NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)		**1,289.97**		1,684.02
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**(26.00)**		(45.97)
Cash and cash equivalents at the beginning of the year		**238.67**		284.64
Cash and cash equivalents at the end of the year (refer note 1 below)		**212.67**		238.67

* Represents amount less than ₹ 50,000

MAS FINANCIAL SERVICES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

Notes:

		As at 31 March 2024	As at 31 March 2023
1	Cash and bank balances at the end of the year comprises:		
	(a) Cash on hand	**0.32**	0.23
	(b) Balances with banks	**127.06**	68.36
	(c) Bank deposits with original maturity of 3 months or less	**85.29**	170.08
	Cash and cash equivalents as per the balance sheet	**212.67**	238.67

2 The above cash flow statement has been prepared under the "Indirect method" as set out in the Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.

3 The Group as at 31 March 2024 has undrawn borrowing facilities amounting to ₹ 2590.78 crores that may be available for future operating activities and to settle capital commitments.

4 **Change in liabilities arising from financing activities**

	31 March 2023	Cash flows	Non cash changes*	31 March 2024
Debt securities	627.26	-	(0.40)	626.86
Borrowings other than debt securities	5,247.57	1,262.06	(12.75)	6,496.88
Subordinated liabilities	252.70	50.00	(0.59)	302.11
Total liabilities from financing activities	**6,127.53**	**1,312.06**	**(13.74)**	**7,425.85**
	31 March 2022	**Cash flows**	**Non cash changes***	**31 March 2023**
Debt securities	362.03	266.25	(1.02)	627.26
Borrowings other than debt securities	3,939.97	1,317.49	(9.89)	5,247.57
Subordinated liabilities	137.22	120.00	(4.52)	252.70
Total liabilities from financing activities	**4,439.22**	**1,703.74**	**(15.43)**	**6,127.53**

* Non-cash changes represents the effect of amortization of transaction cost.

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached

For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Ahmedabad
24 April 2024

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
24 April 2024

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

AS AT 31 MARCH 2024

(₹ in Crores)

		As at 31 March 2024	As at 31 March 2023
5	**Cash and cash equivalents**		
	Cash on hand	**0.32**	0.23
	Balances with banks:		
	In current / cash credit accounts	**127.06**	68.36
	Bank deposits with original maturity of 3 months or less	**85.29**	170.08
	Total cash and cash equivalents	**212.67**	238.67
6	**Bank balance other than cash and cash equivalents**		
	In current accounts (refer note 1 below)	**0.14**	0.12
	Earmarked balances with banks:		
	Unclaimed dividend bank balances	**0.02**	0.02
	Unspent CSR bank balances	**5.72**	5.34
	In fixed deposit accounts:		
	Deposits given as security against borrowings and other commitments	**23.45**	22.74
	Bank deposits with original maturity of more than 3 months (refer note 2 below)	**636.50**	537.07
	Total bank balance other than cash and cash equivalents	**665.83**	565.29

Note:

1. Balance represents balance with banks in earmarked account i.e. "collection and pay-out account".
2. Represents bank deposits against overdraft facility except balance amounting to ₹ 1.63 crore as regular deposit.

		As at 31 March 2024	As at 31 March 2023
7	**Trade receivables**		
	Trade receivables considered good-secured	**-**	-
	Trade receivables considered good-unsecured	**6.54**	4.30
	Trade receivables which have significant increase in credit risk	**-**	-
	Trade receivables - credit impaired	**-**	-
	Total trade receivables	**6.54**	4.30

Notes:

1. Impairment allowance recognised on trade receivables is ₹ Nil (Previous year: ₹ Nil).
2. There is no due by directors or other officers of the Group or any firm or private company in which any director is a partner, a director or a member.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

AS AT 31 MARCH 2024

(₹ in Crores)

Trade Receivables ageing schedule as at 31 March 2024

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	5.12	1.27	0.15	-	-	**6.54**
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Trade Receivables ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	4.03	0.15	0.12	-	-	**4.30**
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

AS AT 31 MARCH 2024

(₹ in Crores)

8 Loans

	As at 31 March 2024			As at 31 March 2023		
	At fair value through OCI	**At amortised cost**	**Total**	At fair value through OCI	At amortised cost	Total
(A) (I) Bills Receivables	**-**	**121.07**	**121.07**	-	82.38	82.38
Less: Impairment loss allowance	**-**	**(0.27)**	**(0.27)**	-	(0.53)	(0.53)
Total (A) (I)-Net	**-**	**120.80**	**120.80**	-	81.85	81.85
(A) (II) Term Loans - Gross	**7,448.93**	**152.22**	**7,601.15**	6,038.39	128.76	6,167.15
Less: Impairment loss allowance	**-**	**(2.51)**	**(2.51)**	-	(2.76)	(2.76)
Total (A) (II)-Net	**7,448.93**	**149.71**	**7,598.64**	6,038.39	126.00	6,164.39
Total (A) - Net	**7,448.93**	**270.51**	**7,719.44**	6,038.39	207.85	6,246.24
(B) (i) Secured by tangible assets	**5,145.67**	**273.29**	**5,418.96**	4,510.85	211.14	4,721.99
(ii) Unsecured	**2,303.26**	**-**	**2,303.26**	1,527.54	-	1,527.54
Total (B) - Gross	**7,448.93**	**273.29**	**7,722.22**	6,038.39	211.14	6,249.53
Less: Impairment loss allowance	**-**	**(2.78)**	**(2.78)**	-	(3.29)	(3.29)
Total (B) - Net	**7,448.93**	**270.51**	**7,719.44**	6,038.39	207.85	6,246.24
(C) (I) Loans in India						
(i) Public Sector	**-**	**-**	**-**	-	-	-
(ii) Private Sector	**7,448.93**	**273.29**	**7,722.22**	6,038.39	211.14	6,249.53
Total (C) - Gross	**7,448.93**	**273.29**	**7,722.22**	6,038.39	211.14	6,249.53
Less: Impairment loss allowance	**-**	**(2.78)**	**(2.78)**	-	(3.29)	(3.29)
Total (C) (I) - Net	**7,448.93**	**270.51**	**7,719.44**	6,038.39	207.85	6,246.24
(C) (II) Loans outside India	**-**	**-**	**-**	-	-	-
Less: Impairment loss allowance	**-**	**-**	**-**	-	-	-
Total (C) (II) - Net	**-**	**-**	**-**	-	-	-
Total C(I) and C(II)	**7,448.93**	**270.51**	**7,719.44**	6,038.39	207.85	6,246.24

Loans or advances in the nature of loans are granted to promoters, directors, KMPs, and the related parties, either severally or jointly with any other person

Particulars	**As at 31 March 2024**	**% to the total Loans and Advances in the nature of loans**	As at 31 March 2023	% to the total Loans and Advances in the nature of loans
Promoter	**Nil**	**Nil**	Nil	Nil
Directors	**Nil**	**Nil**	0.13	0.00%
KMPs	**Nil**	**Nil**	Nil	Nil
Related parties	**Nil**	**Nil**	Nil	Nil

Notes:

1. The impairment on loans measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

AS AT 31 MARCH 2024

(₹ in Crores)

8.1 An analysis of changes in the gross carrying amount of loans is given below*

	31 March 2024				31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**6,028.25**	**128.70**	**135.19**	**6,292.14**	4,632.12	108.83	106.51	4,847.46
Changes in opening credit exposures (net of repayment and excluding write off)	**(4,351.55)**	**(65.35)**	**(48.93)**	**(4,465.83)**	(3,262.82)	(36.72)	(39.43)	(3,338.97)
New assets originated (net of repayment)**	**5,877.31**	**82.37**	**54.18**	**6,013.86**	4,738.69	68.37	20.77	4,827.83
Transfers from Stage 1	**(105.52)**	**45.59**	**59.93**	**-**	(91.83)	39.23	52.60	-
Transfers from Stage 2	**6.82**	**(50.80)**	**43.98**	**-**	11.85	(50.94)	39.09	-
Transfers from Stage 3	**1.33**	**0.36**	**(1.69)**	**-**	0.41	-	(0.41)	-
Amounts written off	**(0.13)**	**(1.58)**	**(47.32)**	**(49.03)**	(0.17)	(0.07)	(43.94)	(44.18)
Gross carrying amount closing balance	**7,456.51**	**139.29**	**195.34**	**7,791.14**	**6,028.25**	**128.70**	**135.19**	**6,292.14**

* The above classification also includes balance of spread receivable on assigned portfolio. (Refer note no. 10)
** New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end.

8.2 Reconciliation of ECL balance is given below:

	31 March 2024				31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**31.82**	**22.37**	**54.10**	**108.29**	46.38	13.38	45.19	104.95
Changes in opening credit exposures (net of repayment and excluding write off)	**2.98**	**2.90**	**(14.07)**	**(8.19)**	(11.12)	4.50	(10.32)	(16.94)
New assets originated (net of repayment)	**24.14**	**18.22**	**19.13**	**61.49**	25.68	13.15	6.90	45.73
Transfers from Stage 1	**(28.91)**	**9.58**	**19.33**	**-**	(29.17)	6.56	22.61	-
Transfers from Stage 2	**0.08**	**(23.31)**	**23.23**	**-**	0.05	(15.18)	15.13	-
Transfers from Stage 3	*** 0.00**	**0.05**	**(0.05)**	**-**	* 0.00	-	* 0.00	-
Amounts written off	*** 0.00**	**(0.25)**	**(26.04)**	**(26.29)**	-	(0.04)	(25.41)	(25.45)
ECL allowance - closing balance	**30.11**	**29.56**	**75.63**	**135.30**	**31.82**	**22.37**	**54.10**	**108.29**

* Represents amount less than ₹ 50,000

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

AS AT 31 MARCH 2024

(₹ in Crores)

The contractual amount outstanding on loans that have been written off during the year, but were still subject to enforcement activity is ₹ 49.03 crores at 31 March 2024 (31 March 2023: ₹ 44.18 crores).

The increase in ECL was driven by an increase in the gross amount of the portfolio, movements between stages as a result of increase in credit risk, change in probability of default, macro economic factors and management overlays due to estimated macro-economic factors. The extent to which macro-economic factors will impact current estimates of ECL is uncertain at this point of time. The Group has conducted a qualitative assessment and has considered forecasted macro economic factors and a higher probability of default to factor on impairment allowances. For further details, refer note 43.

8.3 Credit quality of loan assets

The table below shows the gross carrying amount of loans based on the Group's internal grading model and year-end stage classification of loans. The amounts presented are gross of impairment allowances. Details of the Group's internal grades are explained in note 43.1.

	31 March 2024				31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal grade								
Performing								
High quality assets	**7,456.49**	**-**	**-**	**7,456.49**	6,028.25	-	-	6,028.25
Quality assets	**-**	**68.82**	**-**	**68.82**	-	85.95	-	85.95
Standard assets	**-**	**70.48**	**-**	**70.48**	-	42.75	-	42.75
Non- performing								
Sub standard assets	**-**	**-**	**97.23**	**97.23**	-	-	45.96	45.96
Low quality assets	**-**	**-**	**98.12**	**98.12**	-	-	89.23	89.23
Total	**7,456.49**	**139.30**	**195.35**	**7,791.14**	**6,028.25**	**128.70**	**135.19**	**6,292.14**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

AS AT 31 MARCH 2024

(₹ in Crores)

9 Investments

	As at 31 March 2024			As at 31 March 2023		
	At amortised cost	At fair value through P&L	Total	At amortised cost	At fair value through P&L	Total
Investments						
Alternative investment funds	**-**	**2.36**	**2.36**	-	38.97	38.97
Pass through certificates under securitization transactions	**507.81**	**-**	**507.81**	527.76	-	527.76
Market linked debentures	**-**	**50.95**	**50.95**	-	188.25	188.25
Non - convertible debentures	**159.08**	**-**	**159.08**	31.62	-	31.62
Mutual fund units	**-**	**6.14**	**6.14**	-	4.68	4.68
Total – Gross (A)	**666.89**	**59.45**	**726.34**	559.38	231.90	791.28
(i) Investments outside India	**-**	**-**	**-**	-	-	-
(ii) Investments in India	**666.89**	**59.45**	**726.34**	559.38	231.90	791.28
Total (B)	**666.89**	**59.45**	**726.34**	559.38	231.90	791.28
Less: Allowance for impairment loss (C)	**(0.18)**	**-**	**(0.18)**	(0.24)	-	(0.24)
Total – Net D= (A)-(C)	**666.71**	**59.45**	**726.16**	559.14	231.90	791.04

10 Other financial assets

	As at 31 March 2024	As at 31 March 2023
Security deposits	**1.72**	1.17
Derivative financial instruments	**2.02**	-
Interest accrued but not due on investments	**2.75**	2.43
Spread receivable on assigned portfolio	**68.92**	42.61
Advances to dealers	**3.45**	7.63
Other Recievable	**-**	7.79
Total other financial assets	**78.86**	61.63

(₹ in Crores)

11 Property, plant and equipment and intangible assets

Nature of Assets	Property, plant and equipment (a)					Intangible assets (b)		
	Buildings	Office equipment	Furniture and fixtures	Vehicles	Total	Software	Other intangibles	Total
Cost								
At 31 March 2022	6.68	5.15	3.54	3.89	19.26	0.62	* 0.00	0.62
Additions	-	1.83	1.26	0.95	4.04	1.04	-	1.04
Disposals	-	-	-	0.42	0.42	-	-	-
At 31 March 2023	6.68	6.98	4.80	4.42	22.88	1.66	* 0.00	1.66
Additions	-	3.45	2.35	3.94	9.74	0.50	-	0.50
Disposals	-	0.05	-	1.02	1.07	-	-	-
At 31 March 2024	**6.68**	**10.38**	**7.15**	**7.34**	**31.55**	**2.16**	*** 0.00**	**2.16**
Depreciation/amortisation								
At 31 March 2022	0.55	2.74	1.17	1.87	6.33	0.40	* 0.00	0.40
Depreciation/amortization charge	0.11	0.98	0.52	0.56	2.17	0.23	* 0.00	0.23
Disposal	-	* 0.00	-	0.28	* 0.28	-	-	-
At 31 March 2023	0.66	3.72	1.69	2.15	8.22	0.63	* 0.00	0.63
Depreciation/amortization charge	0.11	1.52	0.81	0.66	3.10	0.52	-	0.52
Disposal	-	0.04	-	0.96	1.00	-	-	-
At 31 March 2024	**0.77**	**5.20**	**2.50**	**1.85**	**10.32**	**1.15**	*** 0.00**	**1.15**
Net block value:								
At 31 March 2023	6.02	3.26	3.11	2.27	14.66	1.03	* 0.00	1.03
At 31 March 2024	**5.91**	**5.18**	**4.65**	**5.49**	**21.23**	**1.01**	* 0.00	**1.01**

* Represents amount less than ₹ 50,000

Note: No revaluation of any class of asset is carried out during the year.

11 (c) Right-of-use Asset

The details of the right-of-use asset held by the Group is as follows:

Office Premises	
At 31 March 2022	3.18
Additions	0.89
Disposals	-
At 31 March 2023	**4.07**
Additions	3.50
Disposals	1.59
At 31 March 2024	**5.98**
Depreciation	
At 31 March 2022	2.57
Additions	0.32
Disposals	* 0.00
At 31 March 2023	**2.89**
Additions	0.67
Disposals	0.77
At 31 March 2024	**2.79**
Net Block Value:	
At 31 March 2023	1.18
At 31 March 2024	**3.19**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

AS AT 31 MARCH 2024

(₹ in Crores)

11 (d) Capital work in progress

Capital work in progress includes borrowing costs related to development of building amounted to ₹ 1.01 crores (31 March 2023: ₹ 1.24 crores). Finance costs are capitalised at MCLR + 1.15% p.a. - presently 10.30% p.a. for the year ended 31 March 2024.

Capital work-in-progress	
At 31 March 2022	52.04
Additions	5.62
Disposals	-
At 31 March 2023	**57.66**
Additions	12.14
Disposals	-
At 31 March 2024	**69.80**

Capital work in progress ageing schedule

Capital work in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024					
Projects in progress	12.14	5.72	1.91	50.03	69.80
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2023					
Projects in progress	5.72	1.91	1.81	48.22	57.66
Projects temporarily suspended	-	-	-	-	-

Capital work in progress completion schedule for projects where completion is overdue

Capital work in progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024					
MAS headquarters	-	-	-	69.80	69.80
As at 31 March 2023					
MAS headquarters	-	-	-	57.66	57.66

11 (e) Intangible assets under development

Intangible assets under development	
At 31 March 2022	0.04
Additions	0.33
Disposals	0.04
At 31 March 2023	**0.33**
Additions	0.24
Disposals	0.33
At 31 March 2024	**0.24**

Intangible assets under development ageing schedule

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024					
Projects in progress	0.24	-	-	-	0.24
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2023					
Projects in progress	0.33	-	-	-	0.33
Projects temporarily suspended	-	-	-	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

AS AT 31 MARCH 2024

(₹ in Crores)

		As at 31 March 2024	As at 31 March 2023
12	**Other non-financial assets**		
	Prepaid expenses	**14.36**	4.48
	Advances to employees	**0.19**	0.13
	Re-possessed assets	**8.16**	3.54
	Balance with Government Authorities	**2.39**	1.67
	Capital advances	**0.03**	0.02
	Gratuity fund [refer note 40(b)]	**1.59**	0.69
	Other advances	**1.28**	0.81
	Total	**28.00**	11.34
13	**Payables**		
	(a) Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	**0.03**	0.13
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**21.12**	14.55
	(b) Other payables		
	(i) total outstanding dues of micro enterprises and small enterprises	**-**	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**1.89**	1.84
	Total	**23.04**	16.52

Trade Payables aging schedule

Particulars	**Outstanding for following periods from due date of payment**			
	Less than 1 year	**1-2 years**	**More than 3 years**	**Total**
As at 31 March 2024				
(i) MSME	0.03	-	-	0.03
(ii) Others	21.12	-	-	21.12
(iii) Disputed dues – MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-
As at 31 March 2023				
(i) MSME	0.13	-	-	0.13
(ii) Others	14.55	-	-	14.55
(iii) Disputed dues – MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

AS AT 31 MARCH 2024

(₹ in Crores)

Micro, Small and Medium Enterprises:

Based on and to the extent of the information received by the Group from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:

		As at 31 March 2024	As at 31 March 2023
(a)	Dues remaining unpaid to any supplier at the year end		
	- Principal	-	0.13
	- Interest on above	-	-
(b)	Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
	- Principal paid beyond the appointed date	-	-
	- Interest paid in terms of Section 16 of the MSMED Act	-	-
(c)	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
(d)	Amount of interest accrued and remaining unpaid	-	-
(e)	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-

		As at 31 March 2024	As at 31 March 2023
14	**Debt securities (at amortised cost) (refer note 14.1)**		
	Secured non-convertible debentures	**531.25**	31.25
	Secured Market Linked debenture	**100.00**	600.00
	Less: Unamortised borrowing costs	**(4.39)**	(3.99)
	Total	**626.86**	627.26
	Debt securities in India	**626.86**	627.26
	Debt securities outside India	**-**	-
	Total	**626.86**	627.26
15	**Borrowings (other than debt securities) (at amortised cost)**		
	(a) Term loans (refer note no. 15.1)		
	(i) from banks		
	-In Indian Rupees	**3,544.32**	3,170.77
	-In Foreign Currency [refer note 43.3(b)]	**602.18**	-
	(ii) from NHB	**22.36**	28.53
	(iii) from other parties (financial institutions)	**1,254.76**	751.98
	(b) Loans repayable on demand from banks-cash credit/overdraft (Refer note below)	**-**	20.35
	(c) Short term loans from banks (Refer note below)	**1,114.50**	1,304.43
	Less: Unamortised borrowing costs	**(41.24)**	(28.49)
	Total	**6,496.88**	5,247.57
	Secured	**6,471.97**	5,222.70
	Unsecured	**24.91**	24.87
	Total	**6,496.88**	5,247.57
	Borrowings in India	**6,496.88**	5,247.57
	Borrowings outside India	**-**	-
	Total	**6,496.88**	5,247.57

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

AS AT 31 MARCH 2024

(₹ in Crores)

Note:

For cash credit / Overdraft and short term loans

a) Cash credit / short term loans from banks are secured by hypothecation of movable assets of the Group and goods covered under hypothecation ("HP") agreements / Loan cum HP agreements and book debts, receivables, loans and advances and entire portfolio outstanding (except specific portfolio generated from various term loans sanctioned by various banks/financial institutions on an exclusive basis) and equitable mortgage/negative lien by deposit of title deeds on some of the Group's immovable properties, as collateral security. The loans are also guaranteed by Mr. Kamlesh Chimanlal Gandhi, Mrs. Shweta Kamlesh Gandhi and Legal heirs of Late Mr. Mukesh Chimanlal Gandhi. Overdraft loans are secured against fixed deposits placed.

b) Interest rate range

Interest rate ranges from 8.75 % p.a. to 10.85 % p.a. as at 31 March 2024.

Interest rate ranges from 4.00 % p.a. to 11.55 % p.a. as at 31 March 2023.

The Group has not defaulted in repayment of borrowings and interest.

The Group has borrowings from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts of the Group.

The carrying amount of financial assets which is hypothecated against all secured borrowing inclusive of margin requirement ranging from 1.10 times to 1.25 times is amounting to ₹ 7972.01 crores (31 March 2023: ₹ 6631.46 crores).

16 Subordinated liabilities (at amortised cost)

	As at 31 March 2024	As at 31 March 2023
Unsecured debentures (refer note no. 16.1)	**310.00**	260.00
Less: Unamortised borrowing costs	**(7.89)**	(7.30)
Total	**302.11**	252.70
Subordinated liabilities in India	302.11	252.70
Subordinated liabilities outside India	**-**	-
Total	**302.11**	252.70

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*
AS AT 31 MARCH 2024

(₹ in Crores)

14 Debt securities (at amortised cost) *(Continued)*

14.1 Details of terms of redemption/repayment in respect of debt securities:

	As at 31 March 2024	As at 31 March 2023	**Terms of redemption/ repayment**	**Security**
Debentures				
500 rated, listed, redeemable, senior, secured, non-convertible debentures of ₹ 10,00,000 each	**6.25**	31.25	Coupon Rate: Benchmark Rate +173 bps Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Quarterly Tenor : 2 years	Secured by a first ranking exclusive Hypothecation charge over Assets
10,000, secured, listed, rated, unsubordinated, redeemable, transferable, non-convertible debentures ₹1,00,000 each	**100.00**	-	Coupon Rate:Benchmark Rate +271 bps Coupon Payment frequency : Quartyerly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 3 years	Secured by a first ranking exclusive Hypothecation charge over Assets
10000, rated, listed, senior, secured, redeemable, taxable, transferable, non-convertible debentures of ₹1,00,000 each	**100.00**	-	Coupon Rate:Fixed Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 year 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
12,500, fully paid, senior, secured, listed, rated, taxable, redeemable, transferable, non-convertible debentures ₹1,00,000 each	**125.00**	-	Coupon Rate:Benchmark Rate +266 bps Coupon Payment frequency : Yearly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 year 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
20,000 rated, listed, senior, secured, redeemable, transferable, taxable, non-convertible debentures of ₹1,00,000 each	**200.00**	-	Coupon Rate: Benchmark rate Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Semi annualy Tenor : 4 years	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	**-**	100.00	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 6 Month	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	**-**	100.00	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 1 day	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	**-**	100.00	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 2 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	**-**	100.00	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 Year and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	**-**	100.00	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 Year and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	**100.00**	100.00	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 2 days	Secured by a first ranking exclusive Hypothecation charge over Assets
Total debentures	**631.25**	631.25		

(₹ in Crores)

15 Borrowings (other than debt securities) (at amortised cost) *(Continued)*

15.1 Details of terms of repayment in respect of term loans: *(Continued)*

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term loans from Bank (Refer note i)				
Term Loan - 1	**-**	8.00	Repayable in 12 Quarterly installments from 30 June 2021	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 2	**25.00**	58.33	Repayable in 12 Quarterly installments from 31 March 2022	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 3	**27.95**	43.95	Repayable in 20 Quarterly installments from 30 June 2021.	Secured by a first ranking and exclusive charge on standard receivables of the Holding Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 4	**74.99**	105.00	Repayable in 20 Quarterly installments from 05 November 2021.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 5	**66.67**	133.33	Repayable in 12 Quarterly installments from 30 June 2022.	Exclusive first charge on the specific loan portfolio of the Borrower by way of hypothecation on the loan installments receivables. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 6	**41.67**	83.33	Repayable in 36 monthly installments from 01 May 2022.	First Exclusive hypothecation charge on book debts created out of Bank Loan.
Term Loan - 7	**50.09**	70.03	Repayable in 20 Quarterly installments from 31 March 2022.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are financed/ to be financed by the Holding Company out of the proposed term loan to the Holding Company.
Term Loan - 8	**-**	27.27	Repayable in 33 monthly installments from 30 July 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 9	**18.18**	36.36	Repayable in 33 monthly installments from 30 July 2022.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 10	**8.45**	12.24	Repayable in 96 monthly installments from 7 April 2018.	First and exclusive charge on land, property and commercial property under construction.
Term Loan - 11	**0.34**	2.58	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 12	**1.35**	10.32	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 13	**0.56**	4.30	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 14	**1.14**	3.40	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 15	**4.55**	13.60	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 16	**1.90**	5.67	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 17	**2.13**	4.45	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 18	**8.53**	17.80	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 19	**3.55**	7.42	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 20	**-**	13.33	Repayable in 36 monthly installments from 30 April 2021.	Secured by a first and exclusive charge on specific book debt and future receivables of the Holding Company created/to be created out of the loan availed .
Term Loan - 21	**27.94**	50.11	Repayable in 18 Quarterly installments from 30 December 2021.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

AS AT 31 MARCH 2024

(₹ in Crores)

15 Borrowings (other than debt securities) (at amortised cost) *(Continued)*

15.1 Details of terms of repayment in respect of term loans: ***(Continued)***

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term Loan - 22	**55.64**	77.78	Repayable in 18 Quarterly installments from 24 September 2022.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 23	**20.00**	40.00	Repayable in 10 Quarterly installments from 14 December 2022.	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 24	**8.30**	24.98	Repayable in 12 Quarterly installments from 16 December 2021.	Exclusive charge by way of Hypothecation of book debt/receivables arising out of bank financial assets of the borrower.
Term Loan - 25	**-**	6.50	Repayable in 16 Quarterly installments from 30 September 2019.	Secured by Hypothecation of portfolio of the Holding Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loan - 26	**-**	25.50	Repayable in 16 Quarterly installments from 29 February 2020.	Secured by Hypothecation of portfolio of the Holding Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loan - 27	**5.00**	10.00	Repayable in 16 Quarterly installments from 26 June 2021.	Exclusive charge by way of hypothecation on book debts under standard assets portfolio of the borrower eligible for Bank finance.
Term Loan - 28	**21.53**	65.99	Repayable in 18 Quarterly installments from 31 December 2020.	Exclusive charge by the way of hypothecation on specific receivables of the Holding Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 29	**42.09**	63.16	Repayable in 19 Quarterly installments from 30 September 2021.	Exclusive charge by the way of hypothecation on specific receivables of the Holding Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 30	**164.93**	225.00	Repayable in 20 Quarterly installments from 31 March 2022.	Exclusive charge by the way of hypothecation on specific receivables of the Holding Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 31	**53.85**	84.62	Repayable in 13 Quarterly installments from 29 December 2022.	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Holding Company out of the bank finance.
Term Loan - 32	**97.50**	127.50	Repayable in 20 Quarterly installments from 30 September 2022.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 33	**133.33**	200.00	Repayable in 12 Quarterly installments from 30 June 2023.	Exclusive first charge on the specific loan portfolio of the Borrower by way of hypothecation on the loan installments receivables. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 34	**24.96**	41.66	Repayable in 36 monthly installments from 30 October 2022.	Exclusive charge on the specific standard book debts/loan receivables of Holding Company.
Term Loan - 35	**15.00**	25.00	Repayable in 12 Quarterly installments from 23 December 2022.	Exclusive first charge by way of hypothecation of receivables created out of bank finance.
Term Loan - 36	**54.55**	75.00	Repayable in 33 monthly installments from 31 July 2023.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 37	**19.07**	33.60	Repayable in 36 monthly installments from 7 June 2022.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 38	**51.08**	83.55	Repayable in 36 monthly installments from 7 October 2022.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 39	**34.72**	50.00	Repayable in 36 monthly installments from 7 May 2023.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 40	**62.50**	87.50	Repayable in 16 Quarterly installments from 31 December 2022.	Secured by exclusive charge on the book debt and receivables of the Holding Company
Term Loan - 41	**112.50**	142.50	Repayable in 20 Quarterly installments from 29 March 2023.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

AS AT 31 MARCH 2024

(₹ in Crores)

15 Borrowings (other than debt securities) (at amortised cost) *(Continued)*

15.1 Details of terms of repayment in respect of term loans: *(Continued)*

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term Loan - 42	**68.75**	93.75	Repayable in 16 Quarterly installments from 31 March 2023.	Secured by exclusive charge on the book debt and receivables of the Holding Company
Term Loan - 43	**120.00**	150.00	Repayable in 20 Quarterly installments from 31 May 2023.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 44	**41.64**	75.00	Repayable in 12 Quarterly installments from 29 September 2022.	First & Exclusive charge by way of hypothecation on the Borrower's specific loan receivables.
Term Loan - 45 (refer note below)	**300.33**	380.00	Repayable in 20 Quarterly installments from 31 January 2023.	Secured by Hypothecation of portfolio of the Holding Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Note : Out of the Above ₹ 300.33 crore outstanding as on 31 March 2024, ₹ 23.29 crore is in Indian Rupees and remaining amount of ₹ 277.04 crore is in foreign currency.				
Term Loan - 46	**25.00**	30.00	Repayable in 30 monthly installments from 6 November 2023.	Exclusive charge by way of hypothecation of the specific receivables/book debt of the Holding Company
Term Loan - 47	**16.00**	29.71	Repayable in 36 monthly installments from 29 July 2022.	Secured by a first and exclusive charge on specific book debt and future receivables of the Holding Company created/to be created out of the loan availed .
Term Loan - 48	**11.66**	18.33	Repayable in 12 Quarterly installments from 31 March 2023.	Secured by exclusive charge on the book debt and receivables of the Holding Company
Term Loan - 49	**14.17**	24.17	Repayable in 36 monthly installments from 25 September 2022.	Secured by first and exclusive charge on Book Debts/ Loan assets of the Holding Company
Term Loan - 50	**126.92**	-	Repayable in 13 Quarterly installments from 20 December 2023	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Holding Company out of the bank finance.
Term Loan - 51	**23.08**	-	Repayable in 13 Quarterly installments from 16 March 2024 .	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Holding Company out of the bank finance.
Term Loan - 52	**170.00**	-	Repayable in 20 Quarterly installments from 30 September 2023.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 53	**18.10**	-	Repayable in 36 monthly installments from 01 June 2023	First and Exclusive charge by Hypothecation of Book Debts
Term Loan - 54	**89.97**	-	Repayable in 20 Quarterly installments from 31 Decemmber 2023.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are financed/ to be financed by the Holding Company out of the proposed term loan to the Holding Company.
Term Loan - 55	**22.91**	-	Repayable in 12 Quarterly Installments from 28 March, 2024	Exclusive charge on book debts by way of hypothecation on specific standard receivables of the Holding Company
Term Loan - 56	**50.00**	-	Repayable in 36 monthly installments from 28 April 2024.	Exclusive charge on the specific standard book debts/loan receivables of Holding Company.
Term Loan - 57	**44.00**	-	Repayable in 36 monthly installments from 7 May 2024.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 58	**84.86**	-	Repayable in 36 monthly installments from 7 February 2024.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 59	**82.86**	-	Repayable in 36 monthly installments from 7 October 2023.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed .
Term Loan - 60	**135.00**	-	Repayable in 20 Quarterly installments from 30 November 2023	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 61	**67.50**	-	Repayable in 20 Quarterly installments from 28 December 2023	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

AS AT 31 MARCH 2024

(₹ in Crores)

15 Borrowings (other than debt securities) (at amortised cost) *(Continued)*

15.1 Details of terms of repayment in respect of term loans: *(Continued)*

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term Loan - 62	**71.25**	-	Repayable in 20 Quarterly installments from 05 February 2024	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 63	**37.50**	-	Repayable in 12 Quarterly installments from 30 September 2023.	First & Exclusive charge by way of hypothecation on the Borrower's specific loan receivables.
Term Loan - 64	**41.67**	-	Repayable in 12 Quarterly Installments from 31 October 2023	Hypothecation on the Specific unencunbered secured standard loan receivales and book debts of the Holding Company arising from loans and advances.
Term Loan - 65	**75.00**	-	Repayable in 36 monthly installments from 30 July 2023.	Secured by a first and exclusive charge on specific book debt and future receivables of the Holding Company created/to be created out of the loan availed .
Term Loan - 66 (refer note below)	**451.52**	-	Repayable in 20 Quarterly installments from 25 December 2023.	Secured by Hypothecation of portfolio of the Holding Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Note : Out of the Above ₹ 451.52 crore outstanding as on 31 March 2024, ₹ 151.52 crore is in Indian Rupees and remaining amount of 300 crore is in foreign currency				
Term Loan - 67	**100.00**	-	Repayable in 36 monthly installments from 30 April 2024.	Secured by a first and exclusive charge on specific book debt and future receivables of the Holding Company created/to be created out of the loan availed .
Term Loan - 68	**83.30**	-	Repayable in 12 Quarterly installments from 31 December 2023.	Exclusive charge by the way of hypothecation on specific receivables of the Holding Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 69	**187.50**	-	Repayable in 16 Quarterly Installments from 31 march, 2024	Exclusive First charge by way of hypothecation over speicifc Standard receivables.
Term Loan - 70	**-**	5.00	Repayment in 36 Monthly Instalments from 03 April 2021	The Term loan shall be secured by exclusive hypothecation of present & future loan receivables of the MRHMFL created out of the loan. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 71	**-**	1.05	Repayment in 24 Quarterly Instalments starting from 31 March 2017	Loan is secured by hypothecation charge on portfolio created form the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.
Term Loan - 72	**-**	0.39	Repayment in 24 Quarterly Instalments starting from 31 March 2017	Loan is secured by hypothecation charge on portfolio created form the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.
Term Loan - 73	**-**	0.21	Repayment in 24 Quarterly Instalments starting from 30 June 2017	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.
Term Loan - 74	**-**	0.83	Repayment in 24 Quarterly Instalments starting from 30 June 2017	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.
Term Loan - 75	**2.48**	4.56	Repayment in 57 Monthly Instalments starting from 30 October 2020	Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the MRHMFL out of the bank finance to the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 76	**13.94**	21.33	Repayment in 60 Monthly Instalments starting from 30 July 2021	Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the MRHMFL out of the bank finance to the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 77	**2.06**	3.74	Repayment in 24 Quarterly Instalments starting from 31 January 2019	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets).Personal Guarantee of Mr. Kamlesh Gandhi.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

AS AT 31 MARCH 2024

(₹ in Crores)

15 Borrowings (other than debt securities) (at amortised cost) *(Continued)*

15.1 Details of terms of repayment in respect of term loans: *(Continued)*

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term Loan - 78	**1.22**	2.06	Repayment in 24 Quarterly Instalments starting from 30 September 2019	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets).Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 79	**3.69**	5.35	Repayment in 24 Quarterly Instalments from 31 December 2020	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets).Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 80	**6.84**	9.97	Repayment in 24 Quarterly Instalments from 30 June 2021	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets).Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 81	**6.99**	11.10	Repayment in 26 Quarterly Instalments starting from 28 February 2019	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mrs Shweta Gandhi.
Term Loan - 82	**0.40**	2.08	Repayment in 24 Quarterly Instalments from 31 March 2018	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the MRHMFL (identified loan assets) sufficient to provide one time security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 83	**-**	11.11	Repayment in 18 Quarterly Instalments from 30 June 2019	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the MRHMFL (identified loan assets) sufficient to provide security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 84	**4.50**	6.50	Repayment in 20 Quarterly Instalments from 25 September 2021	Exclusive charge by way of hypothecation of book debts, which are financed/ to be financed by the MRHMFL out of the bank financed to the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 85	**24.21**	32.00	Repayment in 10 Quarterly Instalments from 25 June 2022	Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the MRHMFL out of the bank finance to the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 86	**6.78**	8.21	Repayment in 28 Quarterly Instalments from 31 March 2022	First & Exclusive Charge by way of Hypothecation of such of the book debts, which are financed to be financed by the MRHMFL out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 87	**7.00**	9.00	Repayment in 20 Quarterly Instalments from 22 December 2022	Exclusive charge by way of hypothecation of book debts, which are financed/ to be financed by the MRHMFL out of the bank financed to the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 88	**19.63**	25.00	Repayment in 48 Monthly Instalments from 15 April 2023	First Exclusive charge by way of hypothecation on the MRHMFL's present and future loan receivables. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 89	**8.21**	9.64	Repayment in 28 Quarterly Instalments from 8 March 2023	First & Exclusive Charge by way of Hypothecation of such of the book debts, which are financed to be financed by the MRHMFL out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi
Term Loan - 90	**24.07**	-	Exclusive charge by way of hypothecation of such book debts , which are financed/to be financed by the company out of bank finance.	Exclusive charge by way of hypothecation of such book debts , which are financed/to be financed by the MRHMFL out of bank finance.
Term Loan - 91	**14.46**	-	Repayment in 84 monthly installments from 21 January 2024	Exclusive charge by way of hypothecation of specific loan receivables/ book debts of the MRHMFL.
Term Loan - 92	**9.00**	-	Repayment in 20 Quarterly Instalments from 27 December 2023	Exclusive charge by way of hypothecation of book debts, which are financed/ to be financed by the company out of the bank financed to the Company. Personal Guarantee of Mr. Kamlesh Gandhi.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

AS AT 31 MARCH 2024

(₹ in Crores)

15 Borrowings (other than debt securities) (at amortised cost) *(Continued)*

15.1 Details of terms of repayment in respect of term loans: (Continued)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term Loan - 93	**5.00**	-	Repayment in 60 monthly installments from 07 May 2024	First & Exclusive Hypothecation of book debts / receivables
Term Loan - 94	**22.50**	-	Repayment in 20 Quarterly Instalments from 30 November 2023	Exclusive charge on present and future book debts and receivables
Term Loan - 95	**9.73**	-	Repayment in 84 monthly installments from 30 January 2024	Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the company out of the bank finance to the company. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 96	**25.15**	-	Repayment in 40 Quarterly Instalments from 30 April 2024	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mrs Shweta Gandhi.
Note: Out of the Above ₹ 25.15 crore outstanding as on 31 March 2024, ₹ 0.01 crore is in Indian Rupees and remaining amount of ₹ 25.14 crore is in foreign currency				
Term Loan - 97	**13.39**	-	Repayment in 28 Quarterly Instalments from 30 September 2023	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Company (identified loan assets) sufficient to provide security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 98	**13.25**	-	Repayment in 60 Monthly Instalments starting from 25 September 2023	First and Exclusive Charge on book debt/Loan Assets of the MRHMFL
Total term loans from banks	**4,146.50**	3,170.77		

Note (i):

Interest rate ranges from 6.76% p.a to 11.70% p.a as at 31 March 2024.

Interest rate ranges from 8.65% p.a to 11.90% p.a as at 31 March 2023.

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term loans from NHB (Refer note ii)				
Term Loan from NHB - 1	**0.73**	1.25	Repayment in 39 Quarterly Instalments from 01 July 2017	First & Exclusive Hypothecation of Specific Receivables of the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.
Term Loan from NHB - 2	**1.04**	1.48	Repayment in 39 Quarterly Instalments from 01 October 2017	First & Exclusive Hypothecation of Specific Receivables of the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.
Term Loan from NHB - 3	**1.12**	1.38	Repayment in 60 Quarterly Instalments from 01 October 2019	First & Exclusive Hypothecation of Specific Receivables of the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.
Term Loan from NHB - 4	**-**	0.10	Repayment in 60 Quarterly Instalments from 01 October 2019	First & Exclusive Hypothecation of Specific Receivables of the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.
Term Loan from NHB - 5	**1.96**	2.35	Repayment in 60 Quarterly Instalments from 01 July 2020	First & Exclusive Hypothecation of Specific Receivables of the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.
Term Loan from NHB - 6	**1.80**	2.12	Repayment in 39 Quarterly Instalments from 01 October 2020	First & Exclusive Hypothecation of Specific Receivables of the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.
Term Loan from NHB - 7	**0.50**	0.62	Repayment in 39 Quarterly Instalments from 31 July 2020	First & Exclusive Hypothecation of Specific Receivables of the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.
Term Loan from NHB - 8	**0.46**	0.79	Repayment in 51 Quarterly Instalments from 01 July 2014	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the MRHMFL. Corporate Guarantee of MAS Financial Services Ltd.
Term Loan from NHB - 9	**4.76**	6.52	Repayment in 27 Quarterly Instalments from 01 October 2022	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan from NHB - 10	**1.41**	1.94	Repayment in 36 Quarterly Instalments from 01 October 2022	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*
AS AT 31 MARCH 2024

(₹ in Crores)

15 Borrowings (other than debt securities) (at amortised cost) *(Continued)*

15.1 Details of terms of repayment in respect of term loans: (Continued)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term Loan from NHB - 11	**4.38**	5.00	Repayment in 27 Quarterly Instalments from 01 July 2023	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi and Bank Guarantee of ICICI Bank Ltd.
Term Loan from NHB - 12	**3.96**	4.73	Repayment in 27 Quarterly Instalments from 01 July 2023	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi and Bank Guarantee of ICICI Bank Ltd.
Term Loan from NHB - 13	**0.23**	0.27	Repayment in 40 Quarterly Instalments from 01 July 2023	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the MRHMFL. Personal Guarantee of Mr. Kamlesh Gandhi and Bank Guarantee of ICICI Bank Ltd.
Total term loans from NHB	**22.36**	28.53		
Note (ii): Interest rate ranges from 2.80% p.a to 9.60% p.a as at 31 March 2024. Interest rate ranges from 2.80% p.a to 8.90% p.a as at 31 March 2023.				
Term loans from others (Refer note iii)				
Term Loans from a Financial Institution - 1	**-**	8.50	Repayable in 36 monthly installments from 31 January 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Holding Company created out of the loan availed.
Term Loans from a Financial Institution - 2	**-**	5.33	Repayable in 36 monthly installments from 30 April 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Holding Company created out of the loan availed.
Term Loans from a Financial Institution - 3	**25.00**	25.00	Bullet Repayment on 17 August 2026.	N.A.
Term Loans from a Financial Institution - 4	**8.33**	25.00	Repayable in 36 monthly installments from 31 October 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Holding Company created out of the loan availed.
Term Loans from a Financial Institution - 5	**20.00**	33.33	Repayable in 12 Quarterly installments from 5 October 2022.	Secured by exclusive charge on the book debt and receivables of the Holding Company
Term Loans from a Financial Institution - 6	**37.25**	62.08	Repayable in 36 monthly installments from 5 October 2022.	Secured by exclusive first charge on the loan portfolio of the borrower by way of hypothecation on the loan installments receivables created from of the proceeds of the facility.
Term Loans from a Financial Institution - 7	**80.00**	120.00	Repayable in 20 Quarterly installments from 30 June 2021.	Exclusive charge by way of hypothecation of the specific receivables/book debts. Liquid collateral of 10% of the sanctioned amount.
Term Loans from a Financial Institution - 8	**36.35**	50.00	Repayable in 11 Quarterly installments from 10 July 2023.	Secured by Exclusive first charge by way of hypothecation of book debts and receivables charged exclusive for the loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 9	**75.00**	135.00	Repayable in 30 monthly installments from 10 January 2023.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Holding Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 10	**75.70**	129.10	Repayable in 31 monthly installments from 10 February 2023.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Holding Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

AS AT 31 MARCH 2024

(₹ in Crores)

15 Borrowings (other than debt securities) (at amortised cost) *(Continued)*

15.1 Details of terms of repayment in respect of term loans: (Continued)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term Loans from a Financial Institution - 11	**53.53**	85.05	Repayable in 36 monthly installments from 10 October 2022.	Secured by hypothecation of specific book debts created out of the loan availed.
Term Loans from a Financial Institution - 12	**21.88**	-	Repayable in 8 Quarterly installments from 31 March 2024	Secured by exclusive charge on the book debt and receivables of the Holding Company
Term Loans from a Financial Institution - 13	**66.67**	-	Repayable in 36 monthly installments from 5 October 2023.	Secured by exclusive first charge on the loan portfolio of the borrower by way of hypothecation on the loan installments receivables created from of the proceeds of the facility.
Term Loans from a Financial Institution - 14	**175.00**	-	Bullet Repayment on 11 December 2026.	Secured by Exclusive first charge by way of hypothecation of book debts and receivables charged exclusive for the loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 15	**72.72**	-	Repayable in 11 quarterly installments from 01 April, 2024	First and exclusive charge by way of Hypothecation on standard book debts
Term Loans from a Financial Institution - 16	**52.00**	-	Repayable in 33 Monthly installments from 31 May 2024	First and exclusive charge by way of Hypothecation on standard book debts
Term Loans from a Financial Institution - 17	**45.09**	-	Repayable in 36 Monthly installments from 05 December 2023	First and exclusive charge by way of Hypothecation over the standard loan receivables
Term Loans from a Financial Institution - 18	**79.51**	-	Repayable in 33 monthly installments from 10 March 2024.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Holding Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 19	**100.00**	-	Repayable in 33 monthly installments from 10 June 2024.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Holding Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 20	**118.00**	-	Repayable in 33 monthly installments from 10 June 2024.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Holding Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 21	**-**	2.50	Repayment in 36 Monthly Instalments starting from 31 January 2021	The Loan is secured by Exclusive first charge on the loan portfolio of the Borrower by way of hypothecation on the loan instalments receivables created from the proceeds of the Facility. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 22	**11.00**	15.00	Repayment in 60 Monthly Instalments starting from 15 January 2022	Exclusive charge on specific loan assets / book debts of the MRHMFL assigned to TCFSL. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loans from a Financial Institution - 23	**11.95**	14.42	Repayment in 60 Monthly Instalments starting from 01 February 2023	Exclusive charge on hypothecation on specific receivables to be maintained at all times during currency of ABFL loan.
Term Loans from a Financial Institution - 24	**3.93**	4.64	Repayment in 84 Monthly Instalments starting from 1 November 2022	Exclusive charge on hypothecation on specific receivables to be maintained at all times during currency of SHFL loan.
Term Loans from a Financial Institution - 25	**8.21**	9.64	Repayment in 84 Monthly Instalments starting from 01 February 2023	Exclusive charge on hypothecation on specific receivables to be maintained at all times during currency of SHFL loan.
Term Loans from a Financial Institution - 26	**8.21**	9.64	Repayment in 84 Monthly Instalments starting from 01 February 2023	Exclusive charge on hypothecation on specific receivables to be maintained at all times during currency of SHFL loan.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

AS AT 31 MARCH 2024

(₹ in Crores)

15 Borrowings (other than debt securities) (at amortised cost) *(Continued)*

15.1 Details of terms of repayment in respect of term loans: (Continued)

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term Loans from a Financial Institution - 27	**13.01**	17.74	Repayment in 52 Monthly Instalments starting from 15 October 2022	Exclusive charge on specific loan assets / book debts of the MRHMFL assigned to TCFSL . Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loans from a Financial Institution - 28	**47.50**	-	Repayment in 60 Monthly Instalments starting from 05 Janaury 2024	First and exclusive charge by way of hypothecation over the standard loan receivables
Term Loans from a Financial Institution - 29	**8.93**	-	Repayment in 84 Monthly Instalments starting from 31 July 2023	Exclusive charge on hypothecation on specific receivables to be maintained at all times during currency of SHFL loan.
Total term loans from others	**1,254.76**	751.98		

Note (iii):
Interest rate ranges from 7.50% p.a to 11.90% p.a as at 31 March 2024.
Interest rate ranges from 7.50% p.a to 11.50% p.a as at 31 March 2023.

16 Subordinated liabilities (at amortised cost)

16.1 Details of terms of redemption/repayment in respect of subordinated liabilities:

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Subordinated liabilities				
50, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 100 lakhs each	**50.00**	50.00	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
500, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 10 lakhs each	**50.00**	50.00	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years	N.A.
250, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 10 lakhs each	**25.00**	25.00	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
3500, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 1 lakhs each	**35.00**	35.00	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years	N.A.
5000, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 1 lakhs each	**50.00**	50.00	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
5000, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 1 lakhs each	**50.00**	50.00	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
5000, 10.75% rated, listed, subordinated, unsecured, redeemable, taxable, transferable, non-convertible debentures of ₹ 1 lakhs each	**50.00**	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
Total subordinated liabilities	**310.00**	260.00		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continue*

AS AT 31 MARCH 2024

(₹ in Crores)

		As at 31 March 2024	As at 31 March 2023
17	**Other financial liabilities**		
	Interest accrued but not due on borrowings	**32.07**	70.55
	Interest accrued but not due on others	**0.07**	0.08
	Dues to the assignees towards collections from assigned receivables	**181.66**	213.21
	Security deposits received from borrowers	**1.33**	1.92
	Advances received against loan agreements	**2.53**	2.06
	Unpaid dividend on equity shares	**0.02**	0.02
	Dealer advances	**7.12**	5.13
	Lease liability	**3.38**	1.28
	Liabilities for expenses	**8.13**	-
	Other payable	**22.05**	16.09
	Total other financial liabilities	**258.36**	310.34

Note :

There are no amounts that are due and remain unpaid to Investor Education and Protection Fund as at the close of the year.

		As at 31 March 2024	As at 31 March 2023
18	**Provisions**		
	Provision for employee benefits (Refer note 40)		
	Compensated absences	**0.29**	0.17
	Provision for unspent CSR liability	**9.82**	9.32
	Total provisions	**10.11**	9.49
19	**Other non-financial liabilities**		
	Statutory remittances	**4.90**	3.60
	Income received in advance	**1.81**	1.01
	Total other non-financial liabilities	**6.71**	4.61

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

AS AT 31 MARCH 2024

(₹ in Crores)

20 Equity share capital

		As at 31 March 2024	As at 31 March 2023
Authorized shares:			
20,00,00,000	Equity Shares of ₹ 10 each (As at 31 March 2023: 6,40,00,000 Equity Shares of ₹ 10 each)	**200.00**	64.00
-	0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31 March 2023: 2,20,00,000 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	**-**	22.00
-	13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31 March 2023: 2,20,00,000 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	**-**	22.00
-	9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each (As at 31 March 2023: 400 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each)	**-**	4.00
		200.00	112.00
Issued, subscribed and fully paid-up shares:			
16,39,86,129	Equity Shares of ₹ 10 each fully paid-up (As at 31 March 2023: 5,46,62,043 Equity Shares of ₹ 10 each)	**163.99**	54.66
		163.99	54.66

Note :

1. During the current year, pursuant to the approval of shareholders at the Extra Ordinary General Meeting held on February 09, 2024, the Authorized Share Capital of the Holding Company comprising of ₹ 112,00,00,000/- (Rupees One Hundred and Twelve Crores Only) divided into 6,40,00,000 (Six Crores and Forty Lakh) Equity Shares of ₹ 10 (Rupees Ten Only) each, 400 (Four Hundred) - 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 (Rupees One Lakh Only) each, 2,20,00,000 (Two Crore Twenty Lakh) 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 (Rupees Ten Only) each and 2,20,00,000 (Two Crore Twenty Lakh) - 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 (Rupees Ten Only) each was reclassified into ₹ 112,00,00,000/- (Rupees One Hundred and Twelve Crores Only) divided into 11,20,00,000 (Eleven Crores and Twenty Lakh) Equity Shares of ₹ 10 (Rupees Ten Only) each.

2. During the current year, pursuant to the approval of shareholders at the Extra Ordinary General Meeting held on February 09, 2024, the Authorised share capital of the Holding Company has been increased from ₹ 112,00,00,000/- (Rupees One Hundred and Twelve Crores Only) divided into 11,20,00,000 (Eleven Crores and Twenty Lakh) Equity Shares of ₹ 10 (Rupees Ten Only) each to ₹ 200,00,00,000/- (Rupees Two Hundred Crores Only) divided into 20,00,00,000 (Twenty Crores) Equity Shares of ₹ 10 (Rupees Ten Only) each.

20.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	**(₹ in Crores)**	No. of Shares	(₹ in Crores)
Equity Shares				
Outstanding at the beginning of the year	**5,46,62,043**	**54.66**	5,46,62,043	54.66
Add: Bonus shares issued during the year	**10,93,24,086**	**109.32**	-	-
Outstanding at the end of the year	**16,39,86,129**	**163.99**	5,46,62,043	54.66

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

Class of shares / Name of shareholder	**As at 31 March 2024**		As at 31 March 2023	
	Number of shares held	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity shares				
Shweta Kamlesh Gandhi	**4,90,15,350**	**29.89%**	1,63,38,450	29.89%
Mukesh C. Gandhi (Refer note below)	**4,84,70,442**	**29.56%**	1,61,56,814	29.56%
Kamlesh C. Gandhi	**1,90,21,524**	**11.60%**	63,40,508	11.60%
Vistra ITCL I Ltd Business Excellence Trust III India Business	**1,21,33,737**	**7.40%**	40,44,579	7.40%

Note:

Mr. Mukesh C. Gandhi has passed away on 19 January 2021.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

AS AT 31 MARCH 2024

(₹ in Crores)

20.3 The Holding Company has not allotted any share pursuant to contracts without payment being received in cash nor has it bought back any shares during the preceding period of 5 financial years.

20.4 Terms/ rights attached to equity shares

The Holding Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Holding Company, the equity shareholders of the Holding Company will be entitled to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

20.5 Details of shares held by promoters (including promoter group) of the Company:

Promoter and promoter group name	**As at 31 March 2024**		As at 31 March 2023		
	Number of shares held	**% holding in that class of shares**	Number of shares held	% holding in that class of shares	% Change during the current year (23-24) #
Equity shares					
Shweta Kamlesh Gandhi	**4,90,15,350**	**29.89%**	1,63,38,450	29.89%	200.00%
Mukesh C. Gandhi (Refer note below)	**4,84,70,442**	**29.56%**	1,61,56,814	29.56%	200.00%
Kamlesh C. Gandhi	**1,90,21,524**	**11.60%**	63,40,508	11.60%	200.00%
Prarthana Marketing Private Limited	**39,52,671**	**2.41%**	13,17,557	2.41%	200.00%
Anamaya Capital LLP	**2,99,982**	**0.18%**	99,994	0.18%	200.00%
Dhvanil K. Gandhi	**1,05,831**	**0.06%**	35,277	0.06%	200.00%
Dhriti K. Gandhi	**36,162**	**0.02%**	12,054	0.02%	200.00%

Note: Mr. Mukesh C. Gandhi has passed away on 19 January 2021.

During the current year, pursuant to the approval of shareholders at the Extra Ordinary General Meeting held on February 09, 2024, the Holding Company has issued 10,93,24,086 (Ten Crore Ninety Three Lakh Twenty Four Thousand and Eighty Six) fully paid up Equity Shares of Rs. 10/- each as Bonus Shares in the ratio of 2:1 (2 Bonus shares for every 1 equity shares held on February 22, 2024) by utilizing Securities Premium Account. These Equity shares have been alloted on February 24, 2024.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

AS AT 31 MARCH 2024

(₹ in Crores)

		As at 31 March 2024	As at 31 March 2023
21	**Other equity (refer note 21.1)**		
	Reserve under section 45-IC of Reserve Bank of India Act, 1934 (the "RBI Act, 1934")		
	Outstanding at the beginning of the year	**252.10**	211.91
	Additions during the year	**49.55**	40.19
	Outstanding at the end of the year	**301.65**	252.10
	Equity component of compound financial instruments- optionally convertible preference shares		
	Outstanding at the beginning of the year	**0.11**	0.11
	Add: Effect of changes in the Group's interest	**0.01**	-
	Outstanding at the end of the year	**0.12**	0.11
	Reserve fund under section 29C of The National Housing Bank Act, 1987 ("NHB Act")		
	Opening balance		
	a. Statutory reserve u/s 29C of NHB Act	**0.60**	0.27
	b. Amount of special reserve u/s 36(i)(viii) of Income-tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act	**5.27**	4.43
	c. Total	**5.87**	**4.70**
	Addition / appropriation / withdrawal during the year		
	Add:		
	a. Amount transferred u/s 29C of the NHB Act	**0.36**	0.33
	b. Amount of special reserve u/s 36(i)(viii) of Income-tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act	**0.85**	0.84
	Less:		
	a. Amount appropriated u/s 29C of NHB Act	**-**	-
	b. Amount withdrawn from special reserve u/s 36(i)(viii) of Income-tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act	**-**	-
	Add: Effect of changes in the Group's interest		
	a. Statutory reserve u/s 29C of NHB Act	**0.01**	-
	b. Amount of special reserve u/s 36(i)(viii) of Income-tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act	**0.10**	-
	Closing balance		
	a. Statutory reserve u/s 29C of NHB Act	**0.97**	0.60
	b. Amount of special reserve u/s 36(i)(viii) of Income-tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act	**6.22**	5.27
	c. Total	**7.19**	**5.87**
	Securities premium		
	Outstanding at the beginning of the year	**426.95**	426.95
	Deductions during the year (On issue of bonus shares)	**(109.32)**	-
	Outstanding at the end of the year	**317.63**	426.95

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

AS AT 31 MARCH 2024

(₹ in Crores)

	As at 31 March 2024	As at 31 March 2023
21 Other equity *(Continued)*		
Retained earnings		
Outstanding at the beginning of the year	**679.63**	537.08
Profit for the year	**251.05**	203.26
Effect of changes in the Group's interest	**(2.28)**	-
Item of other comprehensive income recognised directly in retained earnings		
On defined benefit plan	**(0.38)**	0.05
	928.02	740.39
Appropriations:		
Transfer to reserve under section 45-IC of the RBI Act,1934	**(49.55)**	(40.19)
Reserve u/s.29C of NHB Act and special reserve u/s 36(1)(viii) of Income-tax Act, 1961	**(1.21)**	(1.16)
Final dividend on equity shares	**(10.11)**	(9.57)
Interim dividend on equity shares	**(16.40)**	(9.84)
Total appropriations	**(77.27)**	(60.76)
Retained earnings	**850.75**	679.63
Other comprehensive income		
Outstanding at the beginning of the year	**99.33**	114.50
Loans and advances through other comprehensive Income	**20.06**	(25.24)
Impairment on loans and advances through OCI	**27.01**	3.72
Income tax relating to items that will be reclassified to profit or loss	**(5.05)**	6.35
Effect of changes in the Group's interest	**0.03**	-
Other comprehensive income for the year, net of tax	**141.38**	99.33
Total other equity	**1,618.72**	1,463.99

21.1 Nature and purpose of reserve

1 Reserve u/s. 45-IC of the RBI Act, 1934

Reserve u/s. 45-IC of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

2 Reserve fund u/s. 29C of NHB Act

Special reserve has been created in terms of section 36(1) (viii) of the Income-tax Act, 1961 out of the distributable profits of the subsidiary company. As per section 29C of NHB Act, the subsidiary company is required to transfer at least 20% of its net profits prior to distribution of dividend every year to a reserve. For this purpose any special reserve created by the subsidiary company in terms of section 36(1) (viii) of the Income-tax Act, 1961 is considered an eligible transfer.

3 Equity component of compound financial instruments - optionally convertible preference shares

Equity component of compound financial instruments represents equity component of OCPS of subsidiary company.

4 Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 the Act.

(₹ in Crores)

21 Other equity *(Continued)*

21.1 Nature and purpose of reserve *(Continued)*

5 Retained earnings

Retained earnings is the accumulated available profit of the Group carried forward from earlier years. These reserve are free reserves which can be utilised for any purpose as may be required.

The Group recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings with separate disclosure, which comprises of:

i) actuarial gains and losses;
ii) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
iii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

6 Other comprehensive income

On equity investments

The Holding Company has elected to recognise changes in the fair value of investments in equity securities in OCI. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from these reserves to retained earnings when the relevant equity securities are derecognised.

On loans and advances

The Group recognises changes in the fair value of loans and advances in OCI. These changes are accumulated within the FVOCI - loans and advances reserve within equity. The Group transfers amounts from these reserves to retained earnings when the loans and advances are sold. Further, impairment loss allowances on the loans measured at FVOCI are recognised in OCI.

21.2 Equity dividend paid and proposed

	31 March 2024	31 March 2023
Declared and paid during the year (Pre-Bonus)		
Dividends on equity shares:		
Final dividend for 31 March 2023: ₹ 1.85 per share (31 March 2022: ₹ 1.75 per share)	**10.11**	9.57
Interim dividend for 31 March 2024: ₹ 3.00 per share (31 March 2023 : ₹ 1.80 per share)	**16.40**	9.84
Total dividend paid	**26.51**	19.41

	31 March 2024	31 March 2023
Proposed for approval at Annual General Meeting (not recognised as a liability)		
Dividend on equity shares:		
Final dividend for 31 March 2024: ₹ 0.51 per share (31 March 2023: ₹ 1.85 per share)	**8.36**	10.11

Note : During the F.Y 2023-24 Holding Company has paid the interim dividend of ₹ 3.00 per share - pre bonus - (₹ 1 ex-bonus). Additionally, the Board has proposed the final dividend @ 5.10% i.e. ₹ 0.51 per share subject to the approval of the Members in the ensuing Annual General Meeting.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

22 Interest income

	Year ended 31 March 2024			Year ended 31 March 2023		
	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	Total	On financial assets measured at FVOCI	On financial assets measured at amortised cost	Total
Interest on loans	**891.30**	**45.84**	**937.14**	700.96	22.92	723.88
Interest income from investments	**-**	**76.80**	**76.80**	-	50.37	50.37
Interest on deposits with banks	**-**	**57.42**	**57.42**	-	39.46	39.46
Other interest income	**5.55**	**0.18**	**5.73**	3.69	16.64	20.33
Total	**896.85**	**180.24**	**1,077.09**	**704.65**	**129.39**	**834.04**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

		Year ended 31 March 2024	Year ended 31 March 2023
23	**Net Gain on Fair Value Changes**		
	Net gain on financial instruments at fair value through profit or loss - Investments	**13.27**	22.19
	Fair value changes:		
	- Realised	**10.79**	19.36
	- Unrealised	**2.48**	2.83
	Total	**13.27**	22.19
24	**Other income**		
	Net gain/(loss) on derecognition of property, plant and equipment	**0.04**	0.10
	Net gain on sale of investments measured at amortized cost	**4.84**	1.35
	Gain on derecognition of leased asset	**0.04**	-
	Gain on foreign currency transactions	**0.06**	-
	Income from non-financing activity	**1.54**	0.98
	Total	**6.52**	2.43
25	**Finance cost**		
	(On financial liabilities measured at amortised cost)		
	Interest on borrowings	**533.60**	368.19
	Interest on debt securities	**52.29**	51.76
	Interest on subordinated liabilities	**29.55**	14.70
	Other interest expense	**0.11**	36.03
	Other borrowing cost	**30.94**	25.23
	Lease liability interest obligation	**0.22**	0.10
	Total	**646.71**	496.01
26	**Impairment on financial assets**		
	Loans		
	- Expected credit loss (On financial instruments measured at FVOCI)	**27.52**	4.17
	- Expected credit loss (On financial instruments measured at amortised cost)	**(0.51)**	(0.83)
	- Write off (net of recoveries)	**48.16**	42.93
	- Loss on repossessed assets	**15.50**	7.40
	Investments		
	- Expected credit loss (On financial instruments measured at amortised cost)	**(0.06)**	(0.31)
	Total	**90.61**	53.36

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

		Year ended 31 March 2024	Year ended 31 March 2023
27	**Employee benefits expense**		
	Salaries and wages	**94.41**	65.36
	Contribution to provident fund and other funds (Refer note 40 (a))	**2.98**	2.23
	Gratuity expense (Refer note 40 (b))	**0.75**	0.73
	Staff welfare expenses	**2.31**	2.38
	Total	**100.45**	70.70
28	**Depreciation, amortization and impairment**		
	Depreciation on property, plant and equipment	**3.10**	2.17
	Amortisation of intangible assets	**0.52**	0.23
	Depreciation on Right-of-use asset	**0.67**	0.32
	Total	**4.29**	2.72
29	**Other expenses**		
	Rent	**4.70**	3.85
	Rates and taxes	**0.26**	0.22
	Stationery and printing	**1.39**	0.99
	Telephone	**0.87**	0.69
	Electricity	**1.46**	1.05
	Postage and courier	**1.42**	1.01
	Insurance	**1.18**	0.92
	Conveyance	**2.12**	1.43
	Travelling	**4.05**	3.17
	Repairs and maintenance:		
	Building	**0.31**	0.58
	Others	**1.16**	1.23
	Professional fees	**11.36**	8.02
	Payment to auditors (refer note below)	**0.59**	0.48
	Director's sitting fees	**0.45**	0.14
	Legal expenses	**2.19**	1.87
	Bank charges	**2.92**	1.49
	Advertisement expenses	**1.84**	1.22
	Sales promotion expenses	**0.49**	0.61
	Recovery contract charges	**0.46**	0.55
	Corporate social responsibility expenditure (Refer note 34)	**4.58**	4.34
	Credit guarantee fees	**6.76**	2.12
	Miscellaneous expenses	**4.59**	2.60
	Total	**55.15**	38.58
	Note: Payment to auditors		
	As auditor		
	Statutory audit	**0.25**	0.21
	Limited review of quarterly results	**0.31**	0.26
	Other services	**0.03**	0.01
		0.59	0.48

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

30 Tax expenses

The components of income tax expense for the year ended 31 March 2024 and 31 March 2023 are:

	Year ended 31 March 2024	Year ended 31 March 2023
Current tax	**83.06**	67.23
Short / (Excess) provision for tax relating to prior years	**(0.21)**	(2.47)
Deferred tax	**2.81**	1.07
Total tax charge	**85.66**	65.83
Current tax	**82.85**	64.76
Deferred tax	**2.81**	1.07

30.1 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2024 and 31 March 2023 is, as follows:

	Year ended 31 March 2024	Year ended 31 March 2023
Accounting profit before tax	**339.67**	271.65
Applicable tax rate	**25.168%**	25.168%
Computed tax expense	**85.49**	68.37
Tax effect of :		
Exempted income	**(0.32)**	(0.30)
Additional deduction	**(0.32)**	(0.32)
Non deductible items	**1.16**	1.28
Short / (Excess) provision for tax relating to prior years	**(0.21)**	(2.47)
Others	**(0.14)**	(0.73)
Tax expenses recognised in the statement of profit and loss	**85.66**	65.83
Effective tax rate	**25.22%**	24.23%

30.2 Deferred tax

	As at 31 March 2024	As at 31 March 2023
Deferred tax asset / liability (net)		
The movement on the deferred tax account is as follows:		
At the start of the year DTA / (DTL) (net)	**19.33**	14.21
Credit / (charge) for loans and advances through OCI	**(4.80)**	6.21
Credit / (charge) for remeasurement of the defined benefit liabilities	**0.13**	(0.02)
Credit / (charge) to the statement of profit and loss	**(2.81)**	(1.07)
At the end of year DTA / (DTL)	**11.85**	19.33

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

30 Tax expenses *(Continued)*

30.2 Deferred tax *(Continued)*

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

	As at 31 March 2023	Statement of profit and loss	OCI	As at 31 March 2024
Component of deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between written down value of fixed assets as per books of accounts and income tax	(0.46)	(0.14)	-	**(0.60)**
Deferred tax on fair value of investments	(0.01)	(0.62)	-	**(0.63)**
Impact of fair value of assets	5.13	0.02	(4.80)	**0.35**
Income taxable on realised basis	(8.64)	(4.11)	-	**(12.75)**
Deferred tax on prepaid finance charges	(3.94)	(5.18)	-	**(9.12)**
Impairment on financial assets	27.32	6.78	-	**34.10**
Recognition of lease asset and right to use asset	0.03	0.02	-	**0.05**
Expenses allowable on payment basis	(0.10)	0.42	0.13	**0.45**
Total	**19.33**	**(2.81)**	**(4.67)**	**11.85**

	As at 31 March 2022	Statement of profit and loss	OCI	As at 31 March 2023
Component of deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between written down value of fixed assets as per books of accounts and income tax	(0.39)	(0.07)	-	(0.46)
Deferred tax on fair value of investments	(0.01)	-	-	(0.01)
Impact of fair value of assets	(1.06)	(0.02)	6.21	5.13
Income taxable on realised basis	(10.81)	2.17	-	(8.64)
Deferred tax on prepaid finance charges	(0.16)	(3.78)	-	(3.94)
Impairment on financial assets	26.56	0.76	-	27.32
Recognition of lease asset and right to use asset	0.02	0.01	-	0.03
Expenses allowable on payment basis	0.06	(0.14)	(0.02)	(0.10)
Total	**14.21**	**(1.07)**	**6.19**	**19.33**

30.3 Current tax liabilities

	As at 31 March 2024	As at 31 March 2023
Provision for tax [net of advance tax of ₹ 78.51 crores (31 March 2023: ₹ 65.17 crores)]	**4.70**	2.06

30.4 Income tax assets

	As at 31 March 2024	As at 31 March 2023
Income tax assets [net of provision for tax of ₹ 2.52 crores (31 March 2023: ₹ 2.52 crores)]	**2.52**	2.52

(₹ in Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
31 Earnings per share		
(A) Basic earnings per share		
Computation of profit (numerator)		
Net profit for the year attributable to the owners of the Holding Company (basic)	**251.05**	203.26
Weighted average number of equity shares of ₹ 10 each	**16,39,86,129**	16,39,86,129
Basic earnings per share of face value of ₹ 10 each (in ₹)	**15.31**	12.39
(B) Diluted earnings per share		
Net profit for the year attributable to the owners of the Holding Company (diluted)	**251.05**	203.26
Weighted average number of equity shares of ₹ 10 each	**16,39,86,129**	16,39,86,129
Diluted earnings per share of face value of ₹ 10 each (in ₹)	**15.31**	12.39

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

(₹ in Crores)

32 Revenue from contracts with customers

Set out below is the disaggregation of the Group's revenue from contracts with customers and reconciliation to statement of profit and loss:

	Year ended 31 March 2024	Year ended 31 March 2023
Type of income		
Services charges	0.21	0.08
Others	66.68	51.47
Total revenue from contracts with customers	**66.89**	**51.55**
Geographical markets		
India	66.89	51.55
Outside India	-	-
Total revenue from contracts with customers	**66.89**	**51.55**
Timing of revenue recognition		
Services transferred at a point in time	66.89	51.55
Services transferred over time	-	-
Total revenue from contracts with customers	**66.89**	**51.55**

33 Contingent liabilities and commitments (to the extent not provided for)

	As at 31 March 2024	As at 31 March 2023
(A) Contingent liabilities	**0.12**	0.12
I) In respect of disputed income-tax matters :		
(B) Commitments		
I) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Property, plant & equipment and Capital work in progress	**0.12**	1.39
II) Loan commitments for sanctioned but not disbursed amount	**22.25**	13.19

i) After adjusting the amount of refund claimed by the group amounting ₹ 0.33 Crore.

ii) The Group's pending litigations comprise of proceedings pending with Income Tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

34 Corporate social responsibility ("CSR") expenses:

The average profit before tax of the Group for the last three financial years was ₹ 229.12 crores, basis which the Group was required to spend ₹ 4.58 crores towards CSR activities for the current financial year (31 March 2023: ₹ 4.34 crores).

a) Amount spent during the year on:

Particulars	31 March 2024			31 March 2023		
	Amount Spent	Amount Unpaid/ provision	**Total**	**Amount Spent**	**Amount Unpaid/ provision**	**Total**
Construction / acquisition of any asset	**-**	**-**	**-**	-	-	**-**
On purpose other than (i) above	**0.49**	**4.09**	**4.58**	0.36	3.98	**4.34**

b) The Group has not made any transaction with related parties in relation to CSR expenditure as per Ind AS 24.

c) In case of Section 135(6): Details of ongoing projects

F.Y.	**Opening balance**		**Amount required to be spent during the year**	**Amount spent during the year**		**Closing Balance**	
	With Group	**In Separate CSR Unspent A/c**		**From Group's bank A/c**	**From Separate CSR Unspent A/c**	**With Group**	**In Separate CSR Unspent A/c**
2023-24	**-**	**9.32**	**4.58**	**0.49**	**3.60**	**4.09**	**5.72**
2022-23	-	6.91	4.34	0.36	1.57	3.98	5.34
2021-22	-	3.84	4.41	0.42	0.92	3.99	2.92
2021-22	Nil	N.A.	4.18	0.34	-	3.84	-

(₹ in Crores)

Note: Unspent CSR amount of ₹ 3.98 crores for FY 2022-23 was deposited in unspent CSR bank account on 27 April 2023. Unspent amount of ₹ 4.09 crores available with the Group is transferred to an unspent CSR account on 29 April 2024.

d) **Reason for shortfall :** The Group has ongoing projects and it is spending the said amount as per pre-approved ongoing projects. For more details, refer annexure of Director's report on CSR.

e) Nature of CSR activities: Promoting education, eradicating hunger, poverty & malnutrition, promoting health care and such other activities. For more details, refer annexure of Director's report on CSR.

35 Segment reporting:

Operating segment are components of the Group whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Group is engaged primarily on the business of 'Financing' only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Group are in India. All non-current assets of the Group are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – 'Operating Segments'.

36 Related party disclosures:

(a) Related party disclosures as required by Ind AS 24 - 'Related Party Disclosures'.

List of related parties and relationships:

Sr. No.	Nature of Relationship	
1	Key management personnel ("KMP") (where there are transactions)	Mr. Kamlesh C. Gandhi (Chairman and managing director)
		Mrs. Darshana S. Pandya (Director and chief executive officer)
		Mr. Balabhaskaran Nair (Independent director) (retired w.e.f 31 March 2024)
		Mr. Umesh Shah (Independent director)
		Mr. Chetanbhai Shah (Independent director) (retired w.e.f 31 March 2024)
		Mr. Narayanan Sadanandan (appointed w.e.f 21 June 2023)
		Mrs. Daksha Shah (Independent director)
2	Other related parties (where there are transactions)	Prarthna Marketing Private Limited
		Anamaya Capital LLP
		Mr. Kamlesh C. Gandhi (As Executor of will of Late Mr. Mukesh C. Gandhi, relative of KMP)
		Mrs. Shweta K. Gandhi (relative of KMP)
		Mr. Dhvanil K. Gandhi (relative of KMP)
		Mr. Saumil D. Pandya (relative of KMP)
		Ms. Dhriti K. Gandhi (relative of KMP)
		Umesh Rajanikant Shah HUF (relative of KMP)
		Pauravi Umesh Shah (relative of KMP)

Transactions with related parties are as follows:

	Year ended 31 March 2024		
	Key management personnel	**Other related parties**	**Total**
Remuneration (including bonus)	**7.32**	**1.22**	**8.54**
Dividend paid	**3.10**	**16.51**	**19.61**
Interest on Loan Received	**0.01**	**-**	**0.01**
Sitting fees	**0.41**	**-**	**0.41**

	Year ended 31 March 2023		
	Key management personnel	Other related parties	Total
Remuneration (including bonus)	5.87	0.95	6.82
Dividend paid	2.27	12.09	14.36
Interest on Loan Received	0.02	-	0.02
Sitting fees	0.12	-	0.12

(₹ in Crores)

Balances outstanding from related parties are as follows:

	As at 31 March 2024		
	Key management personnel	**Other related parties**	**Total**
Bonus payable	**0.39**	**0.03**	**0.42**

	As at 31 March 2023		
	Key management personnel	Other related parties	Total
Loans and advances given	0.13	-	0.13
Bonus payable	0.31	0.03	0.34

All transactions with these related parties are priced on an arm's length basis. None of the balances are secured.

Key managerial personnel who are under the employment of the Group are entitled to post employment benefits and other employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements.

Compensation to key management personnel are as follows:

	Year ended 31 March 2024	Year ended 31 March 2023
Short-term employee benefits	**7.19**	5.74
Post-employment benefits	**0.02**	0.02
Other long term employment benefits	**0.01**	(0.01)
	7.22	5.75

The remuneration of key management personnel are determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

37 Offsetting

Following table represents the recognised financial assets that are offset, or subject to enforceable master netting arrangements and other similar arrangements but not offset, as at 31 March 2024 & 31 March 2023. The column 'net amount' shows the impact of Group's balance sheet if all the set-off rights were exercised.

	Effect of offsetting on the balance sheet			**Related amount not offset**	
	Gross amounts	**Gross amount offset in balance sheet (refer note 1)**	**Net amount presented in balance sheet**	**Financial instrument collateral (refer note 2)**	**Net amount**
31 March 2024					
Loans and advances	**7,732.87**	**13.43**	**7,719.44**	**1.40**	**7,718.04**
31 March 2023					
Loans and advances	6,256.20	9.96	6,246.24	2.00	6,244.24

Note:

1 ₹ 13.43 crores (31 March 2023: ₹ 9.96 crores) represents advances received against loan agreements.

2 ₹ 1.40 crores (31 March 2023: 2.00 crores) represents security deposits received from borrowers.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

38 Additional information as required by Paragraph 2 of the general instructions for preparation of the consolidated financial statements to schedule III to the Act.

As at 31 March 2024

Name of entity in the Group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of other comprehensive income (OCI)		Share of Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Holding Company								
MAS Financial Services Limited	**100.56%**	**1,828.51**	**96.94%**	**246.24**	**113.38%**	**15.76**	**97.80%**	**262.00**
Subsidiary								
MAS Rural Housing & Mortgage Finance Limited	**4.11%**	**74.81**	**1.91%**	**4.86**	**(8.13%)**	**(1.13)**	**1.39%**	**3.73**
MASFIN Insurance Broking Private Limited	**(6.63%)**	**(120.61)**	**(0.02%)**	**(0.05)**	**0.00%**	**-**	**(0.02%)**	**(0.05)**
Non-controlling interest	**1.97%**	**35.86**	**1.17%**	**2.96**	**(5.25%)**	**(0.73)**	**0.83%**	**2.23**
Total	**100.01%**	**1,818.57**	**100.00%**	**254.01**	**100.00%**	**13.90**	**100.00%**	**267.91**

As at 31 March 2023

Name of entity in the Group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of other comprehensive income (OCI)		Share of Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Holding Company								
MAS Financial Services Limited	94.47%	1,459.21	96.32%	198.22	105.59%	(19.45)	95.40%	178.77
Subsidiary								
MAS Rural Housing & Mortgage Finance Limited	3.82%	58.96	2.45%	5.05	(3.31%)	0.61	3.02%	5.66
MASFIN Insurance Broking Private Limited	0.03%	0.48	(0.01%)	(0.01)	0.00%	-	(0.01%)	(0.01)
Non-controlling interest	1.68%	26.02	1.24%	2.56	(2.28%)	0.42	1.59%	2.98
Total	100.00%	1,544.67	100.00%	205.82	100.00%	(18.42)	100.00%	187.40

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

39 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

	As at 31 March 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	**212.67**	**-**	**212.67**	238.67	-	238.67
Bank balance other than above	**641.75**	**24.08**	**665.83**	88.80	476.49	565.29
Trade Receivables	**6.54**	**-**	**6.54**	4.30	-	4.30
Loans	**4,470.10**	**3,249.34**	**7,719.44**	3,666.30	2,579.94	6,246.24
Investments	**509.21**	**216.95**	**726.16**	489.88	301.16	791.04
Other financial assets	**55.32**	**23.54**	**78.86**	46.68	14.95	61.63
Non-financial assets						
Income tax assets (net)	**-**	**2.52**	**2.52**	-	2.52	2.52
Deferred tax Assets (net)	**-**	**11.85**	**11.85**	-	19.33	19.33
Property, plant and equipment	**-**	**21.23**	**21.23**	-	14.66	14.66
Capital work-in-progress	**-**	**69.80**	**69.80**	-	57.66	57.66
Right-of-use asset	**0.86**	**2.33**	**3.19**	0.43	0.75	1.18
Intangible assets under development	**-**	**0.24**	**0.24**	-	0.33	0.33
Other Intangible assets	**-**	**1.01**	**1.01**	-	1.03	1.03
Other non-financial assets	**27.96**	**0.04**	**28.00**	11.34	-	11.34
Total assets	**5,924.41**	**3,622.93**	**9,547.34**	**4,546.40**	**3,468.82**	**8,015.22**
LIABILITIES						
Financial liabilities						
Trade payables	**21.15**	**-**	**21.15**	14.68	-	14.68
Other payables	**1.89**	**-**	**1.89**	1.84	-	1.84
Debt securities	**105.71**	**521.15**	**626.86**	522.26	105.00	627.26
Borrowings (other than debt securities)	**3,158.41**	**3,338.47**	**6,496.88**	2,726.34	2,521.23	5,247.57
Subordinated liabilities	**-**	**302.11**	**302.11**	-	252.70	252.70
Other financial liabilities	**253.26**	**5.10**	**258.36**	306.02	4.32	310.34
Non-financial liabilities						
Current tax liabilities (net)	**4.70**	**-**	**4.70**	2.06	-	2.06
Provisions	**9.90**	**0.21**	**10.11**	9.37	0.12	9.49
Other non-financial liabilities	**6.71**	**-**	**6.71**	4.61	-	4.61
Total liability	**3,561.73**	**4,167.04**	**7,728.77**	**3,587.18**	**2,883.37**	**6,470.55**
Net	**2,362.68**	**(544.11)**	**1,818.57**	**959.22**	**585.45**	**1,544.67**

(₹ in Crores)

40 Employee benefit plan

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

(a) Defined contribution plan

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Group's contribution to provident fund aggregating ₹ 2.62 Crore (31 March 2023: ₹ 1.92 Crore) and employee state insurance scheme aggregating ₹ 0.13 Crore (31 March 2023: ₹ 0.13 Crore) has been recognised in the statement of profit and loss under the head employee benefits expense.

(b) Defined benefit plans:

Gratuity

The Group operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age / resignation date.

The defined benefit plans expose the Group to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Group, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

40 Employee benefit plan *(Continued)*

(b) Defined benefit plans: *(Continued)*

The status of gratuity plan as required under Ind AS-19 is as under:

	As at 31 March 2024	As at 31 March 2023
i. Reconciliation of opening and closing balances of defined benefit obligation		
Present value of defined benefit obligations at the beginning of the year	**4.23**	3.67
Current service cost	**0.83**	0.76
Interest cost	**0.28**	0.25
Benefit paid	**(0.17)**	(0.21)
Re-measurement (or Actuarial) (gain) / loss arising from:		
Change in demographic assumptions	**(0.10)**	(0.18)
Change in financial assumptions	**0.01**	(0.07)
Experience adjustments	**0.68**	0.01
Present value of defined benefit obligations at the end of the year	**5.76**	4.23
ii. Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at the beginning of the year	**4.92**	3.67
Interest income	**0.36**	0.28
Return on plan assets excluding amounts included in interest income	**0.08**	(0.16)
Contributions by employer	**2.16**	1.34
Benefits paid	**(0.17)**	(0.21)
Fair value of plan assets at the end of the year	**7.35**	4.92
iii. Reconciliation of the present value of defined benefit obligation and fair value of plan assets		
Present value of defined benefit obligations at the end of the year	**5.76**	4.23
Fair value of plan assets at the end of the year	**7.35**	4.92
Net asset / (liability) recognized in balance sheet as at the end of the year	**1.59**	0.69

iv. Composition of plan assets

100% of plan assets are administered by LIC.

	Year ended 31 March 2024	Year ended 31 March 2023
v. Expense recognised during the Year		
Current service cost	**0.83**	0.76
Interest cost	**(0.08)**	(0.03)
Expenses recognised in the statement of profit and loss	**0.75**	0.73
vi. Other comprehensive income		
Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	**0.01**	(0.07)
Due to change in demographic assumption	**(0.10)**	(0.18)
Due to experience adjustments	**0.68**	0.01
Return on plan assets excluding amounts included in interest income	**(0.08)**	0.16
Components of defined benefit costs recognised in other comprehensive income	**0.51**	(0.08)

	As at 31 March 2024	As at 31 March 2023
vii. Principal actuarial assumptions		
Discount rate (per annum)	**7.15%**	7.30%
Rate of return on plan assets (p.a.)	**7.15%**	7.30%
Annual increase in salary cost	**8.00%**	8.00%
Withdrawal rates per annum		
25 and below	**35.00%**	30.00%
26 to 35	**30.00%**	25.00%
36 to 45	**25.00%**	20.00%
46 to 55	**20.00%**	15.00%
56 and above	**20.00%**	15.00%

The discount rate is based on the prevailing market yields of Government of India's bond as at the balance sheet date for the estimated term of the obligations.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

40 Employee benefit plan *(Continued)*

(b) Defined benefit plans: *(Continued)*

viii. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting year, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	Year ended 31 March 2024	Year ended 31 March 2023
Defined benefit obligation (base)	**5.76**	4.23

	Year ended 31 March 2024		Year ended 31 March 2023	
	Decrease	**Increase**	Decrease	Increase
Discount rate (- / + 0.5%)	**5.89**	**5.67**	4.33	4.13
(% change compared to base due to sensitivity	**2.26%**	**(1.56%)**	2.36%	(2.36%)
Salary Growth Rate (- / + 0.5%)	**5.68**	**5.87**	4.14	4.31
(% change compared to base due to sensitivity)	**(1.39%)**	**1.91%**	(2.13%)	1.89%
Withdrawal Rate (W.R.) (W.R. x 90% / W.R. x 110%)	**5.85**	**5.71**	4.26	4.20
(% change compared to base due to sensitivity)	**1.56%**	**(0.87%)**	0.71%	(0.71%)

ix. Asset liability matching strategies

The Group contributes to the insurance fund based on estimated liability of next financial year end. The projected liability statements is obtained from the actuarial valuer.

x. Effect of plan on entity's future cash flows

a) Funding arrangements and funding policy

The Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

b) Maturity profile of defined benefit obligation

The average outstanding term of the obligations (years) as at valuation date is 3.95 to 4.10 years.

	Cash flows (₹) as at	
	31 March 2024	**31 March 2023**
Expected cash flows over the next (valued on undiscounted basis):		
1st following year	1.27	0.76
2nd following year	1.04	0.66
3rd following year	0.87	0.60
4th following year	0.76	0.53
5th following year	0.74	0.47
Sum of years 6 to 10	2.11	1.83

The future accrual is not considered in arriving at the above cash-flows.

The expected contribution for the next year is ₹ 1.04 Crore.

(C) Other long term employee benefits

	As at 31 March 2024	As at 31 March 2023
Discount Rate	**7.15%**	7.30%
Salary Growth Rate	**8.00%**	8.00%
Mortality Rates base	**Indian Assured Lives mortality (2012-14)**	Indian Assured Lives mortality (2012-14)

The Group has not funded its compensated absences liability and the same continues to remain as unfunded as at 31 March 2023.

The liability for compensated absences is ₹ 0.29 Crore (31 March 2023 : ₹ 0.17 Crore).

Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the provident fund Act and the gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry of Labour and Employment. The Group will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

41 Financial instrument and fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

This note describes the fair value measurement of both financial and non-financial instruments.

A. Measurement of fair values

i) Financial instruments - fair value

The fair value of financial instruments as referred to in note (B) below have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 Measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

ii) Transfers between levels 1 and 2

There has been no transfer in between level 1 and level 2.

iii) Valuation techniques

Loans

The Group has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last month of the year which is an unobservable input and therefore these has been considered to be fair valued using level 3 inputs.

Investments measured at FVTPL

Fair values of market linked debentures and mutual funds have been determined under level 1 using quoted market prices(unadjusted) of the underlying instruments. Fair value of investment in alternate investment funds have been determined under level 2 using observable input.

B. Accounting classifications and fair values

The carrying amount and fair value of financial instruments including their levels in the fair value hierarchy presented below:

As at 31 March 2024	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	7,448.93	-	-	-	7,448.93	7,448.93
Derivative financial instruments	-	-	2.02	2.02	-	-	2.02
Investments measured at FVTPL	-	-	59.45	6.14	53.31	-	59.45
	-	7,448.93	61.47				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	212.67	-	-	212.67	-	-	212.67
Bank balance other than cash and cash equivalents	665.83	-	-	665.83	-	-	665.83
Trade receivables	6.54	-	-	-	-	6.54	6.54
Loans measured at amortised cost	270.51	-	-	-	-	273.57	273.57
Investment measured at amortised cost	666.71	-	-	-	-	667.04	667.04
Other financials asset	76.84	-	-	-	-	76.71	76.71
	1,899.10	-	-				
Financial liabilities not measured at fair value[1]							
Trade payables	21.15	-	-	-	-	21.15	21.15
Other payables	1.89	-	-	-	-	1.89	1.89
Debt securities	626.86	-	-	-	-	643.84	643.84
Borrowings (other than debt securities)	6,496.88	-	-	-	-	6,524.47	6,524.47
Subordinated liabilities	302.11	-	-	-	-	310.00	310.00
Other financial liabilities	258.36	-	-	-	-	258.36	258.36
	7,707.25	-	-				

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

41 Financial instrument and fair value measurement *(Continued)*

B. Accounting classifications and fair values *(Continued)*

As at 31 March 2023	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	6,038.39	-	-	-	6,038.39	6,038.39
Investments measured at FVTPL	-	-	231.90	181.45	50.45	-	231.90
	-	6,038.39	231.90				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	238.67	-	-	238.67	-	-	238.67
Bank balance other than cash and cash equivalents	565.29	-	-	565.29	-	-	565.29
Trade receivables	4.30	-	-	-	-	4.30	4.30
Loans measured at amortised cost	207.85	-	-	-	-	207.66	207.66
Investment measured at amortised cost	559.14	-	-	-	-	559.53	559.53
Other financials asset	61.63	-	-	-	-	61.56	61.56
	1,636.88	-	-				
Financial liabilities not measured at fair value[1]							
Trade payables	14.68	-	-	-	-	14.68	14.68
Other payables	1.84	-	-	-	-	1.84	1.84
Debt securities	627.26	-	-	-	-	634.96	634.96
Borrowings (other than debt securities)	5,247.57	-	-	-	-	5,273.41	5,273.41
Subordinated liabilities	252.70	-	-	-	-	260.00	260.00
Other financial liabilities	310.34	-	-	-	-	310.34	310.34
	6,454.39	-	-				

[1] The Group has not disclosed the fair values for cash and cash equivalents, bank balances, investment in debt securities, interest accrued but not due on loans and advances, bank deposits and investment, trade payables and other financial liabilities as these are short term in nature and their carrying amounts are a reasonable approximation of fair value.

Reconciliation of level 3 fair value measurement is as follows:

	Year ended 31 March 2024	Year ended 31 March 2023
i) Loans		
Balance at the beginning of the year	**6,079.90**	4,673.78
Addition during the year	**5,895.32**	4,782.49
Amount derecognised / repaid during the year	**(4,430.86)**	(3,309.03)
Amount written off	**(48.13)**	(42.65)
Gains/(losses) recognised in other comprehensive income	**19.08**	(24.69)
Balance at the end of the year	**7,515.31**	6,079.90

* The above classification also includes balance of spread receivable on assigned portfolio. (Refer note 10)

Sensitivity analysis to fair value

	Amount, net of tax	
	Increase	Decrease
31 March 2024		
Loans		
Interest rates (50 bps movement)	**(22.97)**	**19.52**
31 March 2023		
Loans		
Interest rates (50 bps movement)	**(14.68)**	**16.97**

42 Capital

The Group maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, RBI and NHB. The adequacy of the Group's capital is monitored using, among other measures, the regulations issued by RBI and NHB.

The Group has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Group's capital management.

42.1 Capital management

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

43 Financial risk management objectives and policies

The Group's principal financial liabilities comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's financial assets include loan and advances, cash and cash equivalents that derive directly from its operations.

The Group is exposed to credit risk, liquidity risk and market risk. The Group’s board of directors has an overall responsibility for the establishment and oversight of the Group’s risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group’s risk management policies. The committee reports regularly to the board of directors on its activities.

The Group’s risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities.

The Group’s risk management committee oversees how management monitors compliance with the Group’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

43.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and loans.

The carrying amounts of financial assets represent the maximum credit risk exposure.

(a) Loans and advances

The Group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before sanctioning any loan. The Group’s review includes external ratings, if they are available, financial statements, credit agency information, industry information, the loan-to-value ratio etc.

The Group’s exposure to credit risk for loans and advances by type of counterparty is as follows:

	Carrying Amount	
	As at 31 March 2024	**As at 31 March 2023**
Retail assets	**4,443.14**	3,312.58
Two wheeler loans	**348.02**	317.60
Micro enterprise loans	**1,396.38**	1,210.59
Salaried personal loans	**313.13**	247.94
Small and medium enterprise loans	**1,606.62**	1,080.11
Commercial vehicle loans	**375.78**	170.04
Housing & non-housing loans	**403.21**	286.30
RAC loans	**3,348.00**	2,979.56
Total	**7,791.14**	6,292.14

Narrative Description of Collateral

Collateral primarily include vehicles purchased by retail loan customers and machinery & property in case of SME customers. The secured exposure are secured wholly or partly by hypothecation of assets and undertaking to create a security.

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments.

(i) Staging:

As per the provision of Ind AS 109, all financial instruments are allocated to stage 1 on initial recognition. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifespan of the instrument.

As per Ind AS 109, the Group assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. The Group has staged the assets based on the days past due criteria and other market factors which significantly impacts the portfolio.

Group's internal credit rating grades and staging criteria for loans are as follows:

Days past due status	Stage	Internal grade	Provisions
Current	Stage 1	High Quality assets, negligible credit risk	12 Months Provision
1-30 Days	Stage 1	High Quality assets, negligible credit risk	12 Months Provision
31-60 Days	Stage 2	Quality assets, low credit risk	Lifetime Provision
61-90 Days	Stage 2	Standard assets, moderate credit risk	Lifetime Provision
91-180 Days	Stage 3	Sub-standard assets, relatively high credit risk	Lifetime Provision
>180 Days	Stage 3	Low quality assets, very high credit risk	Lifetime Provision

(₹ in Crores)

43 Financial risk management objectives and policies *(Continued)*

43.1 Credit risk *(Continued)*

(ii) Grouping:

As per Ind AS 109, the Group is required to group the portfolio based on the shared risk characteristics. The Group has assessed the risk and its impact on the various portfolios and has divided the portfolio into following groups:

a. Two wheeler loans
b. Micro enterprise loans
c. Salaried personal loans
d. Small and medium enterprise loans
e. Commercial vehicle loans
f. Retail asset channel loans
g. Housing & non-housing loans

(iii) ECL:

ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low. ECL is calculated based on the following components:

a. Probability of default ("PD")
b. Loss given default ("LGD")
c. Exposure at default ("EAD")
d. Discount factor ("D")

For RAC loan portfolio, the Group has developed internal rating based approach for the purpose of ECL. The credit rating framework of the Group consists of various parameters based on which RAC loan portfolio is evaluated and credit rating is assigned accordingly. The credit rating matrix developed by the Group is validated in accordance with its ECL policy.

The Group has developed its PD matrix based on the external benchmarking of various external reports, ratings & Basel norms. This PD matrix is calibrated with its historical data and major events on regular time interval in accordance with its ECL policy.

Probability of default:

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from internal data calibrated with forward looking macroeconomic factors.

For computation of probability of default ("PD"), Vasicek Single Factor Model was used to forecast the PD term structure over lifetime of loans. As per Vasicek model, given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. Group has worked out on PD based on the last five years historical data.

The PDs derived from the vasicek model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs have to be converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the previous year.

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.

The probability of default was calculated for 3 scenarios: upside (11%), downside (21%) and base (68%). This weightage has been decided on best practices and expert judgement. Marginal conditional probability was calculated for all 3 possible scenarios and one conditional PD was arrived as conditional weighted probability.

Loss given default:

LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

Various approaches are available to compute the LGD. Group has considered workout LGD approach. The following steps are performed to calculate the LGD:

1) Analysis of historical credit impaired accounts at cohort level.
2) The computation consists of five components, which are:
   a) Outstanding balance (POS)
   b) Recovery amount (discounted yearly) by effective interest rate.
   c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using effective interest rate.
   d) Collateral (security) amount

The formula for the computation is as below:

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total POS)
% LGD = 1 – recovery rate

For RAC loan portfolio, the LGD has been considered based on Basel-II Framework for all the level of credit rating portfolio.

(₹ in Crores)

43 Financial risk management objectives and policies *(Continued)*

43.1 Credit risk *(Continued)*

Exposure at default:

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. The Group has modelled EAD based on the contractual and behavioural cash flows till the lifetime of the loans considering the expected prepayments and assignments of loans.

The Group has considered expected cash flows for all the loans at DPD bucket level for each of the segments, which was used for computation of ECL. The exposure at default is calculated for each product and for various DPD status after considering future expected assignment which is not at risk. Moreover, the EAD comprised of principal component, accrued interest and also the future interest for the outstanding exposure. Further, the stage 3 EAD for the purpose of the ECL computation is considering when loan became Stage 3 for the first time (for retail loans).

Discounting:

As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

ECL computation:

Conditional ECL at DPD pool level was computed with the following method:
Conditional ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt) * discount factor (yt)
Conditional RAC ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt)

For RAC loan portfolio, the Group has calculated ECL based on borrower wise assessment of internal credit rating as per the framework of the Group, while for retail loan portfolio, the same has been calculated on collective basis.

The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of expected credit loss provided for across the stage is summarised below:

	As at 31 March 2024	**As at 31 March 2023**
Stage 1	**0.40%**	0.53%
Stage 2	**21.22%**	17.38%
Stage 3	**38.72%**	40.02%
Amount of expected credit loss provided for	**135.30**	108.29

The loss rates are based on actual credit loss experience over past 5 years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Group's view of economic conditions over the expected lives of the loan receivables. Movement in provision of expected credit loss has been provided in below note.

(iv) Management overlay

The Group holds a management and macro-economic overlay of ₹ 21.79 crore as at 31 March 2024 (31 March 2023: ₹ 23.03 crores).

(v) Modification of financial assets

The Group has modified the terms of certain loans provided to customers in accordance with RBI notification on MSME restructuring dated 6 August 2020 and 5 May 2021. Such restructuring benefits are provided to distressed customers who are impacted by COVID-19 pandemic.

Such restructuring benefits include extended payment term arrangements, moratorium and changes in interest rates. The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset (refer note 3.5). The Group monitors the subsequent performance of modified assets. The gross carrying amount of such assets held as at 31 March 2024 is ₹ 1.41 crores (31 March 2023 ₹ 4.99 crores). Overall provision for expected credit loss against restructured loan exposure amounts to ₹ 0.26 crores as at 31 March 2024 (31 March 2023 ₹ 1.41 crores). The Group continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets.

(b) Cash and cash equivalent and bank deposits

Credit risk on cash and cash equivalent and bank deposits is limited as the Group generally invests in term deposits with banks which are subject to an insignificant risk of change in value.

43.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

43 Financial risk management objectives and policies *(Continued)*

43.2 Liquidity risk *(Continued)*

The Group is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Group manages its liquidity by unutilised cash credit facility, term loans and direct assignment.

The composition of the Group's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

The total cash credit limit available to the Group is ₹ 1703 Crore spread across 14 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

Over the years, the Holding Company has maintained around 20% to 25% of assets under management as off book through direct assignment transactions. It is with door to door maturity and without recourse to the Holding Company. This further strengthens the liability management.

The table below summarises the maturity profile of the undiscounted cashflow of the Group's financial liabilities:

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
As at 31 March 2024									
Debt securities	2.47	2.40	11.16	34.63	173.58	470.96	53.75	-	748.95
Borrowings (Other than debt securities)	122.07	126.22	360.95	650.74	2,272.60	3,054.70	611.63	25.49	7,224.40
Subordinated liabilities	2.78	2.78	2.78	8.39	16.56	66.65	301.90	51.46	453.30
Payables	21.91	-	-	1.13	-	-	-	-	23.04
Lease Liability	0.08	0.08	0.08	0.24	0.49	1.83	1.10	0.08	3.98
Other financial liabilities	207.99	0.02	0.15	0.36	44.01	2.43	0.02	-	254.98
As at 31 March 2023									
Debt securities	0.26	6.52	0.21	24.59	600.24	106.39	-	-	738.21
Borrowings (Other than debt securities)	91.30	97.58	249.70	438.24	2,152.57	2,285.55	517.88	18.09	5,850.91
Subordinated liabilities	2.09	2.33	2.34	7.04	13.97	55.90	150.15	169.00	402.82
Payables	5.89	2.86	6.53	0.63	0.61	-	-	-	16.52
Lease Liability	0.03	0.13	0.03	0.11	0.19	0.69	0.29	-	1.47
Other financial liabilities	238.85	6.20	5.71	0.90	53.95	3.45	-	-	309.06

43.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's investment in bank deposits and variable interest rate borrowings and lending.

The sensitivity analysis have been carried out based on the exposure to interest rates for lending and borrowings carried at variable rate and investments made by the Group.

	Year ended 31 March 2024		Year ended 31 March 2023	
Change in interest rates	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Investments	50.95	50.95	176.78	176.78
Impact on profit before tax for the year	0.25	(0.25)	0.88	(0.88)
Variable rate lending	3,751.21	3,751.21	3,265.86	3,265.86
Impact on profit before tax for the year	18.11	(18.11)	15.84	(15.84)
Variable rate borrowings	6,013.08	6,013.08	5,737.31	5,737.31
Impact on profit before tax for the year	(29.72)	29.72	(28.40)	28.40

B. Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Group arises majorly on account of foreign currency borrowings. The Group's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Group has hedged its foreign currency risk on its foreign currency borrowings as on March 31, 2024 by entering into forward contracts with the intention of covering the entire term of foreign currency exposure. The counterparties for such hedge transactions are banks.

The Group's exposure on account of Foreign Currency Borrowings at the end of the reporting period expressed in Indian Rupees are as follows:

	Foreign currency	As at 31 March 2024	As at 31 March 2023
Term loan from Bank in Foreign Currency	**USD**	**602.18**	**-**

Since the foreign currency exposure is completely hedged by equivalent derivative instrument, there will not be any significant impact on sensitivity analysis due to the possible change in the exchange rates where all other variables are held constant. On the date of maturity of the derivative instrument, considering the hedging for the entire term of the foreign currency exposure, the sensitivity of profit and loss to changes in the exchange rates will be Nil.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

44 Lease disclosure

Where the Group is the lessee

The Group has entered into agreements for taking its office premises under leave and license arrangements. These agreements are for tenures between 11 months and 10 years and majority of the agreements are renewable by mutual consent on mutually agreeable terms, lease rentals have an escalation ranging between 5% to 15%. Leases for which the lease term is less than 12 months have been accounted as short term leases.

Contractual cash maturities of lease liabilities on an undiscounted basis	**As at 31 March 2024**	As at 31 March 2023
Not later than one year	**0.97**	0.49
Later than one year and not later than five years	**2.93**	0.98
Later than five years	**0.08**	-
Total undiscounted lease liabilities	**3.98**	1.47
Lease liabilities included in the balance sheet		
Total lease liabilities	**3.38**	1.28

Amount recognised in the statement of profit and loss account	**Year ended 31 March 2024**	Year ended 31 March 2023
Interest on lease liabilities	**0.22**	0.10
Depreciation charge for the year	**0.67**	0.32
Expenses relating to short term leases	**4.70**	3.85

Amount recognised in statement of cashflow	**Year ended 31 March 2024**	Year ended 31 March 2023
Cash outflow towards lease liability	**(0.54)**	(0.28)

For addition and carrying amount of right to use asset for 31 March 2024 and 31 March 2023, refer note 11(c).

Title deeds of all immovable properties of the Holding Company are held in name of the Holding Company. Further all the lease agreements are duly executed in favour of the Group for properties where the Group is the lessee.

45 Transfer of financial assets

45.1 Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

	As at 31 March 2024	As at 31 March 2023
Securitisation		
Carrying amount of transferred assets	**-**	-
Carrying amount of associated liabilities (Borrowings - other than debt securities)	**-**	-
Fair value of assets (A)	**-**	-
Fair value of associated liabilities (B)	**-**	-
Net position at Fair Value (A-B)	**-**	-

45.2 Transferred financial assets that are derecognised in their entirety

The Group has assigned loans by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of exposure net of MRR to the buyer, the assets have been de-recognised from the Group's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :

	As at 31 March 2024	As at 31 March 2023
Direct assignment		
Carrying amount of de-recognised financial asset	**2,063.89**	**1,259.86**
Carrying amount of retained financial asset	**224.17**	**167.26**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

45.3 Transferred financial assets that are derecognised in their entirety but where the Group has continuing involvement

The Group has not transferred any assets that are derecognised in their entirety where the Group continues to have continuing involvement.

46 No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2024 and 31 March 2023.

47 The Group is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2024 and 31 March 2023.

48 The Group does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2024 and 31 March 2023.

49 All the charges or satisfaction, as applicable are registered with ROC within the statutory period.

50 The Group has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds as at 31 March 2024 and 31 March 2023 are held by the Group in the form of deposits or in current accounts till the time the utilisation is made subsequently.

51 There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2024 and 31 March 2023, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March 2024 and 31 March 2023.

52 As a part of normal lending business, the Group grants loans and advances on the basis of security / guarantee provided by the Borrower/ co-borrower. These transactions are conducted after exercising proper due diligence.

Other than the transactions described above,

(a) No funds have been advanced or loaned or invested by the Group to or in any other person(s) or entity(ies) including foreign entities (“Intermediaries”) with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the group (Ultimate Beneficiaries);

(b) No funds have been received by the Group from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Group (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

53 The Group has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2024 and 31 March 2023.

54 The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended 31 March 2024 and 31 March 2023.

55 The Holding Company and a Subsidiary have used accounting software for maintaining its books of account for the financial year ended 31 March 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software except that, audit trail feature was not enabled at database level for accounting software to log any direct data changes. Further, there has been no instance of the audit trail feature being tempered with in respect of such accounting software where such feature is enabled.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

56 The Group has not entered into any scheme of arrangement.

57 Events after the reporting period

Ind AS 10 'Events after the Reporting Period', requires an entity to evaluate information available after the balance sheet date to determine if such information constitutes an adjusting event, which would require an adjustment to the financial statements, or a non-adjusting event, which would only require disclosure. There have been no events after the reporting date that require disclosure in these financial statements.

58 Figures of previous year has been regrouped / reclassified, wherever necessary, to correspond with the figures of the current year.

In terms of our report of even date attached

For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Ahmedabad
24 April 2024

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
24 April 2024

Independent Auditors' Report

To the Members of MAS Financial Services Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of MAS Financial Services Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprises of the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ("the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year then ended.

BASIS FOR OPINION

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained by us and the other auditors in terms of their report referred to in other matters section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

EMPHASIS OF MATTER

Attention is invited to Note 32 to the Statement regarding the change in accounting policy in respect of Gain / loss on derecognition of loans upon assignment and related disclosures in accordance with the applicable requirements of Ind AS.

Our opinion on the Consolidated financial results is not modified in respect of the above matters.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Impairment of Loans** Charge: INR 3.34 Crores for the year ended 31st March, 2023 Provision: INR 108.29 Crores as at 31st March, 2023. Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: • Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. • Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. • Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them. • Qualitative adjustments – Adjustments to the model-driven ECL results are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. They represent approximately 21.26% of ECL balances as at 31 March, 2023. These adjustments are inherently uncertain and significant management judgement is involved considering internal assessment of emerging forward looking economic factors and related uncertainties.	**Principal Audit Procedures** Procedures performed by us have been enumerated herein below: We performed end to end process walkthroughs to identify the key systems, applications and controls used in ECL processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key systems used in ECL process. Key aspects of our controls testing involved following: • Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models. • Testing the 'Governance Framework' controls over validation, implementation and model monitoring in line with Reserve Bank of India guidance. • Testing the design and operating effectiveness of the key controls over the application of the staging criteria. • Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights. • Testing management's controls over authorisation and calculation of post model adjustments and management overlays. • Testing management's controls on compliance with Ind AS 109 disclosures related to ECL. • Testing key controls operating over the information technology system in relation to loan impairment including system access and system change management, program development and computer operations. **Test of Details:** Key aspects of our testing included: • Sample testing over key inputs, data and assumptions impacting ECL calculations to assess completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied.

Sr. No.	Key Audit Matter	Auditor's Response
	The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the Consolidated financial statements, we have considered this as a key audit matter. **Disclosures:** The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.	• Model calculations testing through re-performance, where possible. • Test of details of post model adjustments, considering the size and complexity of management overlays with a focus on macro-economy related overlays, to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data. • Assessing disclosures - We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining ECL. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear.
2	**Information Technology** **IT Systems and controls** The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data. Due to the pervasive nature of role of information technology systems in financial reporting, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.	In course of audit, our focus was on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. We performed a range of audit procedures, which included: • Review of the report of IS Audit carried in earlier year(s) by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting. • Our other processes include: o selectively recomputing interest calculations and maturity dates; o Selectively re-evaluating masters updation, interface with resultant reports; o Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system) o Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission o Other areas that were independently assessed included password policies, system configurations, system interface controls, controls over changes to applications and databases.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the consolidated financial statements, the standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiary audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary, is traced from their financial statements audited by the other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, the Consolidated financial performance and the changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the holding and its subsidiary companies to express an opinion on the consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entity included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

OTHER MATTERS

We did not audit the financial statements of subsidiary included in the Consolidated financial statements, whose financial statements reflect [the figures reported below are before giving effect to consolidation adjustments] total assets of ₹ 383.44 Crores as at March 31, 2023, total revenues of ₹ 43.75 Crores, total net profit after tax of ₹ 6.34 Crores, total comprehensive income of ₹ 7.38 Crores and net cash outflows amounting to ₹ 13.74 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion and conclusion on the statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiary, we report, to the extent applicable that:

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

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors. The backup of the books of account and other books and papers maintained in electronic form, has been maintained on a daily basis on servers physically located in India during the year.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow

Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting with reference to the financial statements of the Holding Company and its subsidiary incorporated in India and the operating effectiveness of such controls, refer to our separate report in the Annexure -A, which is based on the auditors' reports of the Holding Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those Companies.

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

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

iv. (a) The respective managements of the Holding Company and its subsidiary, which are companies incorporated in India, whose financial statement have been audited under the Act, have represented to us and to the other auditors of such subsidiary, to the best of their knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary or in any other person(s) or entity(ies), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiary, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary, to the best of their knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary, with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, directly or indirectly, lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or the other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid during the year by the Holding Company and subsidiary company, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with Section 123 of the Act, as applicable.

The interim dividend declared and paid during the year by the Holding Company, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with Section 123 of the Act, as applicable.

As stated in notes to the consolidated financial statements, the Board of Directors of the Holding Company and subsidiary company, whose financial statements have been audited under the Act, where applicable, have proposed final dividend for the year which is subject to the approval of the members of Holding Company and Subsidiary Company at the ensuing respective Annual General Meetings. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for maintaining books of account in accounting software having a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, is applicable to the company only with effect from the financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

vii. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and by other auditors of its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Chandresh S. Shah
Partner
Membership No.: 042132
UDIN: 23042132BGVIVW5815

Place: Ahmedabad
Date: May 10, 2023

"Annexure A" to the Auditors' Report

Report on the Internal Financial Control clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of MAS Financial Services Limited (hereinafter referred to as "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

MANAGEMENT RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies, which are incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Holding company and its subsidiary companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

OTHER MATTER

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to a subsidiary company, which is company incorporated in India, is based solely on the corresponding report of the auditors of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Chandresh S. Shah
Partner
Membership No.: 042132
UDIN: 23042132BGVIVW5815

Place: Ahmedabad
Date: May 10, 2023

Consolidated Balance Sheet

as at 31 March 2023

(₹ in Crores)

	Note no.	As at 31 March 2023	As at 31 March 2022 (Restated refer note 32)	As at 1 April 2021 (Restated refer note 32)
ASSETS				
Financial assets				
Cash and cash equivalents	5	238.67	284.64	987.11
Bank balance other than cash and cash equivalents	6	565.29	586.02	32.20
Trade receivables	7	4.30	1.05	2.23
Loans	8	6,246.24	4,799.81	4,063.31
Investments	9	791.04	493.21	201.58
Other financial assets	10	61.63	53.33	48.08
Total financial assets		**7,907.17**	**6,218.06**	**5,334.51**
Non-financial assets				
Income tax assets (net)	30	2.52	6.23	5.92
Deferred tax assets (net)	30	19.33	14.21	11.62
Property, plant and equipment	11(a)	14.66	12.93	11.45
Capital work-in-progress	11(d)	57.66	52.04	50.03
Right-of-use asset	11(c)	1.18	0.61	0.54
Intangible assets under development	11(e)	0.33	0.04	-
Other intangible assets	11(b)	1.03	0.22	0.09
Other non-financial assets	12	9.88	4.22	2.86
Total non-financial assets		**106.59**	**90.50**	**82.51**
Total assets		**8,013.76**	**6,308.56**	**5,417.02**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables	13			
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		0.13	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		14.55	14.59	7.28
(II) Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1.84	1.55	1.01
Debt securities	14	627.26	362.03	314.12
Borrowings (other than debt securities)	15	5,247.57	3,939.97	3,138.67
Subordinated liabilities	16	252.70	137.22	59.97
Other financial liabilities	17	310.34	461.86	634.67
Total financial liabilities		**6,454.39**	**4,917.22**	**4,155.72**
Non-financial liabilities				
Current tax liabilities (net)	30	2.06	2.48	12.15
Provisions	18	9.49	7.17	3.97
Other non-financial liabilities	19	3.15	9.16	12.33
Total non-financial liabilities		**14.70**	**18.81**	**28.45**
Total liabilities		**6,469.09**	**4,936.03**	**4,184.17**
EQUITY				
Equity share capital	20	54.66	54.66	54.66
Other equity	21	1,463.99	1,295.25	1,157.68
Equity attributable to the owners of the Holding Company		**1,518.65**	**1,349.91**	**1,212.34**
Non-controlling interest		**26.02**	**22.62**	**20.51**
Total equity		**1,544.67**	**1,372.53**	**1,232.85**
Total liabilities and equity		**8,013.76**	**6,308.56**	**5,417.02**

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)
Ahmedabad
10 May 2023

Ankit Jain
(Chief Financial Officer)

Ahmedabad
10 May 2023

Consolidated Statement of Profit and Loss

for the year ended 31 March 2023

(₹ in Crores)

		Note no.	Year ended 31 March 2023	Year ended 31 March 2022 (Restated refer note 32)
I.	**Revenue from operations**			
	Interest income	22	843.27	593.45
	Gain on assignment of financial assets (Refer note 32)		71.47	65.55
	Fees and commission income		50.90	21.22
	Net gain on fair value changes	23	22.19	10.02
	Total revenue from operations		**987.83**	**690.24**
	Other income	24	2.43	0.93
	Total income		**990.26**	**691.17**
II.	**Expenses**			
	Finance costs	25	496.01	338.68
	Fees and commission expense		57.24	23.09
	Impairment on financial assets	26	53.36	35.27
	Employee benefits expenses	27	70.70	47.79
	Depreciation, amortization and impairment	28	2.72	2.07
	Others expenses	29	38.58	27.72
	Total expenses		**718.61**	**474.62**
	Profit before exceptional items and tax (I - II)		271.65	216.55
	Exceptional items		-	-
III.	**Profit before tax**		**271.65**	**216.55**
IV.	**Tax expense:**			
	Current tax	30	67.23	55.83
	Excess provision for tax relating to prior years	30	(2.47)	(0.51)
	Net current tax expense		**64.76**	**55.32**
	Deferred tax expense / (credit)	30	1.07	0.03
	Net tax expense		**65.83**	**55.35**
V.	**Profit for the year (III - IV)**		**205.82**	**161.20**
VI.	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss:			
	Re-measurement of the defined benefit liabilities		0.08	(0.09)
	Income tax impact on above		(0.02)	0.03
	Total (A)		**0.06**	**(0.06)**
	(B) Items that will be reclassified to profit or loss:			
	Loans and advances through other comprehensive Income		(24.69)	(10.30)
	Income tax impact on above		6.21	2.59
	Total (B)		**(18.48)**	**(7.71)**
	Other comprehensive income (A+B)		(18.42)	(7.77)
VII.	**Total comprehensive income (V + VI)**		**187.40**	**153.43**
	Less: Share of other comprehensive income for the year attributable to non-controlling interest		(0.42)	0.08
	Other comprehensive income for the year attributable to the owners of the Holding Company		(18.83)	(7.69)
VIII.	**Profit for the year attributable to**			
	Owners of the Holding Company		203.26	159.23
	Non-controlling interest		2.56	1.97
IX.	**Other comprehensive income attributable to**			
	Owners of the Holding Company		(18.84)	(7.69)
	Non-controlling interest		0.42	(0.08)
X.	**Total comprehensive income attributable to**			
	Owners of the Holding Company		184.42	151.54
	Non-controlling interest		2.98	1.89
VIII.	**Earnings per equity share (of ₹ 10 each):**	**31**		
	Basic (₹)		37.18	29.13
	Diluted (₹)		37.18	29.13

See accompanying notes to the financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
10 May 2023

Ahmedabad
10 May 2023

Consolidated Statement of Changes in Equity

for the year ended 31 March 2023

(A) EQUITY SHARE CAPITAL

(₹ in Crores)

Equity Share of ₹ 10 each issued, subscribed and fully paid	
Balance at 1 April 2021	54.66
Changes in Equity Share Capital due to prior period errors	-
Restated balance at 1 April 2021	**54.66**
Changes in equity share capital during the year	-
Balance at 31 March 2022	**54.66**
Changes in Equity Share Capital due to prior period errors	-
Restated balance at 31 March 2022	**54.66**
Changes in equity share capital during the year	-
Balance at 31 March 2023	**54.66**

(B) OTHER EQUITY

(₹ in Crores)

	Reserves and surplus					Other comprehensive income		Total
	Reserve u/s. 45-IC of the RBI Act, 1934	Reserve fund u/s. 29-C of NHB Act, 1987	Equity component of compound financial instruments	Securities premium	Retained earnings	Equity instruments through OCI	Loans and advances through OCI	
Balance at 1 April 2021	**173.92**	**3.82**	**0.11**	**426.95**	**399.34**	*** 0.00**	**121.07**	**1,125.21**
Impact due to changes in accounting policy	6.48	-	-	-	25.99	-	-	32.47
Restated balance at 1 April 2021 (Refer note 32)	**180.40**	**3.82**	**0.11**	**426.95**	**425.33**	*** 0.00**	**121.07**	**1,157.68**
Profit for the year	-	-	-	-	159.23	-	-	159.23
Re-measurement of defined benefit plans (net of taxes)	-	-	-	-	(0.07)	-	-	(0.07)
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(6.57)	(6.57)
Transfer to reserve u/s. 45-IC of RBI Act, 1934	31.51	-	-	-	(31.51)	-	-	-
Final dividend on equity shares	-	-	-	-	(8.19)	-	-	(8.19)
Interim dividend on equity shares	-	-	-	-	(6.83)	-	-	(6.83)
Transfer to reserve u/s. u/s. 29-C of NHB Act,1987	-	0.88	-	-	(0.88)	-	-	-
Restated balance at 31 March 2022 (Refer note 32)	**211.91**	**4.70**	**0.11**	**426.95**	**537.08**	*** 0.00**	**114.50**	**1,295.25**
Profit for the year	-	-	-	-	203.26	-	-	203.26
Re-measurement of defined benefit plans (net of taxes)	-	-	-	-	0.05	-	-	0.05
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(15.17)	(15.17)
Final Dividend on equity shares	-	-	-	-	(9.57)	-	-	(9.57)
Interim Dividend on equity shares	-	-	-	-	(9.83)	-	-	(9.83)
Transfer to reserve u/s. 45-IC of the RBI Act, 1934	40.19	-	-	-	(40.19)	-	-	-
Transfer to reserve u/s. 29-C of NHB Act,1987	-	1.17	-	-	(1.17)	-	-	-
Balance at 31 March 2023	**252.10**	**5.87**	**0.11**	**426.95**	**679.63**	*** 0.00**	**99.33**	**1,463.99**

* Represents amount less than ₹ 50,000

In terms of our report of even date attached

For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
10 May 2023

Ahmedabad
10 May 2023

Consolidated Statement of Cash Flows

for the year ended 31 March 2023

(₹ in Crores)

		Year ended 31 March 2023		Year ended 31 March 2022 (Restated refer note 32)	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net profit before tax		271.65		216.55
	Adjustments for :				
	Depreciation and amortisation	2.72		2.07	
	Finance cost	496.01		338.68	
	Impairment on financial assets	53.36		35.27	
	(Profit) / loss on sale of property, plant and equipment	(0.10)		-	
	Interest income	(843.27)		(593.45)	
	Net gain on fair value changes	(2.83)		(2.86)	
	Net gain on sale of investments measured at amortized cost	(1.35)		(0.23)	
	Gain on derecognition of leased asset	-		* 0.00	
			(295.46)		(220.52)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**(23.81)**		**(3.97)**
	Changes in working capital:				
	Adjustments for (increase)/decrease in operating assets:				
	Loans	(1,496.15)		(769.49)	
	Trade receivables	(3.25)		1.18	
	Advances received against loan agreements	(6.04)		7.97	
	Bank balance other than cash and cash equivalents	(1.82)		(3.36)	
	Other financial asset	(14.85)		(7.01)	
	Other non-financial asset	(5.61)		(1.40)	
	Adjustments for increase/(decrease) in operating liabilities:				
	Trade payables	0.38		7.85	
	Other financial liabilities	(172.99)		(176.62)	
	Other non-financial liabilities	(6.01)		(3.17)	
	Provisions (Also refer note 34)	2.32	(1,704.02)	3.20	(940.85)
	CASH GENERATED FROM / (USED IN) OPERATIONS		**(1,727.83)**		**(944.82)**
	Interest income received	737.29		548.94	
	Interest income on Investment measured at amortised cost	48.61		10.56	
	Finance cost paid	(484.55)		(354.66)	
	Income tax paid (net)	(61.47)	239.88	(65.30)	139.54
	NET CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)		**(1,487.95)**		**(805.28)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Acquisition of property, plant and equipments and intangible assets, including capital advances	(10.95)		(5.34)	
	Proceeds from sale of property, plant and equipments and intangible assets	0.24		0.01	
	Change in Earmarked balances with banks and other free deposit	22.55		(550.46)	
	Interest income from bank deposits	39.46		24.97	
	Purchase of investments	(2,886.72)		(1,192.11)	
	Redemption of investments	2,592.03		902.82	
	Profit on redemption of long term investment	1.35		0.23	
	NET CASH FLOW GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)		**(242.04)**		**(819.88)**

Consolidated Statement of Cash Flows (contd.)

for the year ended 31 March 2023

		Year ended 31 March 2023		Year ended 31 March 2022 (Restated refer note 32)	
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from issue of shares (net)	0.01		-	
	Proceeds from debt securities and borrowings	3,193.32		2,060.90	
	Repayments of debt securities and borrowings	(1,283.55)		(1,182.00)	
	Net increase in working capital borrowings	(206.03)		59.38	
	Repayment of lease liabilities	(0.28)		(0.52)	
	Dividends paid including dividend distribution tax	(19.45)		(15.07)	
	NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)		**1,684.02**		**922.69**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**(45.97)**		**(702.47)**
	Cash and cash equivalents at the beginning of the year		284.64		987.11
	Cash and cash equivalents at the end of the year (refer note 1 below)		**238.67**		**284.64**

* Represents amount less than ₹ 50,000

Notes:

(₹ In Crores)

			As at 31 March 2023	As at 31 March 2022
1.	Cash and bank balances at the end of the year comprises:			
	(a)	Cash on hand	0.23	0.25
	(b)	Balances with banks	68.36	247.43
	(c)	Bank deposits with original maturity of 3 months or less	170.08	36.96
	Cash and cash equivalents as per the balance sheet		**238.67**	**284.64**

2. The above cash flow statement has been prepared under the "Indirect method" as set out in the Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.

3. The Group as at 31 March 2023 has undrawn borrowing facilities amounting to ₹ 1327.44 crores that may be available for future operating activities and to settle capital commitments.

4. **Change in liabilities arising from financing activities**

	31 March 2022	Cash flows	Non-cash changes*	31 March 2023
Debt securities	362.03	266.25	(1.02)	627.26
Borrowings (other than debt securities)	3,939.97	1,317.49	(9.89)	5,247.57
Subordinated liabilities	137.22	120.00	(4.52)	252.70
Total liabilities from financing activities	**4,439.22**	**1,703.74**	**(15.43)**	**6,127.53**

	1 April 2021	Cash flows	Non-cash changes*	31 March 2022
Debt securities	314.12	50.00	(2.09)	362.03
Borrowings (other than debt securities)	3,138.67	808.28	(6.98)	3,939.97
Subordinated liabilities	59.97	80.00	(2.75)	137.22
Total liabilities from financing activities	**3,512.76**	**938.28**	**(11.82)**	**4,439.22**

* Non-cash changes represents the effect of amortization of transaction cost.

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
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Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)
Ahmedabad
10 May 2023

Ankit Jain
(Chief Financial Officer)

Ahmedabad
10 May 2023

1. CORPORATE INFORMATION

MAS Financial Services Limited (the "Holding Company") together with its subsidiary MAS Rural Housing & Mortgage Finance Limited and MASFIN Insurance Broking Private Limited (hereinafter referred to as the "Group") are public companies domiciled in India. The Holding Company is registered as a non deposit taking non-banking finance company ("NBFC") with Reserve Bank of India ("RBI"). MAS Rural Housing & Mortgage Finance Limited is registered as a non deposit taking housing finance company ("HFC") with National Housing Bank ("NHB"). The Group is engaged in the business of providing Micro Enterprise Loans ("MEL"), Small and Medium Enterprise loans ("SME"), Two Wheeler loans ("TW"), Commercial Vehicle loans ("CV"), loans to NBFCs, housing loans, commercial property loans and project loans for real estate projects to customers especially in the segment of affordable housing in rural and urban areas. MASFIN Insurance Broking Private Limited is acting as an agent in providing insurance services. The Holding Company's equity shares are listed on two recognised stock exchanges in India i.e. BSE Limited and the National Stock Exchange of India Limited.

The Holding Company's registered office is at 6, Ground Floor, Narayan Chambers, behind Patang Hotel, Ashram Road, Ahmedabad - 380009, Gujarat, India.

2. BASIS OF PREPARATION

2.1 Statement of compliance and principles of consolidation

These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 ("the Act"), and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Group has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC).CC.PD. No.109/22. 10.106/2019-20 dated 13 March 2020.

Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

Principles of consolidation

These consolidated financial statements are prepared on the following basis in accordance with Ind AS 110 on 'Consolidated Financial Statements' specified under Section 133 of the Act.

i) Subsidiary -

Subsidiary is an entity controlled by the Holding Company. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which controls commences until the date on which control ceases.

ii) Non-controlling interest ("NCI")

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii) Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value on the date the control is lost. Any resulting gain or loss is recognized in profit or loss.

iv) Transactions eliminated on consolidation

The financial statements of the Holding Company and its subsidiary used in the consolidation procedure are drawn up to the same reporting date i.e. 31 March 2023. The financial statements of the Holding Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. The Group follows uniform accounting policies for like transactions and other events in similar circumstances.

v) The following subsidiary company has been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Country of incorporation	Ownership held by	% of holding and voting power as at	
				31 March 2023	31 March 2022
MAS Rural Housing & Mortgage Finance Limited	Subsidiary company	India	MAS Financial Services Limited	59.67%	59.67%
MASFIN Insurance Broking Private Limited	Subsidiary company	India	MAS Financial Services Limited	69.00%	0.00%
MASFIN Insurance Broking Private Limited	Associate Company	India	MAS Rural Housing and Mortgage Finance Limited	30.00%	0.00%

2.2 Basis of measurement

The consolidated financial statements have been prepared on historical cost convention and on accrual basis, except for certain financial instruments which are measured at fair value as required by relevant Ind AS.

2.3 Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Group operates (the "functional currency"). Amounts in the consolidated financial statements are presented in crores rounded off to two decimal places as permitted by Schedule III to the Act, except when otherwise indicated.

2.4 Use of estimates, judgements and assumptions

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised prospectively.

Judgements

In the process of applying the Group's accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Business model assessment

Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest (the "SPPI") test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or FVOCI that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value please refer note 3.8 and note 41.

ii) Effective interest rate ("EIR") method

"The Group's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument."

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

e) Management overlay is used in circumstances where management in its objective review and internal assessment of emerging forward looking economic factors and related uncertainties.

iv) Provisions and other contingent liabilities

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Group's business.

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates

For further details on provisions and other contingencies refer note 3.16

v) Provision for income tax and deferred tax assets

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recovered for uncertain tax positions. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

vi) Defined Benefit Plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable.

2.5 Presentation of the Consolidated financial statements

The Group presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in note 39.

Financial assets and financial liability are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

i) The normal course of business

ii) The event of default

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of interest income

A. EIR method

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

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as stage 3, the Group calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Group reverts to calculating interest income on a gross basis.

3.2 Financial instrument - initial recognition

A. Date of recognition

All financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments (refer note 3.3(A)). Financial instruments are initially measured at their fair value (as defined in note 3.8), transaction costs are added to, or subtracted from this amount, except in the case of financial assets and financial liabilities recorded at FVTPL.

C. Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

i) Amortised cost

ii) FVOCI

iii) FVTPL

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel.

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

d) The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

SPPI test

As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, the financial assets are measured as follows:

i) Financial assets carried at amortised cost ("AC")

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) *Financial assets measured at FVOCI*

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) *Financial assets at FVTPL*

A financial asset which is not classified in any of the above categories are measured at FVTPL.

B. Financial liability

i) *Initial recognition and measurement*

All financial liability are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) *Subsequent measurement*

Financial liabilities are carried at amortized cost using the EIR method.

3.4 Reclassification of financial assets

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the circumstances in which the Group changes in its business model for managing those financial assets.

3.5 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

B. Derecognition of financial assets other than due to substantial modification

i) *Financial assets*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss. It is a change in accounting policy which has been implemented with retrospective effect and being presented from the begining of the earliest period i.e. 1 April 2021. Refer note 32 for details.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109.

As per the guidelines of RBI, the Group is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continue to recognise the portion retained by it as MRR.

ii) *Financial liability*

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

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets together with loan commitments other than those measured at FVTPL.

ECL are measured through a loss allowance at an amount equal to:

i.) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii.) Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Group categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant increase in credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the life time ECL.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. Borrowers are also classified under stage 3 bucket under instances like fraud identification and legal proceeding. Further, stage 3 loan accounts are identified at customer level (i.e. a Stage 1 or 2 customer having other loans which are in Stage 3). The Group records an allowance for life time ECL.

There is a curing period with Stage 3 loan, where even if the DPD days are reduced by 90 days the same will not be upgraded to Stage 1 until the loan is 0 DPD.

Loan commitments:

When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

B. The calculation of ECLs

For retail loans

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD Probability of Default (“PD”) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD Exposure at Default (“”EAD””) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, expected drawdowns on committed facilities and accrued interest. Further, the EAD for stage 3 retail loan is the outstanding exposure at the time loan is classified as Stage 3 for the first time.

LGD LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD’s are defined as a collection of LGD’s estimates applicable to different future periods.

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total POS) % LGD = 1 – recovery rate

For retail asset channel (“RAC”) and housing finance company (“HFC”) loan portfolio

For RAC & HFC loan portfolio, the Group has developed internal rating based approach for the purpose of ECL. The credit rating framework of the Group consists of various parameters based on which RAC & HFC loan portfolio is evaluated and credit rating is assigned accordingly.

The Group has developed its PD matrix based on the external benchmarking of various external reports, ratings & Basel norms. This PD matrix is calibrated with its historical data and major events on regular time interval in accordance with its ECL policy.

The LGD has been considered based on Basel-II Framework (International Regulatory Framework of Banks) for all the level of credit rating portfolio.

The Group has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated EAD and LGDs are reviewed. While at every year end, PDs are reviewed and changes in the forward looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%. Credit impairment loans are determined at borrower level.

Loan commitments

When estimating ECL for undrawn loan commitments, the Group estimates the amount sanctioned that will be disbursed after the reporting date. The ECL is then calculated using PD and LGD.

Management overlay is used to adjust the ECL allowance in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Group's lending portfolios. Emerging local or global macroeconomic, micro economic or political events, and natural disasters that are not incorporated into the current parameters, risk ratings, or forward looking information are examples of such circumstances. The use of management overlay may impact the amount of ECL recognized.

Significant increase in credit risk

The Group monitors all financial assets, including loan commitments issued that are subject to impairment requirements, to assess whether there has been a significant increase in credit risk since initial recognition. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience that is available without undue cost or effort. However, when a financial asset becomes 30 days past due, the Group considers that a significant increase in credit risk has occurred and the asset is classified in Stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL. Further, a stage 2 customer having other loans which are in stage 1 are considered to have significant increase in credit risk

Definition of default

The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL.

Financial assets in default represent those that are at least 90 DPD in respect of principal or interest and/or where the assets are otherwise considered to be unlikely to pay, including those that are credit-impaired.

C. Loans and advances measured at FVOCI

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to the statement of profit and loss. The accumulated loss recognised in OCI is recycled to the statement of profit and loss upon derecognition of the assets.

D. Forward looking information

In its ECL models, the Group relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time. For this purpose, the Group has used the data source of Economist Intelligence Unit.

3.7 Write-offs

The gross carrying amount of a financial asset is written off when the chances of recoveries are remote. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in Statement of profit and loss.

3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;

- Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and

- Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

3.9 (I) Recognition of other income

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115 :

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

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

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

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

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

A. Dividend income

Dividend income (including from FVOCI investments) is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

B. Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

C. Other interest income

Other interest income is recognised on a time proportionate basis.

D. Fees and commission income

Fees and commission income such as stamp and document charges, guarantee commission, service income, due diligence & evaluation changes and portfolio monitoring fees etc. are recognised on point in time basis.

3.9 (II) Recognition of other expense

A. Finance cost

Finance costs are the interest and other costs that the Group incurs in connection with the borrowing of funds. Interest expenses are computed based on effective interest rate method. Finance costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other finance costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.11 Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the Group and the cost of the item can be measured reliably.

Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act. Land is not depreciated.All assets individually costing less than ₹ 5,000 are fully depreciated in the year of purchase.

The estimated useful lives are, as follows:

i) Buildings - 60 years

ii) Office equipments - 3 to 15 years

iii) Furniture and fixtures - 10 years

iv) Vehicles - 8 years

Depreciation is provided on a pro-rata basis from the date on which such asset is purchased or ready for its intended use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date. Capital work-in-progress is stated at cost, net of impairment loss, if any.

3.12 Intangible assets

The Group's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives (three years) using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'.

3.13 Impairment of non financial assets - property, plant and equipment and intangible assets

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

3.14 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less

Lease payments associated with short term leases or low value leases are recognised as an expense on a straight-line basis over the lease term.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

3.15 Retirement and other employee benefits

Defined contribution plans

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Group pays gratuity to the employees whoever has completed five years of service with the Group at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Group to the Life Insurance Corporation of India who administers the fund of the Group.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

3.16 Provisions, contingent liabilities and contingent assets

A. Provisions

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

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are neither recognised not disclosed in the financial statements.

3.17 Taxes

A. Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or equity.

B. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.18 Earnings per share

Basic earnings per share is computed by dividing the profit after tax (i.e. profit attributable to the owners of the parent) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.19 Dividends on ordinary shares

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Holding Company when the distribution is authorised and the distribution is no longer at the discretion of the Holding Company. As per the Act, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

3.20 Repossessed asset

In the normal course of business whenever default occurs, the Group may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle the outstanding debt.

3.21 Security deposit

The security deposits received by the customers are in the nature of financial liabilities as defined under Ind AS – 32. The Group uses weighted average rate of borrowing as discount rate to arrives at fair valuation of security deposit. After initial recognition, the Group recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

4 . STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1, Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the Consolidated financial statements.

Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its Consolidated financial statements.

Ind AS 12, Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.The Group has evaluated the amendment and there is no impact on its Consolidated financial statements.

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

5. CASH AND CASH EQUIVALENTS

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Cash on hand	0.23	0.25	0.18
Balances with banks:			
In current / cash credit accounts	68.36	247.43	511.70
Bank deposits with original maturity of 3 months or less (refer note 1 below)	170.08	36.96	475.23
Total cash and cash equivalents	**238.67**	**284.64**	**987.11**

Notes:

1. Represents bank deposits against overdraft facility as at 31 March 2022.

6. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
In current accounts (refer note 1 below)	0.12	0.11	0.28
Earmarked balances with banks:			
Unclaimed dividend bank balances (refer note 2 below)	0.02	0.63	0.02
Unspent CSR bank balances	5.34	2.92	-
In fixed deposit accounts:			
Deposits given as security against borrowings and other commitments	22.74	27.46	21.63
Bank deposits with original maturity of more than 3 months (refer note 3 below)	537.07	554.90	10.27
Total bank balance other than cash and cash equivalents	**565.29**	**586.02**	**32.20**

Notes:

1. Balance represents balance with banks in earmarked account i.e. “collection and pay-out account”.
2. Balance amounting to ₹ 0.61 crores was transferred to lien free “current account” after 31 March 2022 as it was available for free use.
3. Represents bank deposits against overdraft facility.

7. TRADE RECEIVABLES

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Trade receivables considered good-secured	-	-	-
Trade receivables considered good-unsecured	4.30	1.05	2.23
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables - credit impaired	-	-	
Total trade receivables	**4.30**	**1.05**	**2.23**

Notes:

1. Impairment allowance recognised on trade receivables is ₹ Nil (Previous years: ₹ Nil).
2. There is no due by directors or other officers of the Group or any firm or private company in which any director is a partner, a director or a member.

Notes
Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

Trade Receivables ageing schedule as at 31 March 2023

(₹ In Crores)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	4.03	0.15	0.12	-	-	4.30
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Trade Receivables ageing schedule as at 31 March 2022

(₹ In Crores)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	0.15	0.46	0.44	-	-	1.05
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Trade Receivables ageing schedule as at 1 April 2021

(₹ In Crores)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	2.23	-	-	-	-	2.23
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

8. LOANS

(₹ In Crores)

	As at 31 March 2023			As at 31 March 2022			As at 1 April 2021		
	At fair value through OCI	At amortised cost	Total	At fair value through OCI	At amortised cost	Total	At fair value through OCI	At amortised cost	Total
(A) (I) Bills Receivables	-	82.38	82.38	-	40.89	40.89	-	-	-
Less: Impairment loss allowance	-	(0.53)	(0.53)	-	(0.31)	(0.31)	-	-	-
Total (A) (I)-Net	**-**	**81.85**	**81.85**	**-**	**40.58**	**40.58**	**-**	**-**	**-**
(II) Term Loans - Gross	6,038.39	128.76	6,167.15	4,630.69	132.36	4,763.05	3,860.71	206.98	4,067.69
Less: Impairment loss allowance	-	(2.76)	(2.76)	-	(3.82)	(3.82)	-	(4.38)	(4.38)
Total (A) (II)-Net	**6,038.39**	**126.00**	**6,164.39**	**4,630.69**	**128.54**	**4,759.23**	**3,860.71**	**202.60**	**4,063.31**
Total (A)-Net	**6,038.39**	**207.85**	**6,246.24**	**4,630.69**	**169.12**	**4,799.81**	**3,860.71**	**202.60**	**4,063.31**
(B) (i) Secured by tangible assets	4,510.85	211.14	4,721.99	3,398.38	173.25	3,571.63	2,785.83	206.98	2,992.81
(ii) Unsecured	1,527.54	-	1,527.54	1,232.31	-	1,232.31	1,074.88	-	1,074.88
Total (B)-Gross	**6,038.39**	**211.14**	**6,249.53**	**4,630.69**	**173.25**	**4,803.94**	**3,860.71**	**206.98**	**4,067.69**
Less: Impairment loss allowance	-	(3.29)	(3.29)	-	(4.13)	(4.13)	-	(4.38)	(4.38)
Total (B)-Net	**6,038.39**	**207.85**	**6,246.24**	**4,630.69**	**169.12**	**4,799.81**	**3,860.71**	**202.60**	**4,063.31**
(C) (I) Loans in India									
(i) Public sector	-	-	-	-	-	-	-	-	-
(ii) Private sector	6,038.39	211.14	6,249.53	4,630.69	173.25	4,803.94	3,860.71	206.98	4,067.69
Total (C)-Gross	**6,038.39**	**211.14**	**6,249.53**	**4,630.69**	**173.25**	**4,803.94**	**3,860.71**	**206.98**	**4,067.69**
Less: Impairment loss allowance	-	(3.29)	(3.29)	-	(4.13)	(4.13)	-	(4.38)	(4.38)
Total (C) (I) -Net	**6,038.39**	**207.85**	**6,246.24**	**4,630.69**	**169.12**	**4,799.81**	**3,860.71**	**202.60**	**4,063.31**
(C) (II) Loans outside India	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-
Total (C) (II)- Net	-	-	-	-	-	-	-	-	-
Total C(I) and C(II)	**6,038.39**	**207.85**	**6,246.24**	**4,630.69**	**169.12**	**4,799.81**	**3,860.71**	**202.60**	**4,063.31**

Loans or advances in the nature of loans are granted to promoters, directors, KMPs, and the related parties, either serverally or jointly with any other person

Particulars	As at 31 March 2023	% to the total Loans and Advances in the nature of loans	As at 31 March 2022	% to the total Loans and Advances in the nature of loans	As at 1 April 2021	% to the total Loans and Advances in the nature of loans
Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Directors	0.13	0.00%	0.16	0.00%	0.18	0.00%
KMPs	Nil	Nil	Nil	Nil	Nil	Nil
Related parties	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

1. The impairment on loans measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss.

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

8.1 An analysis of changes in the gross carrying amount of loans is given below*

(₹ In Crores)

	31 March 2023				31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**4,632.12**	**108.83**	**106.51**	**4,847.46**	**3,950.20**	**95.53**	**65.41**	**4,111.14**
Changes in opening credit exposures (net of repayment and excluding write off)	(3,262.82)	(36.72)	(39.43)	(3,338.97)	(2,768.42)	(27.40)	(23.20)	(2,819.02)
New assets originated (net of repayment)**	4,738.69	68.37	20.77	4,827.83	3,545.89	23.80	17.83	3,587.52
Transfers from Stage 1	(91.83)	39.23	52.60	-	(98.37)	45.98	52.39	-
Transfers from Stage 2	11.85	(50.94)	39.09	-	2.76	(28.24)	25.48	-
Transfers from Stage 3	0.41	-	(0.41)	-	0.28	-	(0.28)	-
Amounts written off	(0.17)	(0.07)	(43.94)	(44.18)	(0.22)	(0.84)	(31.12)	(32.18)
Gross carrying amount closing balance	**6,028.25**	**128.70**	**135.19**	**6,292.14**	**4,632.12**	**108.83**	**106.51**	**4,847.46**

* The above classification also includes balance of spread receivable on assigned portfolio. (Refer note no. 10)

** New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end.

In accordance with the board approved moratorium policy read with RBI guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Group had granted moratorium up to six months on the payment of installments which became due between 1 March 2020 and 31 August 2020 to all eligible borrowers.

The Honourable Supreme Court of India in a public interest litigation (Gajendra Sharma vs. Union of India & Anr), vide an interim order dated 3 September 2020 ('interim order'), has directed that no additional borrower accounts shall be classified as impaired ('non-performing assets' or 'NPA') which were not declared NPA till 31 August 2020, till further orders. Based on the said interim order, the Group has not classified any standard account as of 31 August 2020 as NPA after 31 August 2020. The Group has classified those accounts as stage 3 and provisioned accordingly for financial reporting purposes.

The interim order granted to not declare accounts as NPA stood vacated on 23 March 2021 vide the judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors, and other connected matters, in accordance with the instructions in paragraph 5 of the RBI circular no. RB1/2021-22/17DOR. STR.REC.4/21.04.048/2021-22 dated 7 April 2021 issued in this connection, the Group has continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms and as per ECL model under Ind AS financial statements for the year ended 31 March 2021 and 31 March 2022.

8.2 Reconciliation of ECL balance is given below

(₹ In Crores)

	31 March 2023				31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**46.38**	**13.38**	**45.19**	**104.95**	**59.77**	**18.95**	**25.18**	**103.90**
Changes in opening credit exposures (net of repayment and excluding write off)	(11.12)	4.50	(10.32)	(16.94)	(20.82)	(3.85)	(1.51)	(26.18)
New assets originated (net of repayment)	25.68	13.15	6.90	45.73	34.50	2.30	9.27	46.07
Transfers from Stage 1	(29.17)	6.56	22.61	-	(27.08)	6.93	20.15	-
Transfers from Stage 2	0.05	(15.18)	15.13	-	0.02	(10.76)	10.74	-
Transfers from Stage 3	* 0.00	-	* 0.00	-	* 0.00	-	* 0.00	-
Amounts written off	-	(0.04)	(25.41)	(25.45)	(0.01)	(0.19)	(18.64)	(18.84)
ECL allowance - closing balance	**31.82**	**22.37**	**54.10**	**108.29**	**46.38**	**13.38**	**45.19**	**104.95**

* Represents amount less than ₹ 50,000

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

The contractual amount outstanding on loans that have been written off during the year, but were still subject to enforcement activity is ₹ 44.18 crores at 31 March 2023 (31 March 2022: ₹ 32.18 crores).

The increase in ECL was driven by an increase in the gross amount of the portfolio, movements between stages as a result of increase in credit risk, change in probability of default, macro economic factors and management overlays due to estimated macro-economic factors. The extent to which macro-economic factors will impact current estimates of ECL is uncertain at this point of time. The Group has conducted a qualitative assessment and has considered forecasted macro economic factors and a higher probability of default to factor on impairment allowances. For further details, refer note 43.

8.3 Credit quality of loan assets

The table below shows the gross carrying amount of loans based on the Group's internal grading model and year-end stage classification of loans. The amounts presented are gross of impairment allowances. Details of the Group's internal grades are explained in note 43.1.

(₹ In Crores)

	31 March 2023				31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal grades								
Performing								
High quality assets	6,028.25	-	-	6,028.25	4,632.12	-	-	4,632.12
Quality assets	-	85.95	-	85.95	-	53.12	-	53.12
Standard assets	-	42.75	-	42.75	-	55.71	-	55.71
Non- performing								
Sub standard assets	-	-	45.96	45.96	-	-	51.61	51.61
Low quality assets	-	-	89.23	89.23	-	-	54.90	54.90
Total	**6,028.25**	**128.70**	**135.19**	**6,292.14**	**4,632.12**	**108.83**	**106.51**	**4,847.46**

9. INVESTMENTS

(₹ In Crores)

	As at 31 March 2023			As at 31 March 2022			As at 1 April 2021		
	At amortised cost	At fair value through P&L	Total	At amortised cost	At fair value through P&L	Total	At amortised cost	At fair value through P&L	Total
Investments									
Alternative investment funds	-	38.97	38.97	-	35.59	35.59	-	20.30	20.30
Pass through certificates under securitization transactions	527.76	-	527.76	141.25	-	141.25	65.64	-	65.64
Market linked debentures	-	188.25	188.25	-	262.97	262.97	-	115.67	115.67
Non - convertible debentures	31.62	-	31.62	49.32	-	49.32	-	-	-
Mutual fund units	-	4.68	4.68	-	4.63	4.63	-	-	-
Total – Gross (A)	**559.38**	**231.90**	**791.28**	**190.57**	**303.19**	**493.76**	65.64	135.97	201.61
(i) Investments outside India	-	-	-	-	-	-	-	-	-
(ii) Investments in India	559.38	231.90	791.28	190.57	303.19	493.76	65.64	135.97	201.61
Total (B)	**559.38**	**231.90**	**791.28**	**190.57**	**303.19**	**493.76**	65.64	135.97	201.61
Less: Allowance for Impairment Loss (C)	(0.24)	-	(0.24)	(0.55)	-	(0.55)	(0.03)	-	(0.03)
Total – Net D= (A)-(C)	**559.14**	**231.90**	**791.04**	**190.02**	**303.19**	**493.21**	65.61	135.97	201.58

10. OTHER FINANCIAL ASSETS

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Security deposits	1.17	1.00	0.82
Interest accrued but not due on investments	2.43	0.67	0.02
Spread receivable on assigned portfolio	42.61	43.52	43.45
Advances to dealers	7.63	8.14	-
Interest Waiver Receivable From Banks	-	-	0.16
Ex-gratia interest amount under GOI scheme (net of ECL)	-	-	3.63
Other Recievable	7.79	-	-
Total other financial assets	**61.63**	**53.33**	**48.08**

11. PROPERTY, PLANT AND EQUIPMENTS AND INTANGIBLE ASSETS

(₹ In Crores)

	Property, plant and equipment (a)					Intangible assets (b)		
Nature of assets	**Buildings**	**Office equipment**	**Furniture and fixtures**	**Vehicles**	**Total**	**Software**	**Other intangibles**	**Total**
Cost								
At 1 April 2021	**6.68**	**3.88**	**2.99**	**2.66**	**16.21**	**0.43**	*** 0.00**	**0.43**
Additions	-	1.27	0.55	1.23	3.05	0.19	-	0.19
Disposals	-	0.01	-	-	0.01	-	-	-
At 31 March 2022	**6.68**	**5.14**	**3.54**	**3.89**	**19.25**	**0.62**	*** 0.00**	**0.62**
Additions	-	1.82	1.26	0.95	4.03	1.04	-	1.04
Disposals	-	-	-	0.42	0.42	-	-	-
At 31 March 2023	**6.68**	**6.96**	**4.80**	**4.42**	**22.86**	**1.66**	*** 0.00**	**1.66**
Depreciation/Amortisation								
At 1 April 2021	**0.43**	**2.06**	**0.85**	**1.42**	**4.76**	**0.34**	*** 0.00**	**0.34**
Depreciation/amortization charge	0.11	0.69	0.31	0.45	1.56	0.06	* 0.00	0.06
Disposal	-	* 0.00	-	-	* 0.00	-	-	-
At 31 March 2022	**0.54**	**2.75**	**1.16**	**1.87**	**6.32**	**0.40**	*** 0.00**	**0.40**
Depreciation/amortization charge	0.11	0.97	0.52	0.56	2.16	0.23	-	0.23
Disposal	-	-	-	0.28	0.28	-	-	-
At 31 March 2023	**0.65**	**3.72**	**1.68**	**2.15**	**8.20**	**0.63**	*** 0.00**	**0.63**
Net block value:								
At 1 April 2021	6.25	1.82	2.14	1.24	11.45	0.09	* 0.00	0.09
At 31 March 2022	6.14	2.39	2.38	2.02	12.93	0.22	* 0.00	0.22
At 31 March 2023	**6.03**	**3.24**	**3.12**	**2.27**	**14.66**	**1.03**	*** 0.00**	**1.03**

* Represents amount less than ₹ 50,000

Note: No revaluation of any class of asset is carried out during the year.

(c) Right-of-use Asset

The details of the right-of-use asset held by the Group is as follows:

Office Premises	
At 1 April 2021	**2.66**
Additions	0.53
Disposals	0.01
At 31 March 2022	**3.18**
Additions	0.89
Disposals	-
At 31 March 2023	**4.07**

Depreciation	
At 1 April 2021	**2.12**
Additions	0.45
Disposals	* 0.00
At 31 March 2022	**2.57**
Additions	0.32
Disposals	-
At 31 March 2023	**2.89**
Net Block Value:	
At 1 April 2021	0.54
At 31 March 2022	0.61
At 31 March 2023	**1.18**

(d) Capital work in progress

Capital work in progress includes borrowing costs related to development of building amounted to ₹ 1.24 crores (31 March 2022: ₹ 1.46 crores and 1 April 2021: ₹ 1.81 crores). Finance costs are capitalised using rates based on specific borrowing rate i.e. 8.91% for the year ended 31 March 2023.

Capital work-in-progress	
At 1 April 2021	**50.03**
Additions	2.01
Disposals	-
At 31 March 2022	**52.04**
Additions	5.62
Disposals	-
At 31 March 2023	**57.66**

Capital work in progress aging schedule

(₹ In Crores)

Capital work in progress	**Amount in CWIP for a period of**				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
As at 31 March 2023					
Projects in progress	5.72	1.91	1.81	48.21	57.66
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2022					
Projects in progress	2.02	1.81	2.57	45.64	52.04
Projects temporarily suspended	-	-	-	-	-
As at 1 April 2021					
Projects in progress	1.81	2.57	0.34	45.31	50.03
Projects temporarily suspended	-	-	-	-	-

Capital work in progress completion schedule for projects where completion is overdue

(₹ In Crores)

Capital work in progress	**To be completed in**				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
As at 31 March 2023					
MAS headquarters	-	-	-	57.66	57.66
As at 31 March 2022					
MAS headquarters	-	-	-	52.04	52.04
As at 1 April 2021					
MAS headquarters	-	-	-	50.03	50.03

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

(e) Intangible assets under development

Intangible assets under development	
At 1 April 2021	**-**
Additions	0.04
Disposals	-
At 31 March 2022	**0.04**
Additions	0.33
Disposals	0.04
At 31 March 2023	**0.33**

Intangible assets under development aging schedule

(₹ In Crores)

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023					
Projects in progress	0.33	-	-	-	0.33
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2022					
Projects in progress	0.04	-	-	-	0.04
Projects temporarily suspended	-	-	-	-	-
As at 1 April 2021					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

12. OTHER NON-FINANCIAL ASSETS

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Prepaid expenses	4.48	1.39	0.10
Advances to employees	0.13	0.15	0.17
Re-possessed assets	3.54	1.79	1.76
Balance with Government Authorities	0.21	0.30	0.19
Capital advances	0.02	0.05	-
Gratuity fund [refer note 40(b)]	0.69	0.08	0.05
Other advances	0.81	0.46	0.59
Total	**9.88**	**4.22**	**2.86**

13. PAYABLES

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
(a) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	0.13	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14.55	14.59	7.28
(b) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.84	1.55	1.01
Total	**16.52**	**16.14**	**8.29**

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

Trade Payables aging schedule

(₹ In Crores)

Particulars		Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023						
(i)	MSME	0.13	-	-	-	0.13
(ii)	Others	14.54	-	0.01	-	14.55
(iii)	Disputed dues – MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-
As at 31 March 2022						
(i)	MSME	-	-	-	-	-
(ii)	Others	12.57	1.79	0.22	0.01	14.58
(iii)	Disputed dues – MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-
As at 1 April 2021						
(i)	MSME	-	-	-	-	-
(ii)	Others	7.00	0.27	-	0.01	7.27
(iii)	Disputed dues – MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-

Micro, Small and Medium Enterprises:

Based on and to the extent of the information received by the Group from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:

		As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
(a)	Dues remaining unpaid to any supplier at the year end			
	- Principal	0.13	-	-
	- Interest on above	-	-	-
(b)	Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year			
	- Principal paid beyond the appointed date	-	-	-
	- Interest paid in terms of Section 16 of the MSMED Act	-	-	-
(c)	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-	-
(d)	Amount of interest accrued and remaining unpaid	-	-	-
(e)	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-	-

14. DEBT SECURITIES (AT AMORTISED COST) (REFER NOTE 14.1)

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Secured non-convertible debentures	31.25	-	250.00
Secured Market Linked debenture	600.00	365.00	65.00
Less: Unamortised borrowing costs	(3.99)	(2.97)	(0.88)
Total	**627.26**	**362.03**	**314.12**
Debt securities in India	627.26	362.03	314.12
Debt securities outside India	-	-	-
Total	**627.26**	**362.03**	**314.12**

14.1 Details of terms of redemption/repayment in respect of debt securities:

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Debentures					
500 rated, listed, redeemable, senior, secured, non-convertible debentures of ₹ 10,00,000 each	31.25	-	-	Coupon Rate: Benchmark+173 bps Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 years	Secured by a first ranking exclusive Hypothecation charge over Assets
1000, 9.00% Rated, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures of ₹ 10,00,000 each	-	-	100.00	Coupon Rate: 9% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 years and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
500, 9.00% Rated, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures of ₹ 10,00,000 each	-	-	50.00	Coupon Rate: 9% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 years and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
1000, 9.00% Rated, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures of ₹ 10,00,000 each	-	-	100.00	Coupon Rate: 9% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 years and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	-	65.00	65.00	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	100.00	100.00	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 6 Month	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	100.00	100.00	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 1 day	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	100.00	100.00	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 2 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	100.00	-	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 Year and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	100.00	-	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 Year and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	100.00	-	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 2 days	Secured by a first ranking exclusive Hypothecation charge over Assets
Total debentures	**631.25**	**365.00**	**315.00**		

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15. BORROWINGS (OTHER THAN DEBT SECURITIES) (AT AMORTISED COST)

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
(a) Term loans (refer note 15.1)			
(i) from banks	3,170.77	1,989.85	1,297.34
(ii) from NHB	28.53	13.02	16.05
(iii) from other parties (financial institutions)	751.98	374.86	365.47
(b) Loans repayable on demand from banks-cash credit/overdraft (Refer note below)	20.35	265.87	343.47
(c) Short term loans from banks (Refer note below)	1,304.43	1,264.94	1,127.96
(d) Borrowing under securitisation	-	50.03	-
Less: Unamortised borrowing costs	(28.49)	(18.60)	(11.62)
Total	**5,247.57**	**3,939.97**	**3,138.67**
Secured	5,247.57	3,915.14	3,113.88
Unsecured	-	24.83	24.79
Total	**5,247.57**	**3,939.97**	**3,138.67**
Borrowings in India	5,247.57	3,939.97	3,138.67
Borrowings outside India	-	-	-
Total	**5,247.57**	**3,939.97**	**3,138.67**

Note:

For Cash credit / Overdraft and short term loans

(a) Cash credit / short term loans from banks are secured by hypothecation of movable assets of the Group and goods covered under hypothecation ("HP") agreements / Loan cum HP agreements and book debts, receivables, loans and advances and entire portfolio outstanding (except specific portfolio generated from various term loans sanctioned by various banks/ financial institutions on an exclusive basis) and equitable mortgage/negative lien by deposit of title deeds on some of the Group's immovable properties, as collateral security. The loans are also guaranteed by Mr. Kamlesh Chimanlal Gandhi, Mrs. Shweta Kamlesh Gandhi and Legal heirs of Late Mr. Mukesh Chimanlal Gandhi. Overdraft loans are secured against fixed deposits placed.

(b) Interest rate range

Interest rate ranges from 4.00 % p.a. to 11.55 % p.a. as at 31 March 2023.

Interest rate ranges from 2.90% p.a to 11.00% p.a as at 31 March 2022.

Interest rate ranges from 7.65% p.a to 12.00% p.a as at 1 April 2021.

The Group has not defaulted in repayment of borrowings and interest.

The Group has borrowings from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts of the Group.

The carrying amount of financial assets which is hypothecated against all secured borrowing inclusive of margin requirement ranging from 1.10 times to 1.25 times is amounting to ₹ 6631.46 crores (31 March 2022: ₹ 4814.97 crores, 1 April 2021: ₹ 4090.16 crores).

15.1 Details of terms of repayment in respect of term loans:

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term loans from banks (Refer note i)					
Term Loan - 1	8.00	16.00	24.00	Repayable in 12 Quarterly installments from 30 June 2021	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 2	58.33	91.67	-	Repayable in 12 Quarterly installments from 31 March 2022	Exclusive charge by way of hypothecation of on standard receivables of the Borrower

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	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loan - 3	-	-	0.01	Repayable in 20 Quarterly installments from 30 September 2016.	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 4	43.95	63.99	80.00	Repayable in 20 Quarterly installments from 30 June 2021.	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 5	105.00	135.00	-	Repayable in 20 Quarterly installments from 05 November 2021.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 6	133.33	200.00	-	Repayable in 20 Quarterly installments from 05 November 2021.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 7	83.33	35.00	-	Repayable in 36 monthly installments from 01 May 2022.	First Exclusive hypothecation charge on book debts created out of Bank Loan.
Term Loan - 8	70.03	94.98	-	Repayable in 20 Quarterly installments from 31 March 2022.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are financed/ to be financed by the company out of the proposed term loan to the Company.
Term Loan - 9	27.27	54.55	75.00	Repayable in 33 monthly installments from 30 July 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 10	36.36	50.00	-	Repayable in 33 monthly installments from 30 July 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 11	-	-	6.26	Repayable in 36 monthly installments from 7 August 2018.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 12	-	-	7.79	Repayable in 36 monthly installments from 7 September 2018.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 13	12.24	15.81	19.14	Repayable in 96 monthly installments from 7 April 2018.	First and exclusive charge on land, property and commercial property under construction.
Term Loan - 14	-	7.29	19.58	Repayable in 36 monthly installments from 7 November 2019.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 15	-	2.69	5.23	Repayable in 36 monthly installments from 7 April 2020.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 16	-	10.77	20.90	Repayable in 36 monthly installments from 7 April 2020.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loan - 17	-	4.49	8.71	Repayable in 36 monthly installments from 7 April 2020.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 18	2.58	5.00	7.50	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 19	10.32	20.00	30.00	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 20	4.30	8.33	12.50	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 21	3.40	5.83	-	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 22	13.60	23.33	-	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 23	5.67	9.72	-	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 24	4.45	6.88	-	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 25	17.80	27.50	-	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 26	7.42	11.46	-	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 27	-	-	2.08	Repayable in 36 monthly installments from 31 July 2018.	First and exclusive charge by way of hypothecation on the Company's book debts and loan installments receivables.
Term Loan - 28	13.33	26.67	40.00	Repayable in 36 monthly installments from 30 April 2021.	Secured by a first and exclusive charge on specific book debt and future receivables of the Company created/to be created out of the loan availed .
Term Loan - 29	-	-	45.83	Repayable in 36 monthly installments from 30 April 2019.	First exclusive charge of present and future book debts and receivables of the Company.
Term Loan - 30	-	-	25.36	Repayable in 11 Quarterly installments from 30 September 2019.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 31	-	18.25	72.73	Repayable in 11 Quarterly installments from 30 December 2020.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loan - 32	50.11	77.85	100.00	Repayable in 18 Quarterly installments from 30 December 2021.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 33	77.78	100.00	-	Repayable in 18 Quarterly installments from 24 September 2022.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 34	40.00	50.00	-	Repayable in 10 Quarterly installments from 14 December 2022.	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 35	24.98	41.66	-	Repayable in 12 Quarterly installments from 16 December 2021.	Exclusive charge by way of Hypothecation of book debt/receivables arising out of bank financial assets of the borrower.
Term Loan - 36	-	-	1.67	Repayable in 36 monthly installments from 1 August 2018.	Exclusive charge by way of hypothecation of the specific receivables/book debts.
Term Loan - 37	-	4.17	12.50	Repayable in 12 Quarterly installments from 30 November 2019.	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Company out of the bank finance.
Term Loan - 38	-	7.50	37.50	Repayable in 8 Quarterly installments from 30 September 2020.	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 39	-	7.35	48.80	Repayable in 12 Quarterly installments from 31 March 2020.	Exclusive charge by way of hypothecation of such of the book debts, which are financed/ to be financed by the Company out of the bank financed to the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loan - 40	6.50	26.00	52.00	Repayable in 16 Quarterly installments from 30 September 2019.	Secured by Hypothecation of portfolio of the Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loan - 41	25.50	76.50	127.50	Repayable in 16 Quarterly installments from 29 February 2020.	Secured by Hypothecation of portfolio of the Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loan - 42	10.00	15.00	20.00	Repayable in 16 Quarterly installments from 26 June 2021.	Exclusive charge by way of hypothecation on book debts under standard assets portfolio of the borrower eligible for Bank finance.
Term Loan - 43	65.99	110.44	154.90	Repayable in 18 Quarterly installments from 31 December 2020.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loan - 44	63.16	84.21	50.00	Repayable in 19 Quarterly installments from 30 September 2021.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 45	-	-	0.04	Repayable in 36 monthly installments from 5 July 2018.	Secured by hypothecation of the vehicle financed.
Term Loan - 46	225.00	285.00	-	Repayable in 20 Quarterly installments from 31 March 2022.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 47	84.62	-	-	Repayable in 13 Quarterly installments from 29 December 2022.	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Company out of the bank finance.
Term Loan - 48	127.50	-	-	Repayable in 20 Quarterly installments from 30 September 2022.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 49	200.00	-	-	Repayable in 12 Quarterly installments from 30 June 2023.	Exclusive first charge on the specific loan portfolio of the Borrower by way of hypothecation on the loan installments receivables. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 50	41.66	-	-	Repayable in 36 monthly installments from 30 October 2022.	Exclusive charge on the specific standard book debts/loan receivables of company.
Term Loan - 51	25.00	-	-	Repayable in 12 Quarterly installments from 23 December 2022.	Exclusive first charge by way of hypothecation of receivables created out of bank finance.
Term Loan - 52	75.00	-	-	Repayable in 33 monthly installments from 31 July 2023.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 53	33.60	-	-	Repayable in 36 monthly installments from 7 June 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 54	83.55	-	-	Repayable in 36 monthly installments from 7 October 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 55	50.00	-	-	Repayable in 36 monthly installments from 7 May 2023.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 56	87.50	-	-	Repayable in 16 Quarterly installments from 31 December 2022.	Secured by exclusive charge on the book debt and receivables of the company
Term Loan - 57	142.50	-	-	Repayable in 20 Quarterly installments from 29 March 2023.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loan - 58	93.75	-	-	Repayable in 16 Quarterly installments from 31 March 2023.	Secured by exclusive charge on the book debt and receivables of the company
Term Loan - 59	150.00	-	-	Repayable in 18 Quarterly installments from 31 May 2023.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 60	75.00	-	-	Repayable in 12 Quarterly installments from 29 September 2022.	First & Exclusive charge by way of hypothecation on the Borrower's specific loan receivables.
Term Loan - 61	380.00	-	-	Repayable in 20 Quarterly installments from 31 January 2023.	Secured by Hypothecation of portfolio of the Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loan - 62	30.00	-	-	Repayable in 30 monthly installments from 6 November 2023.	Exclusive charge by way of hypothecation of the specific receivables/book debt of the company
Term Loan - 63	29.71	-	-	Repayable in 36 monthly installments from 29 July 2022.	Secured by a first and exclusive charge on specific book debt and future receivables of the Company created/to be created out of the loan availed .
Term Loan - 64	18.33	-	-	Repayable in 12 Quarterly installments from 31 March 2023.	Secured by exclusive charge on the book debt and receivables of the company
Term Loan - 65	24.17	-	-	Repayable in 36 monthly installments from 25 September 2022.	Secured by first and exclusive charge on Book Debts/ Loan assets of the Company
Term Loan - 66	-	-	2.50	Repayment in 8 Quarterly Instalments from 27 March 2019	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Company (identified loan assets) sufficient to provide security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan - 67	-	-	15.15	Repayment in 8 Quarterly Instalments from 27 December 2019	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Company (identified loan assets) sufficient to provide security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan - 68	5.00	10.00	15.00	Repayment in 36 Monthly Instalments from 03 April 2021	The Term loan shall be secured by exclusive hypothecation of present & future loan receivables of the company created out of the loan. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 69	1.05	2.85	8.10	Repayment in 24 Quarterly Instalments starting from 31 March 2017	Loan is secured by hypothecation charge on portfolio created form the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loan - 70	0.39	1.25	3.75	Repayment in 24 Quarterly Instalments starting from 31 March 2017	Loan is secured by hypothecation charge on portfolio created form the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan - 71	-	1.25	2.92	Repayment in 24 Quarterly Instalments beginning from 31 July 2016	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan - 72	0.21	1.04	1.87	Repayment in 24 Quarterly Instalments starting from 30 June 2017	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan - 73	0.83	2.50	4.17	Repayment in 24 Quarterly Instalments starting from 30 June 2017	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan - 74	4.56	6.67	9.02	Repayment in 57 Monthly Instalments starting from 30 October 2020	Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the company out of the bank finance to the company. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 75	21.33	28.79	20.00	Repayment in 60 Monthly Instalments starting from 30 July 2021	Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the company out of the bank finance to the company. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 76	-	-	1.07	Repayment in 28 Quarterly Instalments from 30 April 2014	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan - 77	-	0.21	1.04	Repayment in 24 Quarterly Instalments beginning from 30 June 2016	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan - 78	3.74	5.41	7.13	Repayment in 24 Quarterly Instalments starting from 31 January 2019	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets).Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 79	2.06	2.90	4.20	Repayment in 24 Quarterly Instalments starting from 30 September 2019	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets).Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 80	5.35	7.02	9.65	Repayment in 24 Quarterly Instalments from 31 December 2020	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets).Personal Guarantee of Mr. Kamlesh Gandhi.

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loan - 81	9.97	11.86	15.11	Repayment in 24 Quarterly Instalments from 30 June 2021	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets).Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 82	-	-	8.31	Repayment in 10 Quarterly Instalments starting from 28 February 2019	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mrs Shweta Gandhi.
Term Loan - 83	11.10	13.12	19.15	Repayment in 26 Quarterly Instalments starting from 28 February 2019	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mrs Shweta Gandhi.
Term Loan - 84	-	-	0.38	Repayment in 24 Quarterly Instalments from 19 March 2016	First & Exclusive Charge by way of Hypothecation of such of the book debts, which are financed to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & Mrs Shweta Gandhi.
Term Loan - 85	-	-	0.87	Repayment in 24 Quarterly Instalments from 19 March 2016	First & Exclusive Charge by way of Hypothecation of such of the book debts, which are financed to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & Mrs Shweta Gandhi.
Term Loan - 86	2.08	3.75	5.42	Repayment in 24 Quarterly Instalments from 31 March 2018	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Company (identified loan assets) sufficient to provide one time security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 87	-	-	1.67	Repayment in 36 monthly Instalments from 30 April 2018	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Company (identified loan assets) sufficient to provide one time security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 88	11.11	22.22	33.33	Repayment in 18 Quarterly Instalments from 30 June 2019	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Company (identified loan assets) sufficient to provide security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi.

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loan - 89	6.49	8.50	-	Repayment in 20 Quarterly Instalments from 25 September 2021	Exclusive charge by way of hypothecation of book debts, which are financed/ to be financed by the company out of the bank financed to the Company should maintain 1.10 time security cover of outstanding amount of term loan on continuous basis during the tenure of term loan. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 90	32.00	20.00	-	Repayment in 10 Quarterly Instalments from 25 June 2022	Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the company out of the bank finance to the company. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 91	8.21	9.64	-	Repayment in 28 Quarterly Instalments from 31 March 2022	First & Exclusive Charge by way of Hypothecation of such of the book debts, which are financed to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 92	9.00	-	-	Repayment in 20 Quarterly Instalments from 22 December 2022	Exclusive charge by way of hypothecation of book debts, which are financed/ to be financed by the company out of the bank financed to the Company. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 93	25.00	-	-	Repayment in 48 Monthly Instalments from 15 April 2023	First Exclusive charge by way of hypothecation on the company's present and future loan receivables. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 94	9.64	-	-	Repayment in 28 Quarterly Instalments from 8 March 2023	First & Exclusive Charge by way of Hypothecation of such of the book debts, which are financed to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi
Total term loans from banks	3,170.77	1,989.85	1,297.34		

Note (i):

Interest rate ranges from 8.65% p.a to 11.90% p.a as at 31 March 2023.
Interest rate ranges from 7.80% p.a to 10.30% p.a as at 31 March 2022.
Interest rate ranges from 7.75% p.a to 10.75% p.a as at 1 April 2021.

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term loans from NHB (Refer note ii)					
Term Loan from NHB - 1	1.25	1.76	2.27	Repayment in 39 Quarterly Instalments from 01 July 2017	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan from NHB - 2	1.48	1.91	2.46	Repayment in 39 Quarterly Instalments from 01 October 2017	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loan from NHB - 3	1.38	1.59	1.79	Repayment in 60 Quarterly Instalments from 01 October 2019	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan from NHB - 4	0.10	0.40	0.70	Repayment in 60 Quarterly Instalments from 01 October 2019	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan from NHB - 5	2.35	3.08	3.80	Repayment in 60 Quarterly Instalments from 01 July 2020	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan from NHB - 6	2.12	2.44	2.76	Repayment in 39 Quarterly Instalments from 01 October 2020	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan from NHB - 7	0.62	0.74	0.83	Repayment in 39 Quarterly Instalments from 31 July 2020	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loan from NHB - 8	0.79	1.11	1.44	Repayment in 51 Quarterly Instalments from 01 July 2014	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company. Corporate Guarantee of MAS Financial Services Ltd.
Term Loan from NHB - 9	6.52	-	-	Repayment in 27 Quarterly Instalments from 01 January 2024	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company.
Term Loan from NHB - 10	1.94	-	-	Repayment in 36 Quarterly Instalments from 01 October 2022	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company.
Term Loan from NHB - 11	5.00	-	-	Repayment in 27 Quarterly Instalments from 01 July 2023	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company. Bank Guarantee of ICICI Bank Ltd.
Term Loan from NHB - 12	4.73	-	-	Repayment in 27 Quarterly Instalments from 01 July 2023	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company. Bank Guarantee of ICICI Bank Ltd.
Term Loan from NHB - 13	0.27	-	-	Repayment in 40 Quarterly Instalments from 01 July 2023	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company. Bank Guarantee of ICICI Bank Ltd.
Total term loans from NHB	**28.53**	**13.02**	**16.05**		

Note (ii):

Interest rate ranges from 2.80% p.a to 8.90% p.a as at 31 March 2023.

Interest rate ranges from 4.68% p.a to 8.90% p.a as at 31 March 2022.

Interest rate ranges from 4.68% p.a to 8.90% p.a as at 1 April 2021.

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term loans from others (Refer note iii)					
Term Loans from a Financial Institution - 1	-	-	10.54	Repayable in 36 monthly installments from 15 March 2019.	Exclusive charge by way of hypothecation of specific standard receivable of the Company.
Term Loans from a Financial Institution - 2	-	-	17.06	Repayable in 36 monthly installments from 10 March 2019.	Secured by hypothecation of specific book debts created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 3	-	-	5.00	Repayable in 10 quarterly installments from 31 March 2019.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 4	-	-	16.67	Repayable in 36 monthly installments from 30 April 2019.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 5	-	7.64	15.97	Repayable in 36 monthly installments from 31 March 2020.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 6	8.50	19.83	31.17	Repayable in 36 monthly installments from 31 January 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 7	5.33	10.67	16.00	Repayable in 36 monthly installments from 30 April 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 8	25.00	25.00	25.00	Bullet Repayment on 17 August 2026.	N.A.
Term Loans from a Financial Institution - 9	25.00	41.67	-	Repayable in 36 monthly installments from 31 October 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 10	-	-	13.00	Repayable in 9 monthly installments from 10 August 2020.	Secured by exclusive first charge by way of hypothecation on standard book debts of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 11	-	83.30	-	Repayable in 9 monthly installments from 10 January 2022.	Secured by exclusive first charge by way of hypothecation on standard book debts of the Company. Personal Guarantee of Mr. Kamlesh Gandhi
Term Loans from a Financial Institution - 12	-	-	0.63	Repayable in 10 quarterly installments from 10 March 2020.	Exclusive first charge by way of hypothecation of book debts and receivables of secured loans provided by the Borrower. Personal Guarantee of Mr. Kamlesh Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 13	120.00	160.00	200.00	Repayable in 20 Quarterly installments from 30 June 2021.	Exclusive charge by way of hypothecation of the specific receivables/book debts. Liquid collateral of 10% of the sanctioned amount.
Term Loans from a Financial Institution - 14	33.33	-	-	Repayable in 12 Quarterly installments from 5 October 2022.	Secured by exclusive charge on the book debt and receivables of the company
Term Loans from a Financial Institution - 15	62.08	-	-	Repayable in 36 monthly installments from 5 October 2022.	Secured by exclusive first charge on the loan portfolio of the borrower by way of hypothecation on the loan installments receivables created from of the proceeds of the facility.

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loans from a Financial Institution - 16	50.00	-	-	Repayable in 11 Quarterly installments from 10 July 2023.	Secured by Exclusive first charge by way of hypothecation of book debts and receivables charged exclusive for the loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 17	135.00	-	-	Repayable in 30 monthly installments from 10 January 2023.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 18	129.10	-	-	Repayable in 31 monthly installments from 10 February 2023.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 19	85.05	-	-	Repayable in 36 monthly installments from 10 October 2022.	Secured by hypothecation of specific book debts created out of the loan availed.
Term Loans from a Financial Institution - 20	-	1.94	5.28	Repayment in 36 Monthly Instalments starting from 30 November 2019	The Loan is secured by Exclusive first charge on the loan portfolio of the Borrower by way of hypothecation on the loan instalments receivables created from the proceeds of the Facility. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 21	2.50	5.83	9.17	Repayment in 36 Monthly Instalments starting from 31 January 2021	The Loan is secured by Exclusive first charge on the loan portfolio of the Borrower by way of hypothecation on the loan instalments receivables created from the proceeds of the Facility. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 22	15.00	18.98	-	Repayment in 60 Monthly Instalments starting from 15 January 2022	Exclusive charge on specific loan assets / book debts of the company assigned to TCFSL at a minimum cover of 1.10 times. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loans from a Financial Institution - 23	14.42	-	-	Repayment in 60 Monthly Instalments starting from 01 February 2023	Exclusive charge on hypothecation on specific receivables to be maintained at all times during currency of ABFL loan.
Term Loans from a Financial Institution - 24	4.64	-	-	Repayment in 84 Monthly Instalments starting from 1 November 2022	Exclusive charge on hypothecation on specific receivables to be maintained at all times during currency of SHFL loan.
Term Loans from a Financial Institution - 25	9.64	-	-	Repayment in 84 Monthly Instalments starting from 01 February 2023	Exclusive charge on hypothecation on specific receivables to be maintained at all times during currency of SHFL loan.
Term Loans from a Financial Institution - 26	9.64	-	-	Repayment in 84 Monthly Instalments starting from 01 February 2023	Exclusive charge on hypothecation on specific receivables to be maintained at all times during currency of SHFL loan.
Term Loans from a Financial Institution - 27	17.74	-	-	Repayment in 52 Monthly Instalments starting from 15 October 2022	Exclusive charge on specific loan assets / book debts of the company assigned to TCFSL. Personal Guarantee of Mr. Kamlesh Gandhi.
Total term loans from others	**751.98**	**374.86**	**365.47**		

Note (ii):

Interest rate ranges from 7.50% p.a to 11.50% p.a as at 31 March 2023.

Interest rate ranges from 5.75% p.a to 10.00% p.a as at 31 March 2022.

Interest rate ranges from 6.32% p.a to 11.15% p.a as at 1 April 2021.

Note: The above table doesn't include associated liabilities to securitized asset that has been re-recognised due to non fulfilment of derecognition criteria as per Ind AS amounting to Nil as at 31 March 2023 (₹ 50.03 crores as at 31 March 2022 and Nil as at 1 April 2021).

16. SUBORDINATED LIABILITIES (AT AMORTISED COST)

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Unsecured debentures (refer note 16.1)	260.00	140.00	60.00
Less: Unamortised borrowing costs	(7.30)	(2.78)	(0.03)
Total	**252.70**	**137.22**	**59.97**
Subordinated liabilities in India	252.70	137.22	59.97
Subordinated liabilities outside India	-	-	-
Total	**252.70**	**137.22**	**59.97**

16.1 Details of terms of repayment in respect of subordinated liabilities:

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Subordinated liabilities					
400, 14.00% Unsecured, Redeemable, Non-Convertible Debentures of ₹ 10 lakhs each	-	40.00	40.00	Coupon Rate: 13.00% p.a. Coupon Payment frequency: Quarterly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor :7 years	N.A.
200, 13.50% Unsecured, Redeemable, Non-Convertible Debentures of ₹ 10 lakhs each	-	-	20.00	Coupon Rate: 13.50% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years and 6 months	N.A.
50, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 100 lakhs each	50.00	50.00	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
500, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 10 lakhs each	50.00	50.00	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years	N.A.
250, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 10 lakhs each	25.00	-	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
3500, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 1 lakhs each	35.00	-	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years	N.A.
5000, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 1 lakhs each	50.00	-	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
5000, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 1 lakhs each	50.00	-	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
Total subordinated liabilities	**260.00**	**140.00**	**60.00**		

17. OTHER FINANCIAL LIABILITIES

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Interest accrued but not due on borrowings	70.55	29.51	22.11
Interest accrued but not due on others	0.08	14.23	25.79
Dues to the assignees towards collections from assigned receivables	213.21	129.80	262.23
Security deposits received from borrowers	1.92	275.96	319.95
Advances received against loan agreements	2.06	8.10	0.13
Unpaid dividend on equity shares	0.02	0.02	0.02
Dealer advances	5.13	2.29	2.67
Lease liability	1.28	0.66	0.66
Provision for Interest on Interest waiver	-	-	0.79
Other payable	16.09	1.29	0.32
Total other financial liabilities	**310.34**	**461.86**	**634.67**

Note:

There are no amounts that are due and remain unpaid to Investor Education and Protection Fund as at the close of the year.

18. PROVISIONS

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Provision for employee benefits (Refer note 40)			
Compensated absences	0.17	0.18	0.08
Provision for Gratuity	-	0.08	0.05
Provision for unspent CSR liability	9.32	6.91	3.84
Total provisions	**9.49**	**7.17**	**3.97**

19. OTHER NON-FINANCIAL LIABILITIES

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Statutory remittances	2.14	1.51	2.68
Income received in advance	1.01	7.65	9.65
Total other non-financial liabilities	**3.15**	**9.16**	**12.33**

Notes

Forming part of the Consolidated Financial Statement as at 31 March 2023 (Contd.)

20. EQUITY SHARE CAPITAL

(₹ In Crores)

		As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Authorized shares:				
6,40,00,000 :	Equity Shares of ₹ 10 each (As at 31 March 2022: 6,40,00,000 Equity Shares of ₹ 10 each) (As at 1 April 2021: 6,40,00,000 Equity Shares of ₹ 10 each)	64.00	64.00	64.00
2,20,00,000 :	0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31 March 2022: 2,20,00,000 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each) (As at 1 April 2021: 2,20,00,000 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	22.00	22.00	22.00
2,20,00,000 :	13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31 March 2022: 2,20,00,000 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each) (As at 1 April 2021: 2,20,00,000 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	22.00	22.00	22.00
400 :	9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each (As at 31 March 2022: 400 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each) (As at 1 April 2021: 400 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each)	4.00	4.00	4.00
		112.00	**112.00**	**112.00**
Issued, subscribed and fully paid-up shares:				
5,46,62,043 :	Equity Shares of ₹ 10 each fully paid-up (As at 31 March 2022: 5,46,62,043 Equity Shares of ₹ 10 each) (As at 1 April 2021: 5,46,62,043 Equity Shares of ₹ 10 each)	54.66	54.66	54.66
		54.66	**54.66**	**54.66**

20.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

(₹ In Crores)

	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	(₹ in Crores)	No. of Shares	(₹ in Crores)
Equity Shares				
Outstanding at the beginning of the year	5,46,62,043	54.66	5,46,62,043	54.66
Issued during the year	-	-	-	-
Outstanding at the end of the year	**5,46,62,043**	**54.66**	**5,46,62,043**	**54.66**

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

(₹ In Crores)

Class of shares / Name of shareholder	As at 31 March 2023		As at 31 March 2022		As at 1 April 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares						
Shweta Kamlesh Gandhi	1,63,38,450	29.89%	1,63,38,450	29.89%	1,63,38,450	29.89%
Mukesh C. Gandhi (Refer note below)	1,61,56,814	29.56%	1,61,56,814	29.56%	1,61,56,814	29.56%
Kamlesh C. Gandhi	63,40,508	11.60%	63,04,508	11.53%	62,86,833	11.50%
Vistra ITCL I Ltd Business Excellence Trust III India Business	40,44,579	7.40%	40,44,579	7.40%	40,44,579	7.40%
Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Long Term Equity Fund	26,70,920	4.89%	27,52,094	5.03%	27,64,059	5.06%

Note: Mr. Mukesh C. Gandhi has passed away on 19 January 2021.

20.3 The Holding Company has neither allotted any share pursuant to contracts without payment being received in cash nor has it bought back any shares during the preceding period of 5 financial years.

20.4 Terms / rights attached to equity shares

The Holding Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Holding Company, the equity shareholders of the Holding Company will be entitled to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

20.5 Details of shares held by promoters (including promoter group) of the Company:

(₹ In Crores)

Promoter and promoter group name	As at 31 March 2023		As at 31 March 2022		As at 1 April 2021		% Change during the current year (22-23)
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	
Equity shares							
Shweta Kamlesh Gandhi	1,63,38,450	29.89%	1,63,38,450	29.89%	1,63,38,450	29.89%	0.00%
Mukesh C. Gandhi (Refer note above)	1,61,56,814	29.56%	1,61,56,814	29.56%	1,61,56,814	29.56%	0.00%
Kamlesh C. Gandhi	63,40,508	11.60%	63,04,508	11.53%	62,86,833	11.50%	0.57%
Prarthana Marketing Private Limited	13,17,557	2.41%	13,12,557	2.40%	13,10,057	2.40%	0.38%
Anamaya Capital LLP	99,994	0.18%	94,994	0.17%	94,994	0.17%	5.26%
Dhvanil K. Gandhi	35,277	0.06%	34,619	0.06%	34,619	0.06%	1.90%
Dhriti K. Gandhi	12,054	0.02%	12,054	0.02%	12,054	0.02%	0.00%

21. OTHER EQUITY (REFER NOTE 21.1)

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Reserve under section 45-IC of Reserve Bank of India Act, 1934 (the "RBI Act, 1934")		
Outstanding at the beginning of the year	211.91	180.40
Additions during the year	40.19	31.51
Outstanding at the end of the year	**252.10**	**211.91**
Equity component of compound financial instruments- optionally convertible preference shares		
Outstanding at the beginning of the year	0.11	0.11
Additions during the year	-	-
Outstanding at the end of the year	**0.11**	**0.11**
Reserve fund under section 29C of The National Housing Bank Act, 1987 ("NHB Act")		
Opening balance		
a. Statutory reserve u/s 29C of NHB Act	0.27	0.02
b. Amount of special reserve u/s 36(i)(viii) of Income-tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act	4.43	3.80
c. Total	**4.70**	**3.82**
Addition / appropriation / withdrawal during the year		
Add:		
a. Amount transferred u/s 29C of the NHB Act	0.33	0.25
b. Amount of special reserve u/s 36(i)(viii) of Income-tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act	0.84	0.63
Less:		
a. Amount appropriated u/s 29C of NHB Act	-	-
b. Amount withdrawn from special reserve u/s 36(i)(viii) of Income-tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act	-	-
Closing balance		
a. Statutory reserve u/s 29C of NHB Act	0.60	0.27
b. Amount of special reserve u/s 36(i)(viii) of Income-tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act	5.27	4.43
c. Total	**5.87**	**4.70**

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Securities premium		
Outstanding at the beginning of the year	426.95	426.95
Additions during the year	-	-
Outstanding at the end of the year	**426.95**	**426.95**
Retained earnings		
Outstanding at the beginning of the year	537.08	425.33
Profit for the year	203.26	159.23
Item of other comprehensive income recognised directly in retained earnings		
On defined benefit plan	0.05	(0.07)
	740.39	**584.49**
Appropriations:		
Transfer to reserve under section 45-IC of the RBI Act,1934	(40.19)	(31.51)
Reserve u/s.29C of NHB Act and special reserve u/s 36(1)(viii) of Income-tax Act, 1961	(1.16)	(0.87)
Final dividend on equity shares	(9.57)	(8.20)
Interim dividend on equity shares	(9.84)	(6.83)
Total appropriations	**(60.76)**	**(47.41)**
Retained earnings	**679.63**	**537.08**
Other comprehensive income		
Outstanding at the beginning of the year	114.50	121.07
Loans and advances through other comprehensive Income	(25.24)	(10.18)
Impairment on loans and advances through OCI	3.72	1.05
Income tax relating to items that will be reclassified to profit or loss	6.35	2.56
Other comprehensive income for the year, net of tax	**99.33**	**114.50**
Total other equity	**1,463.99**	**1,295.25**

21.1 Nature and purpose of reserve

1. Reserve u/s. 45-IC of the RBI Act, 1934

   Reserve u/s. 45-IC of RBI Act, 1934 is created in accordance with section 45-IC(1) of the RBI Act, 1934. As per Section 45-IC(2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

2. Reserve fund u/s. 29C of NHB Act

   Special reserve has been created in terms of section 36(1) (viii) of the Income-tax Act, 1961 out of the distributable profits of the subsidiary company. As per section 29C of NHB Act, the subsidiary company is required to transfer at least 20% of its net profits prior to distribution of dividend every year to a reserve. For this purpose any special reserve created by the subsidiary company in terms of section 36(1) (viii) of the Income-tax Act, 1961 is considered an eligible transfer.

3. Equity component of compound financial instruments - optionally convertible preference shares

   Equity component of compound financial instruments represents equity component of OCPS of subsidiary company.

4. Securities premium

   Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 the Act.

5. Retained earnings

   Retained earnings is the accumulated available profit of the Group carried forward from earlier years. These reserve are free reserves which can be utilised for any purpose as may be required.

   The Group recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings with separate disclosure, which comprises of:

   i) actuarial gains and losses;

   ii) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

   iii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

6. Other comprehensive income

On equity investments

The Holding Company has elected to recognise changes in the fair value of investments in equity securities in OCI. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from these reserves to retained earnings when the relevant equity securities are derecognised.

On loans

The Group recognises changes in the fair value of loans and advances in OCI. These changes are accumulated within the FVOCI - loans and advances reserve within equity. The Group transfers amounts from these reserves to retained earnings when the loans and advances are sold. Further, impairment loss allowances on the loans measured at FVOCI are recognised in OCI.

21.2 Equity dividend paid and proposed

(₹ In Crores)

	31 March 2023	31 March 2022
Declared and paid during the year		
Dividends on equity shares:		
Final dividend for 31 March 2022: ₹ 1.75 per share (31 March 2021: ₹ 1.5 per share)	9.57	8.20
Interim dividend for 31 March 2023: ₹ 1.80 per share (31 March 2022 : ₹ 1.25 per share)	9.84	6.83
Total dividends paid	**19.41**	**15.03**

(₹ In Crores)

	31 March 2023	31 March 2022
Proposed for approval at Annual General Meeting (not recognised as a liability)		
Dividend on equity shares:		
Final dividend for 31 March 2023: ₹ 1.85 per share (31 March 2022: ₹ 1.75 per share)	**10.11**	**9.57**

22. INTEREST INCOME

(₹ In Crores)

	Year ended 31 March 2023			Year ended 31 March 2022		
	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	Total	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	Total
Interest on loans	710.19	22.92	733.11	521.05	24.15	545.20
Interest income from investments	-	50.37	50.37	-	11.21	11.21
Interest on deposits with banks	-	39.46	39.46	-	24.97	24.97
Other interest income	3.69	16.64	20.33	2.93	9.14	12.07
Total	**713.88**	**129.39**	**843.27**	**523.98**	**69.47**	**593.45**

23. NET GAIN ON FAIR VALUE CHANGES

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Net gain on financial instruments at fair value through profit or loss - investments	22.19	10.02
Fair value changes:		
- Realised	19.35	7.17
- Unrealised	2.83	2.86
Total	**22.19**	**10.02**

24. OTHER INCOME

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Net gain/(loss) on derecognition of property, plant and equipment	0.10	* 0.00
Net gain on sale of investments measured at amortized cost	1.35	0.23
Gain on derecognition of leased asset (31 March 2022: ₹ 7,364)	-	-
Income from non-financing activity	0.98	0.70
Total	**2.43**	**0.93**

* Reresents amount less than ₹ 50,000

25. FINANCE COST (ON FINANCIAL LIABILITIES MEASURED AT AMORTISED COST)

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Interest on borrowings	368.19	242.24
Interest on debt securities	51.76	38.88
Interest on subordinated liabilities	14.70	10.20
Other interest expense	36.03	29.63
Other borrowing cost	25.23	17.68
Lease liability interest obligation	0.10	0.05
Total	**496.01**	**338.68**

26. IMPAIRMENT ON FINANCIAL ASSETS

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Loans		
- Expected credit loss (On financial instruments measured at FVOCI)	4.17	1.31
- Expected credit loss (On financial instruments measured at amortised cost)	(0.83)	(0.25)
- Write off (net of recoveries)	42.93	31.20
- Loss on sale of repossessed assets	7.40	2.48
Investments		
- Expected credit loss (On financial instruments measured at amortised cost)	(0.31)	0.53
Total	**53.36**	**35.27**

27. EMPLOYEE BENEFITS EXPENSE

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages	65.36	44.88
Contribution to provident fund and other funds (Refer note 40 (a))	2.23	1.81
Gratuity expense (Refer note 40 (b))	0.73	0.54
Staff welfare expenses	2.38	0.56
Total	**70.70**	**47.79**

28. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on property, plant and equipment	2.17	1.56
Amortisation of intangible assets	0.23	0.06
Depreciation on Right-of-use asset	0.32	0.45
Total	**2.72**	**2.07**

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

29. OTHER EXPENSES

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Rent	3.85	2.72
Rates and taxes	0.22	0.20
Stationery and printing	0.99	0.70
Telephone	0.69	0.61
Electricity	1.05	0.76
Postage and courier	1.01	0.74
Insurance	0.92	0.76
Conveyance	1.43	1.18
Travelling	3.17	1.72
Repairs and maintenance:		
Building	0.58	0.20
Others	1.23	1.47
Professional fees	10.14	5.97
Payment to auditors (refer note below)	0.48	0.53
Director's sitting fees	0.14	0.12
Legal expenses	1.87	0.57
Bank charges	1.49	1.43
Advertisement expenses	1.22	0.83
Sales promotion expenses	0.61	0.18
Recovery contract charges	0.55	0.39
Corporate social responsibility expenditure (Refer note 34)	4.34	4.41
Miscellaneous expenses	2.60	2.23
Total	**38.58**	**27.72**
Note: Payment to auditors		
As auditor:		
Statutory audit	0.21	0.19
Limited review of quarterly results	0.26	0.24
Other services	0.01	0.08
Reimbursements of expenses	-	0.02
	0.48	**0.53**

30. TAX EXPENSE

The components of income tax expense for the year ended 31 March 2023 and 31 March 2022 are:

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Current tax	67.23	55.83
Short / (Excess) provision for tax relating to prior years	(2.47)	(0.51)
Deferred tax	1.07	0.03
Total tax charge	**65.83**	**55.35**
Current tax	64.76	55.32
Deferred tax	**1.07**	**0.03**

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

30.1 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2023 and 31 March 2022 is, as follows:

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Accounting profit before tax	271.65	216.55
Applicable tax rate	25.168%	25.168%
Computed tax expense	68.37	54.50
Tax effect of :		
Exempted income	(0.30)	(0.21)
Additional deduction	(0.32)	(0.24)
Non deductible items	1.28	2.00
Short / (Excess) provision for tax relating to prior years	(2.47)	(0.51)
Others	(0.73)	(0.19)
Tax expenses recognised in the statement of profit and loss	**65.83**	**55.35**
Effective tax rate	24.23%	25.56%

30.2 Deferred tax

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Deferred tax asset / liability (net)		
The movement on the deferred tax account is as follows:		
At the start of the year DTA / (DTL) (net)	14.21	11.62
Credit / (charge) for loans and advances through OCI	6.21	2.59
Credit / (charge) for remeasurement of the defined benefit liabilities	(0.02)	0.03
Credit / (charge) to the statement of profit and loss	(1.07)	(0.03)
At the end of year DTA / (DTL)	**19.33**	**14.21**

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

(₹ In Crores)

	As at 31 March 2022	Statement of profit and loss	OCI	As at 31 March 2023
Component of deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between written down value of fixed assets as per books of accounts and income tax	(0.39)	(0.07)	-	(0.46)
Impact of fair value of assets	(1.07)	(0.02)	6.21	5.12
Income taxable on realised basis	(10.81)	2.17	-	(8.64)
Deferred tax on prepaid finance charges	(0.16)	(3.78)	-	(3.94)
Impairment on financial assets	26.56	0.76	-	27.32
Recognition of lease asset and right to use asset	0.02	0.01	-	0.03
Expenses allowable on payment basis	0.06	(0.14)	(0.02)	(0.10)
Total	**14.21**	**(1.07)**	**6.19**	**19.33**

(₹ In Crores)

	As at 1 April 2021	Statement of profit and loss	OCI	As at 31 March 2022
Component of deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between written down value of fixed assets as per books of accounts and income tax	(0.35)	(0.04)	-	(0.39)
Impact of fair value of assets	(3.66)	-	2.59	(1.07)
Income taxable on realised basis	(10.74)	(0.07)	-	(10.81)
Deferred tax on prepaid finance charges	0.09	(0.25)	-	(0.16)
Impairment on financial assets	26.16	0.40	-	26.56
Recognition of lease asset and right to use asset	0.04	(0.02)	-	0.02
Expenses allowable on payment basis	0.08	(0.05)	0.03	0.06
Total	**11.62**	**(0.03)**	**2.62**	**14.21**

30.3 Current tax liabilities

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Provision for tax [net of advance tax of ₹ 65.17 crores (31 March 2022: ₹ 53.35 crores and 1 April 2021: ₹ 47.20 crores)]	2.06	2.48	12.15

30.4 Income tax assets

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Income tax assets [net of provision for tax of ₹ 251.86 crores (31 March 2022: ₹ 281.04 crores and 1 April 2021: ₹ 222.94 crores)]	2.52	6.23	5.92

31. EARNINGS PER SHARE

(A) Basic earnings per share

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Net profit for the year attributable to the owners of the Holding Company (basic)	**203.26**	**159.23**
Weighted average number of equity shares of ₹ 10 each	5,46,62,043	5,46,62,043
Basic earnings per share of face value of ₹ 10 each (in ₹)	37.18	29.13

(B) Diluted earnings per share

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Net profit for the year attributable to the owners of the Holding Company (diluted)	203.26	159.23
Weighted average number of equity shares of ₹ 10 each	5,46,62,043	5,46,62,043
Diluted earnings per share of face value of ₹ 10 each (in ₹)	37.18	29.13

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

32. CHANGES IN ACCOUNTING POLICIES

The accounting policies and practices followed in the preparation of the consolidated financial statements for the year ended 31 March 2023 are the same as those followed in the preparation of the consolidated financial statements for the year ended 31 March 2022, except for the change in accounting policy as explained in below paras.

Till 31st December 2022, gain on assignment of financial asset was recognised as 'unearned income on assigned loans' under the head 'other non-financial liabilities' and was amortised in the statement of profit and loss over the period of the underlying residual tenure of the assigned loan portfolio. Such policy was adopted by the management for more prudent and fair presentation of financial statements by exercising their judgement under para 19 of Ind AS 1 "Presentation of financial statements". During the quarter ended 31 March 2023, the Group has received a directive from the Reserve Bank of India to book such gain upfront in the statement of profit and loss in accordance with Ind AS 109 instead of amortising it over the period of the underlying residual tenure of the assigned loan portfolio.

The new accounting policy has been implemented retrospectively and being presented from the beginning of the earliest period i.e. 1 April 2021. On account of new policy, in case of derecognition of loans upon assignment prior to 1 April 2021, where underlying residual terms of the assigned portfolio was falling on or after 1 April 2021, the Group has increased other equity by ₹ 32.48 crores, increased non-controlling interest by ₹ 0.04 crores, decreased the deferred tax assets by ₹ 10.94 crores, decreased spread on assigned assets by ₹ 1.66 crores and decreased unearned income on assigned loans under the head other non-financial liabilities of ₹ 45.12 crores.

Had the Group not revised its policy, other equity would have decreased by ₹ 31.10 crores, non-controlling interest would have decreased by ₹ 0.10 crores, deferred tax assets would have increased by ₹ 10.51 crores and liability on unearned income would have increased by ₹ 41.71 crores as at 31 March 2023. Had the Group followed the accounting policy which it followed hitherto, the Group would have recognized gain on assignment (on amortised basis) of ₹ 20.16 crores and ₹ 72.19 crores for the quarter ended 31 March 2023 and year-to-date results for the period from 1 April 2022 to 31 March 2023, respectively. As per the new policy, the Group has recognized gain on assignment of ₹ 20.32 crores and ₹ 71.47 crores for the quarter ended 31 March 2023 and year-to-date results for the period from 1 April 2022 to 31 March 2023, respectively. Accordingly, gain on assignment would have decreased by ₹ 0.16 crores and deferred tax expense would have decreased by ₹ 0.04 crores for the quarter ended 31 March 2023 and gain on assignment would have increased by ₹ 0.72 crores and deferred tax expense would have increased by ₹ 0.18 crores for year-to-date results for the period from 1 April 2022 to 31 March 2023.

As per the requirement of Ind AS 8, the Company has restated the financial information of previous financial year 2021-22 to reflect the change in accounting policy as explained above. The following table summarises the reconciliation of figures restated with previously reported figures. The tables show the adjustments recognised for each individual line item.

(₹ In Crores)

Consolidated Balance Sheet	31 March 2022 as originally presented*	Adjustment	31 March 2022 (Restated)	31 March 2021 as originally presented*	Adjustment	1 April 2021 (Restated)
ASSETS						
Financial assets						
Cash and cash equivalents	284.64	-	284.64	987.11	-	987.11
Bank balance other than cash and cash equivalents	586.02	-	586.02	32.20	-	32.20
Trade receivables	1.05	-	1.05	2.23	-	2.23
Loans	4,799.81	-	4,799.81	4,063.31	-	4,063.31
Investments	493.21	-	493.21	201.58	-	201.58
Other financial assets	55.52	(2.19)	53.33	49.74	(1.66)	48.08
Total financial assets	**6,220.25**	**(2.19)**	**6,218.06**	**5,336.17**	**(1.66)**	**5,334.51**
Non-financial assets						
Income tax assets (net)	6.23	-	6.23	5.92	-	5.92
Deferred tax assets (net)	25.16	(10.95)	14.21	22.56	(10.94)	11.62
Property, plant and equipment	12.93	-	12.93	11.45	-	11.45
Capital work-in-progress	52.04	-	52.04	50.03	-	50.03
Right-of-use asset	0.61	-	0.61	0.54	-	0.54
Intangible assets under development	0.04	-	0.04	-	-	-
Other intangible assets	0.22	-	0.22	0.09	-	0.09
Other non-financial assets	4.22	-	4.22	2.86	-	2.86
Total non-financial assets	**101.45**	**(10.95)**	**90.50**	**93.45**	**(10.94)**	**82.51**
Total assets	**6,321.70**	**(13.14)**	**6,308.56**	**5,429.62**	**(12.60)**	**5,417.02**

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

Consolidated Balance Sheet	31 March 2022 as originally presented*	Adjustment	31 March 2022 (Restated)	31 March 2021 as originally presented*	Adjustment	1 April 2021 (Restated)
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Payables						
(I) Trade payables	14.59	-	14.59	7.28	-	7.28
(II) Other payables	1.55	-	1.55	1.01	-	1.01
Debt securities	362.03	-	362.03	314.12	-	314.12
Borrowings (other than debt securities)	3,939.97	-	3,939.97	3,138.67	-	3,138.67
Subordinated liabilities	137.22	-	137.22	59.97	-	59.97
Other financial liabilities	461.86	-	461.86	634.67	-	634.67
Total financial liabilities	**4,917.22**	**-**	**4,917.22**	**4,155.72**	**-**	**4,155.72**
Non-financial liabilities						
Current tax liabilities (net)	2.48	-	2.48	12.15	-	12.15
Provisions	7.17	-	7.17	3.97	-	3.97
Other non-financial liabilities	54.87	(45.71)	9.16	57.45	(45.12)	12.33
Total non-financial liabilities	**64.52**	**(45.71)**	**18.81**	**73.57**	**(45.12)**	**28.45**
Total liabilities	**4,981.74**	**(45.71)**	**4,936.03**	**4,229.29**	**(45.12)**	**4,184.17**
Equity share capital	54.66	-	54.66	54.66	-	54.66
Other equity	1,262.86	32.39	1,295.25	1,125.20	32.48	1,157.68
Equity attributable to the owners of the Holding Company	**1,317.52**	**32.39**	**1,349.91**	**1,179.86**	**32.48**	**1,212.34**
Non-controlling interest	22.44	0.18	22.62	20.47	0.04	20.51
Total equity	**1,339.96**	**32.57**	**1,372.53**	**1,200.33**	**32.52**	**1,232.85**
Total liabilities and equity	**6,321.70**	**(13.14)**	**6,308.56**	**5,429.62**	**(12.60)**	**5,417.02**

* The corresponding originally presented figures have been regrouped / reclassified, wherever necessary, to correspond with the figures of the current reporting period.

(₹ In Crores)

	Consolidated statement of profit and loss	31 March 2022		
		As originally presented*	Adjustment	Restated
I.	**Revenue from operations**			
	Interest income	593.30	0.15	593.45
	Gain on assignment of financial assets	65.63	(0.08)	65.55
	Fees and commission income	21.22	-	21.22
	Net gain on fair value changes	10.02	-	10.02
	Total revenue from operations	**690.17**	**0.07**	**690.24**
	Other income	0.93	-	0.93
	Total income	**691.10**	**0.07**	**691.17**
II.	**Expenses**			
	Finance costs	338.68	-	338.68
	Fees and commission expense	23.09	-	23.09
	Impairment on financial assets	35.27	-	35.27
	Employee benefits expenses	47.79	-	47.79
	Depreciation and amortization	2.07	-	2.07
	Others expenses	27.72	-	27.72
	Total expenses	**474.62**	**-**	**474.62**
	Profit before exceptional items and tax (I - II)	**216.48**	**0.07**	**216.55**
	Exceptional items	-	-	-
III.	**Profit before tax**	**216.48**	**0.07**	**216.55**

(₹ In Crores)

Consolidated statement of profit and loss		31 March 2022		
		As originally presented*	Adjustment	Restated
IV.	**Tax expense:**			
	Current tax	55.83	-	55.83
	Excess provision for tax relating to prior years	(0.51)	-	(0.51)
	Net current tax expense	**55.32**	**-**	**55.32**
	Deferred tax (credit) / charge	0.01	0.02	0.03
	Net tax expense	**55.33**	**0.02**	**55.35**
V.	**Profit for the year (III - IV)**	**161.15**	**0.05**	**161.20**
VI.	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss:			
	Re-measurement of the defined benefit liabilities	(0.09)	-	(0.09)
	Income tax impact on above	0.03	-	0.03
	Total (A)	(0.06)	-	(0.06)
	(B) Items that will be reclassified to profit or loss:			
	Loans and advances through other comprehensive Income	(10.30)	-	(10.30)
	Income tax impact on above	2.59	-	2.59
	Total (B)	(7.71)	-	(7.71)
	Other comprehensive income (A+B)	**(7.77)**	**-**	**(7.77)**
VII.	**Total comprehensive income for the year (V + VI)**	**153.38**	**0.05**	**153.43**
VIII.	**Earnings per equity share (of ₹ 10 each):**			
	Basic (₹)	29.14	(0.01)	29.13
	Diluted (₹)	29.14	(0.01)	29.13

* The corresponding originally presented figures have been regrouped / reclassified, wherever necessary, to correspond with the figures of the current reporting period.

33. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ In Crores)

		As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
(A)	**Contingent liabilities**			
I)	In respect of disputed income-tax matters : (Refer note i)	0.12	-	-
(B)	**Commitments**			
I)	Estimated amount of contracts remaining to be executed on capital account and not provided for:			
	Property, plant & equipment and Capital work in progress	1.39	1.38	-
II)	Loan commitments for sanctioned but not disbursed amount	**13.19**	**51.65**	**5.58**

Notes:

i) After adjusting the amount of refund claimed by the Group amounting ₹ 0.33 Crore.

ii) The Group's pending litigations comprise of proceedings pending with Income Tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

34. CORPORATE SOCIAL RESPONSIBILITY ("CSR") EXPENSES:

The average profit before tax of the Group for the last three financial years was ₹ 216.94 crores, basis which the Group was required to spend ₹ 4.34 crores towards CSR activities for the current financial year (31 March 2022: ₹ 4.41 crores).

a) Amount spent during the year on:

(₹ In Crores)

Particulars	31 March 2023			31 March 2022		
	Amount Spent	Amount Unpaid/ provision	Total	Amount Spent	Amount Unpaid/ provision	Total
Construction / acquisition of any asset	-	-	-	-	-	-
On purpose other than (i) above	0.28	3.98	4.26	0.42	3.99	4.41

b) The Group has not made any transaction with related parties in relation to CSR expenditure as per Ind AS 24.

c) In case of Section 135(6): Details of ongoing projects

F.Y.	Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
	With Group	In Separate CSR Unspent A/c		From Group's bank A/c	From Separate CSR Unspent A/c	With Group	In Separate CSR Unspent A/c
2022-23	-	6.91	4.26	0.28	1.57	3.98	5.34
2021-22	-	3.84	4.41	0.42	0.92	3.99	2.92
2020-21	Nil	N.A.	4.18	0.34	-	3.84	-

Note: Unspent CSR amount of ₹ 3.84 crores and ₹ 3.99 crores for FY 2020-21 and FY 2021-22 respectively was deposited in unspent CSR bank account on 28 April 2021 and 25 April 2022 respectively. Unspent amount of ₹ 3.98 crores available with the Group is transferred to an unspent CSR account on 27 April 2023

d) **Reason for shortfall:** The Group has ongoing projects and it is spending the said amount as per pre-approved ongoing projects. For more details, refer annexure of Director's report on CSR.

e) **Nature of CSR activities:** Promoting education, eradicating hunger, poverty & malnutrition, promoting health care and such other activities. For more details, refer annexure of Director's report on CSR.

35. SEGMENT REPORTING:

Operating segment are components of the Group whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Group is engaged primarily on the business of 'Financing' only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Group are in India. All non-current assets of the Group are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – 'Operating Segments'.

36. RELATED PARTY DISCLOSURES:

(a) Related party disclosures as required by Ind AS 24 - Related Party Disclosures.

List of related parties and relationships:

Sr. No.	Nature of relationship	
1	Key management personnel ("KMP") (where there are transactions)	Mr. Kamlesh C. Gandhi (Chairman and Managing Director)
		Mr. Mukesh C. Gandhi (Whole Time Director and Chief Financial Officer) (till 19 January 2021)
		Mrs. Darshana S. Pandya (Director and Chief Executive Officer)
		Mr. Balabhaskaran Nair (Independent Director)
		Mr. Umesh Shah (Independent Director)
		Mr. Chetanbhai Shah (Independent Director)
		Mrs. Daksha Shah (Independent Director)
2	Other related parties	Prarthna Marketing Private Limited
	(where there are transactions)	Anamaya Capital LLP
		Mrs. Shweta K. Gandhi (Relative of KMP)
		Mr. Dhvanil K. Gandhi (Relative of KMP)
		Mr. Saumil D. Pandya (Relative of KMP)
		Ms. Dhriti K. Gandhi (Relative of KMP)
		Mrs. Pauravi Umesh Shah (Relative of KMP)
		Umesh Rajanikant Shah HUF

Transactions with related parties are as follows:

(₹ In Crores)

	Year ended 31 March 2023		
	Key management personnel	Other related parties	Total
Remuneration (including bonus)	5.74	0.95	6.69
Dividend paid	7.22	5.70	12.92
Sitting fees	0.12	-	0.12

(₹ In Crores)

	Year ended 31 March 2022		
	Key management personnel	Other related parties	Total
Remuneration (including bonus)	4.15	0.79	4.94
Dividend paid	6.21	4.91	11.12
Sitting fees	0.11	-	0.11

Balances outstanding from related parties are as follows:

(₹ In Crores)

	As at 31 March 2023		
	Key management personnel	Other related parties	Total
Loans and advances given	0.13	-	0.13
Bonus payable	0.31	0.03	0.34

(₹ In Crores)

	As at 31 March 2022		
	Key management personnel	Other related parties	Total
Loans and advances given	1.55	-	1.55
Bonus payable	0.23	0.02	0.25

(₹ In Crores)

	As at 1 April 2021		
	Key management personnel	Other related parties	Total
Loans and advances given	0.18	-	0.18
Bonus payable	0.01	0.02	0.03

All transactions with these related parties are priced on an arm's length basis. None of the balances is secured.

Key managerial personnel who are under the employment of the Group are entitled to post employment benefits and other employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements.

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

Compensation to key management personnel are as follows:

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Short-term employee benefits	5.74	4.15
Post-employment benefits	0.02	0.01
Other long term employment benefits	(0.01)	0.04
	5.75	**4.20**

The remuneration of key management personnel are determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

37. OFFSETTING

Following table represents the recognised financial assets that are offset, or subject to enforceable master netting arrangements and other similar arrangements but not offset, as at 31 March 2023 , 31 March 2022 and 1 April 2021. The column 'net amount' shows the impact of Group's balance sheet if all the set-off rights were exercised.

(₹ In Crores)

	Effect of offsetting on the balance sheet			Related amount not offset	
	Gross amount	Gross amount offset in balance sheet (refer note 1)	Net amount presented in balance sheet	Financial instrument collateral (refer note 2)	Net amount
31 March 2023					
Loans and advances	6,256.20	9.96	6,246.24	2.00	6,244.24
31 March 2022					
Loans and advances	4,806.17	6.36	4,799.81	290.19	4,509.62
1 April 2021					
Loans and advances	4,093.04	29.73	4,063.31	345.74	3,717.57

Note:

1. ₹ 9.96 crores (31 March 2022: ₹ 6.36 crores, 1 April 2021: ₹ 29.73 crores) represents advances received against loan agreements.
2. ₹ 2.00 crores (31 March 2022: 290.19 crores, 1 April 2021: ₹ 345.74 crores) represents security deposits received from borrowers.

38. ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE ACT.

As at 31 March 2023 (₹ In Crores)

Name of entity in the Group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of other comprehensive income (OCI)		Share of Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Holding Company								
MAS Financial Services Limited	94.47%	1,459.21	96.32%	198.22	105.59%	(19.45)	95.40%	178.77
Subsidiary								
MAS Rural Housing & Mortgage Finance Limited	3.82%	58.96	2.45%	5.05	(3.31%)	0.61	3.02%	5.66
MASFIN Insurance Broking Private Limited	0.03%	0.48	(0.01%)	(0.01)	0.00%	-	(0.01%)	(0.01)
Non-controlling interest	1.68%	26.02	1.24%	2.56	(2.28%)	0.42	1.59%	2.98
Total	**100.00%**	**1,544.67**	**100.00%**	**205.82**	**100.00%**	**(18.42)**	**100.00%**	**187.40**

As at 31 March 2022 (₹ In Crores)

Name of entity in the Group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of other comprehensive income (OCI)		Share of Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Holding Company								
MAS Financial Services Limited	94.41%	1,295.77	96.29%	155.21	97.55%	(7.58)	96.23%	147.64
Subsidiary								
MAS Rural Housing & Mortgage Finance Limited	3.94%	54.14	2.49%	4.02	1.42%	(0.11)	2.54%	3.90
Non-controlling interest	1.65%	22.62	1.22%	1.97	1.03%	(0.08)	1.23%	1.89
Total	**100.00%**	**1,372.53**	**100.00%**	**161.20**	**100.00%**	**(7.77)**	**100.00%**	**153.43**

As at 1 April 2021 (₹ In Crores)

Name of entity in the Group	Net assets, i.e., total assets minus total liabilities	
	As % of consolidated net assets	Amount
Holding Company		
MAS Financial Services Limited	99.90%	1,231.54
Subsidiary		
MAS Rural Housing & Mortgage Finance Limited	(1.56%)	(19.20)
Non-controlling interest	1.66%	20.51
Total	**100.00%**	**1,232.85**

39. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ In Crores)

	As at 31 March 2023			As at 31 March 2022			As at 1 April 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
Financial assets									
Cash and cash equivalents	238.67	-	238.67	284.64	-	284.64	987.11	-	987.11
Bank balance other than above	88.80	476.49	565.29	565.29	20.73	586.02	10.82	21.38	32.20
Trade Receivables	4.30	-	4.30	1.05	-	1.05	2.23	-	2.23
Loans	3,666.30	2,579.94	6,246.24	2,863.31	1,936.50	4,799.81	2,380.91	1,682.40	4,063.31
Investments	489.88	301.16	791.04	157.69	335.52	493.21	61.07	140.51	201.58
Other financial assets	46.68	14.95	61.63	43.93	9.40	53.33	40.12	7.96	48.08
Non-financial assets									
Income tax assets (net)	-	2.52	2.52	-	6.23	6.23	-	5.92	5.92
Deferred tax Assets (net)	-	19.33	19.33	-	14.21	14.21	-	11.62	11.62
Property, plant and equipment	-	14.66	14.66	-	12.93	12.93	-	11.45	11.45
Capital work-in-progress	-	57.66	57.66	-	52.04	52.04	-	50.03	50.03
Right-of-use asset	0.43	0.75	1.18	0.19	0.42	0.61	0.49	0.05	0.54
Intangible assets under development	-	0.33	0.33	-	0.04	0.04	-	-	-
Other Intangible assets	-	1.03	1.03	-	0.22	0.22	-	0.09	0.09
Other non-financial assets	9.88	-	9.88	4.22	-	4.22	2.86	-	2.86
Total assets	**4,544.94**	**3,468.82**	**8,013.76**	**3,920.32**	**2,388.24**	**6,308.56**	**3,485.61**	**1,931.41**	**5,417.02**

(₹ In Crores)

	As at 31 March 2023			As at 31 March 2022			As at 1 April 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES									
Financial liabilities									
Trade payables	14.68	-	14.68	14.59	-	14.59	7.28	-	7.28
Other payables	1.84	-	1.84	1.55	-	1.55	1.01	-	1.01
Debt securities	522.26	105.00	627.26	64.65	297.38	362.03	249.76	64.36	314.12
Borrowings (other than debt securities)	2,726.34	2,521.23	5,247.57	2,457.43	1,482.54	3,939.97	2,144.77	993.90	3,138.67
Subordinated liabilities	-	252.70	252.70	40.00	97.22	137.22	19.97	40.00	59.97
Other financial liabilities	306.02	4.32	310.34	314.12	147.74	461.86	494.23	140.44	634.67
Non-financial liabilities									
Current tax liabilities (net)	2.06	-	2.06	2.48	-	2.48	12.15	-	12.15
Provisions	9.37	0.12	9.49	7.02	0.15	7.17	3.91	0.06	3.97
Other non-financial liabilities	3.15	-	3.15	6.29	2.87	9.16	8.41	3.92	12.33
Total liability	**3585.72**	**2883.37**	**6,469.09**	**2,908.13**	**2,027.90**	**4,936.03**	**2,941.49**	**1,242.68**	**4,184.17**
Net	**959.22**	**585.45**	**1,544.67**	**1,012.19**	**360.34**	**1,372.53**	**544.12**	**688.73**	**1,232.85**

40. EMPLOYEE BENEFIT PLAN

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

(a) Defined contribution plan

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Group's contribution to provident fund aggregating ₹ 1.92 Crore (31 March 2022: ₹ 1.51 Crore) and employee state insurance scheme aggregating ₹ 0.13 Crore (31 March 2022: ₹ 0.15 Crore) has been recognised in the statement of profit and loss under the head employee benefits expense.

(b) Defined benefit plans:

Gratuity

The Group operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age / resignation date.

The defined benefit plans expose the Group to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

Investment risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Group, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The status of gratuity plan as required under Ind AS-19 is as under:

(₹ In Crores)

		As at 31 March 2023	As at 31 March 2022
i.	**Reconciliation of opening and closing balances of defined benefit obligation**		
	Present value of defined benefit obligations at the beginning of the year	3.67	3.05
	Current service cost	0.76	0.56
	Interest cost	0.25	0.20
	Benefits paid	(0.21)	(0.20)
	Re-measurement (or Actuarial) (gain) / loss arising from:		
	Change in demographic assumptions	(0.18)	(0.07)
	Change in financial assumptions	(0.07)	(0.03)
	Experience adjustments	0.01	0.16
	Present value of defined benefit obligations at the end of the year	**4.23**	**3.67**
ii.	**Reconciliation of opening and closing balances of the fair value of plan assets**		
	Fair value of plan assets at the beginning of the year	3.67	3.05
	Interest income	0.28	0.22
	Return on plan assets excluding amounts included in interest income	(0.16)	(0.03)
	Contributions by employer	1.34	0.63
	Benefits paid	(0.21)	(0.20)
	Fair value of plan assets at the end of the year	**4.92**	**3.67**
iii.	**Reconciliation of the present value of defined benefit obligation and fair value of plan assets**		
	Present value of defined benefit obligations at the end of the year	4.23	3.67
	Fair value of plan assets at the end of the year	4.92	3.67
	Net asset / (liability) recognized in the balance sheet as at the end of the year	**0.69**	*** 0.00**

* Represents amount less than ₹ 50,000

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

iv. Composition of plan assets

100% of plan assets are administered by LIC.

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
v. Expense recognised during the Year		
Current service cost	0.76	0.56
Interest cost	(0.03)	(0.02)
Expenses recognised in the statement of profit and loss	0.73	0.54
vi. Other comprehensive income		
Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	(0.07)	(0.03)
Due to change in demographic assumption	(0.18)	(0.07)
Due to experience adjustments	0.01	0.16
Return on plan assets excluding amounts included in interest income	0.16	0.03
Components of defined benefit costs recognised in other comprehensive income	**(0.08)**	**0.09**
vii. Principal actuarial assumptions		
Discount rate (per annum)	7.30%	6.95%
Rate of return on plan assets (p.a.)	7.30%	6.95%
Annual increase in salary cost	8.00%	8.00%
Withdrawal rates per annum		
25 and below	30.00%	20.00%
26 to 35	25.00%	15.00%
36 to 45	20.00%	10.00%
46 to 55	15.00%	5.00%
56 and above	15.00%	5.00%

The discount rate is based on the prevailing market yields of Government of India's bond as at the balance sheet date for the estimated term of the obligations.

viii. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting year, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Defined benefit obligation (Base)	4.23	3.67

(₹ In Crores)

	Year ended 31 March 2023		Year ended 31 March 2022	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)	4.33	4.13	3.83	3.51
(% change compared to base due to sensitivity)	2.36%	(2.36%)	4.52%	(4.21%)
Salary growth rate (- / + 0.5%)	4.14	4.31	3.54	3.80
(% change compared to base due to sensitivity)	(2.13%)	1.89%	(3.48%)	3.70%
Withdrawal rate (W.R.) (W.R. x 90% / W.R. x 110%)	4.26	4.20	3.69	3.65
(% change compared to base due to sensitivity)	0.71%	(0.71%)	0.49%	(0.48%)

ix. Asset liability matching strategies

The Group contributes to the insurance fund based on estimated liability of next financial year end. The projected liability statements is obtained from the actuarial valuer.

x. Effect of plan on the Company's future cash flows

a) Funding arrangements and funding policy

The Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

b) Maturity profile of defined benefit obligation

The average outstanding term of the obligations (years) as at valuation date is 4.91 to 5.11 years.

	Cash flows (₹)	Distribution (%)
Expected cash flows over the next (valued on undiscounted basis):		
1st Following Year	0.76	11.40%
2nd Following year	0.66	10.25%
3rd Following Year	0.60	8.90%
4th Following Year	0.53	8.10%
5th Following Year	0.47	7.70%
Sum of years 6 to 10	1.83	28.20%

The future accrual is not considered in arriving at the above cash-flows.

The expected contribution for the next year is ₹ 0.77 crores.

(c) Other long term employee benefits

The liability for compensated absences is ₹ 0.17 crores (31 March 2022: ₹ 0.18 crores and 1 April 2021: ₹ 0.08 crores).

Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the provident fund Act and the gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry of Labour and Employment. The Group will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

41. FINANCIAL INSTRUMENT AND FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

This note describes the fair value measurement of both financial and non-financial instruments.

A. Measurement of fair values

i) Financial instruments - fair value

The fair value of financial instruments as referred to in note (B) below have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 Measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

ii) Transfers between levels 1 and 2

There has been no transfer in between level 1 and level 2.

iii) Valuation techniques

Loans

The Group has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last month of the year which is an unobservable input and therefore these has been considered to be fair valued using level 3 inputs.

Investments measured at FVTPL

Fair values of market linked debentures and mutual funds have been determined under level 1 using quoted market prices(unadjusted) of the underlying instruments. Fair value of investment in alternate investment funds have been determined under level 2 using observable input. For fair value of investment in OCPS of subsidiary, the Group has used incremental borrowing rate and applied discounted cash flow model and accordingly measured under level 3.

B. Accounting classifications and fair values

The carrying amount and fair value of financial instruments including their levels in the fair value hierarchy presented below:

(₹ In Crores)

As at 31 March 2023	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	6,038.39	-	-	-	6,038.39	6,038.39
Investments measured at FVTPL	-	-	231.90	181.45	50.45	-	231.90
	-	**6,038.39**	**231.90**				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	238.67	-	-	238.67	-	-	238.67
Bank balance other than cash and cash equivalents[2]	565.29	-	-	565.29	-	-	565.29
Trade receivables	4.30	-	-	-	-	4.30	4.30
Loans measured at amortised cost	207.85	-	-	-	-	207.66	207.66
Investment measured at amortised cost	559.14	-	-	-	-	559.53	559.53
Other financials asset	61.63	-	-	-	-	62.92	62.92
	1,636.88	**-**	**-**				
Financial liabilities not measured at fair value[1]							
Trade payables	14.68	-	-	-	-	14.68	14.68
Other payables	1.84	-	-	-	-	1.84	1.84
Debt securities	627.26	-	-	-	-	634.96	634.96
Borrowings (other than debt securities)	5,247.57	-	-	-	-	5,273.41	5,273.41
Subordinated liabilities	252.70	-	-	-	-	260.00	260.00
Other financial liabilities	310.34	-	-	-	-	310.34	310.34
	6,454.39	**-**	**-**				

(₹ In Crores)

As at 31 March 2022	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	4,630.69	-	-	-	4,630.69	4,630.69
Investments measured at FVTPL	-	-	303.19	267.62	35.57	-	303.19
	-	**4,630.69**	**303.19**				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	284.64	-	-	284.64	-	-	284.64
Bank balance other than cash and cash equivalents	586.02	-	-	586.02	-	-	586.02
Trade receivables	1.05	-	-	-	-	1.05	1.05
Loans measured at amortised cost	169.12	-	-	-	-	173.83	173.83
Investment measured at amortised cost	190.02	-	-	-	-	190.58	190.58
Other financials asset	53.33	-	-	-	-	53.29	53.29
	1,284.18	**-**	**-**				
Financial liabilities not measured at fair value[1]							
Trade payables	14.59	-	-	-	-	14.59	14.59
Other payables	1.55	-	-	-	-	1.55	1.55
Debt securities	362.03	-	-	-	-	383.22	383.22
Borrowings (other than debt securities)	3,939.97	-	-	-	-	3,970.15	3,970.15
Subordinated liabilities	137.22	-	-	-	-	140.20	140.20
Other financial liabilities	461.86	-	-	-	-	461.86	461.86
	4,917.22	**-**	**-**				

(₹ In Crores)

As at 1 April 2021	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	3,860.71	-	-	-	3,860.71	3,860.71
Investments measured at FVTPL	-	-	135.97	115.67	20.30	-	135.97
	-	**3,860.71**	**135.97**				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	987.11	-	-	987.11	-	-	987.11
Bank balance other than cash and cash equivalents	32.20	-	-	32.20	-	-	32.20
Trade receivables	2.23	-	-	-	-	2.23	2.23
Loans measured at amortised cost	202.60	-	-	-	-	202.90	202.90
Investment measured at amortised cost	65.61	-	-	-	-	65.64	65.64
Other financials asset	48.08	-	-	-	-	48.07	48.07
	1,337.83	**-**	**-**				
Financial liabilities not measured at fair value[1]							
Trade payables	7.28	-	-	-	-	7.28	7.28
Other payables	1.01	-	-	-	-	1.01	1.01
Debt securities	314.12	-	-	-	-	315.21	315.21
Borrowings (other than debt securities)	3,138.67	-	-	-	-	3,155.55	3,155.55
Subordinated liabilities	59.97	-	-	-	-	61.68	61.68
Other financial liabilities	634.67	-	-	-	-	634.67	634.67
	4,155.72	**-**	**-**				

[1] The Group has not disclosed the fair values for cash and cash equivalents, bank balances, investment in debt securities, interest accrued but not due on loans and advances, bank deposits and investment, trade payables and other financial liabilities as these are short term in nature and their carrying amounts are a reasonable approximation of fair value.

Reconciliation of level 3 fair value measurement is as follows:

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
i) Loans		
Balance at the beginning of the year	4,673.78	3,904.03
Addition during the year	4,782.49	3,541.51
Amount derecognised / repaid during the year	(3,309.03)	(2,731.35)
Amount written off	(42.65)	(30.11)
Gains/(losses) recognised in other comprehensive income	(24.69)	(10.30)
Balance at the end of the year	**6,079.90**	**4,673.78**

* The above classification also includes balance of spread receivable on assigned portfolio. (Refer note 10)

Sensitivity analysis to fair value

(₹ In Crores)

	Amount, net of tax	
	Increase	**Decrease**
31 March 2023		
Loans		
Interest rates (50 bps movement)	(14.68)	16.97
31 March 2022		
Loans		
Interest rates (50 bps movement)	(10.94)	11.07
1 April 2021		
Loans		
Interest rates (50 bps movement)	(7.62)	8.00

42. CAPITAL

The Group maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, RBI and NHB. The adequacy of the Group's capital is monitored using, among other measures, the regulations issued by RBI and NHB.

The Group has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Group's capital management.

42.1 Capital management

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's financial assets include loan and advances, cash and cash equivalents that derive directly from its operations.

The Group is exposed to credit risk, liquidity risk and market risk. The Group's board of directors has an overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's risk management committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

43.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and loans.

The carrying amounts of financial assets represent the maximum credit risk exposure.

(a) Loans and advances

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before sanctioning any loan. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information, the loan-to-value ratio etc.

The Group's exposure to credit risk for loans and advances by type of counterparty is as follows:

(₹ In Crores)

	Carrying Amount		
	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Retail assets	**3,300.73**	**2,494.24**	**1,857.30**
Two wheeler loans	317.60	259.79	195.48
Micro enterprise loans	1,210.59	1,043.16	889.93
Salaried personal loans	247.94	103.40	92.44
Small and medium enterprise loans	1,080.11	832.49	421.46
Commercial vehicle loans	170.04	47.26	41.48
Housing & non-housing loans	274.45	208.14	216.51
Loans to NBFC	2,979.56	2,343.43	2,230.73
Construction finance	**11.85**	**9.79**	**23.11**
Total	**6,292.14**	**4,847.46**	**4,111.14**

Narrative Description of Collateral

Collateral primarily include vehicles purchased by retail loan customers and machinery & property in case of SME customers. The secured exposure are secured wholly or partly by hypothecation of assets and undertaking to create a security.

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments.

(i) Staging:

As per the provision of Ind AS 109, all financial instruments are allocated to stage 1 on initial recognition. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifespan of the instrument.

As per Ind AS 109, the Group assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. The Group has staged the assets based on the days past due criteria and other market factors which significantly impacts the portfolio.

Group's internal credit rating grades and staging criteria for loans are as follows:

Days past dues status	Stage	Internal grades	Provisions
Current	Stage 1	High Quality assets, negligible credit risk	12 Months Provision
1-30 Days	Stage 1	High Quality assets, negligible credit risk	12 Months Provision
31-60 Days	Stage 2	Quality assets, low credit risk	Lifetime Provision
61-90 Days	Stage 2	Standard assets, moderate credit risk	Lifetime Provision
91-180 Days	Stage 3	Sub-standard assets, relatively high credit risk	Lifetime Provision
>180 Days	Stage 3	Low quality assets, very high credit risk	Lifetime Provision

(ii) Grouping:

As per Ind AS 109, the Group is required to group the portfolio based on the shared risk characteristics. The Group has assessed the risk and its impact on the various portfolios and has divided the portfolio into following groups:

a. Two wheeler loans

b. Micro enterprise loans

c. Salaried personal loans

d. Small and medium enterprise loans

e. Commercial vehicle loans

f. Retail asset channel loans

g. Housing & non-housing loans

h. Construction finance

(iii) ECL:

ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low. ECL is calculated based on the following components:

a. Probability of default (""PD")

b. Loss given default ("LGD")

c. Exposure at default ("EAD")

d. Discount factor ("D")

For RAC & HFC loan portfolio, the Group has developed internal rating based approach for the purpose of ECL. The credit rating framework of the Group consists of various parameters based on which RAC & HFC loan portfolio is evaluated and credit rating is assigned accordingly. The credit rating matrix developed by the Group is validated in accordance with its ECL policy.

The Group has developed its PD matrix based on the external benchmarking of various external reports, ratings & Basel norms. This PD matrix is calibrated with its historical data and major events on regular time interval in accordance with its ECL policy.

Probability of default:

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from internal data calibrated with forward looking macroeconomic factors.

For computation of probability of default ("PD"), Vasicek Single Factor Model was used to forecast the PD term structure over lifetime of loans. As per Vasicek model, given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. Group has worked out on PD based on the last five years historical data.

The PDs derived from the vasicek model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs have to be converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the previous year.

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.

The probability of default was calculated for 3 scenarios: upside (11%), downside (21%) and base (68%). This weightage has been decided on best practices and expert judgement. Marginal conditional probability was calculated for all 3 possible scenarios and one conditional PD was arrived as conditional weighted probability.

Loss given default:

LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

Various approaches are available to compute the LGD. Group has considered workout LGD approach. The following steps are performed to calculate the LGD:

1) Analysis of historical credit impaired accounts at cohort level.
2) The computation consists of four components, which are:
    a) Outstanding balance (POS)
    b) Recovery amount (discounted yearly) by effective interest rate.
    c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using effective interest rate.
    d) Collateral (security) amount.

The formula for the computation is as below:

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total POS)

% LGD = 1 – recovery rate

For RAC and HFC loan portfolio, the LGD has been considered based on Basel-II Framework for all the level of credit rating portfolio.

Exposure at default:

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. The Group has modelled EAD based on the contractual and behavioural cash flows till the lifetime of the loans considering the expected prepayments and assignments of loans.

The Group has considered expected cash flows for all the loans at DPD bucket level for each of the segments, which was used for computation of ECL. The exposure at default is calculated for each product and for various DPD status after considering future expected assignment which is not at risk. Moreover, the EAD comprised of principal component, accrued interest and also the future interest for the outstanding exposure. Further, the stage 3 EAD for the purpose of the ECL computation is considering when loan became Stage 3 for the first time (for retail loans).

Discounting:

As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

ECL computation:

Conditional ECL at DPD pool level was computed with the following method:

Conditional retail ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt) * discount factor (yt)

Conditional RAC ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt)

For RAC and HFC loan portfolio, the Group has calculated ECL based on borrower wise assessment of internal credit rating as per the framework of the Group, while for retail loan portfolio, the same has been calculated on collective basis.

The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of expected credit loss provided for across the stage is summarised below:

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Stage 1	0.53%	1.00%	1.51%
Stage 2	17.38%	12.29%	19.82%
Stage 3	40.02%	42.43%	38.48%
Amount of expected credit loss provided for	**108.29**	**104.95**	**103.90**

The loss rates are based on actual credit loss experience over past 5 years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Group's view of economic conditions over the expected lives of the loan receivables. Movement in provision of expected credit loss has been provided in below note.

(iv) *Management overlay*

The Group holds a management and macro-economic overlay of ₹ 23.03 crore as at 31 March 2023 (31 March 2022: ₹ 37.84 crores and 1 April 2021: ₹ 56.23 crores).

(v) *Modification of financial assets*

The Group has modified the terms of certain loans provided to customers in accordance with RBI notification on MSME restructuring dated 6 August 2020 and 5 May 2021. Such restructuring benefits are provided to distressed customers who are impacted by COVID-19 pandemic.

Such restructuring benefits include extended payment term arrangements, moratorium and changes in interest rates. The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset (refer note 3.5). The Group monitors the subsequent performance of modified assets. The gross carrying amount of such assets held as at 31 March 2023 is ₹ 4.98 crores (31 March 2022 ₹ 18.43 crores and 1 April 2021: ₹ 4.46 crores). Overall provision for expected credit loss against restructured loan exposure amounts to ₹ 1.41 crores as at 31 March 2023 (31 March 2022 ₹ 2.22 crores and 31 March 2021: ₹ 1.12 crores). The Group continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets.

(b) Cash and cash equivalent and bank deposits

Credit risk on cash and cash equivalent and bank deposits is limited as the Group generally invests in term deposits with banks which are subject to an insignificant risk of change in value.

43.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Group is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Group manages its liquidity by unutilised cash credit facility, term loans and direct assignment.

The composition of the Group's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

The total cash credit limit available to the Group is ₹ 1717 Crore spread across 17 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

Over the years, the Holding Company has maintained around 20% to 25% of assets under management as off book through direct assignment transactions. It is with door to door maturity and without recourse to the Holding Company. This further strengthens the liability management.

The table below summarises the maturity profile of the undiscounted cashflow of the Group's financial liabilities:

(₹ In Crores)

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
As at 31 March 2023									
Debt securities	0.26	6.52	0.21	24.59	600.24	106.39	-	-	738.21
Borrowings (Other than debt securities)	91.30	97.58	249.70	438.24	2,152.57	2,285.55	517.88	18.09	5,850.91
Subordinated liabilities	2.09	2.33	2.34	7.04	13.97	55.90	150.15	169.00	402.82
Payable	5.89	2.86	6.53	0.63	0.61	-	-	-	16.52
Lease Liability	0.03	0.13	0.03	0.11	0.19	0.94	0.05	-	1.48
Other financial liabilities	238.85	6.20	5.71	0.90	53.95	3.45	-	-	309.06

(₹ In Crores)

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
As at 31 March 2022									
Debt securities	-	-	-	-	76.59	357.11	-	-	433.70
Borrowings (Other than debt securities)	72.17	76.15	171.31	299.45	1,996.07	1,256.16	400.95	12.35	4,284.61
Subordinated liabilities	0.72	0.88	42.10	2.71	5.33	21.53	21.50	102.16	196.93
Payable	11.73	2.72	0.10	0.30	1.34	-	-	-	16.19
Lease Liability	0.04	0.02	0.02	0.06	0.10	0.32	0.23	-	0.79
Other financial liabilities	164.23	9.85	24.15	43.51	72.17	132.00	11.90	3.37	461.18
As at 1 April 2021									
Debt securities	-	-	-	22.50	261.11	76.30	-	-	359.91
Borrowings (Other than debt securities)	71.73	48.98	120.38	191.44	1,819.88	815.31	267.16	38.52	3,373.40
Subordinated liabilities	-	-	1.30	22.54	2.59	41.18	-	-	67.61
Trade payable	7.25	0.10	0.10	0.29	0.60	-	-	-	8.34
Lease Liability	0.10	0.06	0.07	0.18	0.19	0.07	0.01	-	0.68
Other financial liabilities	292.26	14.49	20.22	49.92	116.75	121.43	13.65	5.28	634.00

43.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's investment in bank deposits and variable interest rate borrowings and lending.

The sensitivity analysis have been carried out based on the exposure to interest rates for lending and borrowings carried at variable rate and investments made by the Group.

(₹ In Crores)

Change in interest rates	Year ended 31 March 2023		Year ended 31 March 2022	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Investments	176.78	176.78	262.97	262.97
Impact on profit before tax for the year	0.88	(0.88)	1.31	(1.31)
Variable rate lending	3,265.86	3,265.86	2,561.36	2,561.36
Impact on profit before tax for the year	15.84	(15.84)	12.73	(12.73)
Variable rate borrowings	5,106.06	5,106.06	3,748.54	3,748.54
Impact on profit before tax for the year	(25.24)	25.24	(18.83)	18.83

B. Foreign currency risk

The Group does not have any instrument denominated or traded in foreign currency. Hence, such risk does not affect the Group.

44. LEASE DISCLOSURE

Where the Group is the lessee

The Group has entered into agreements for taking its office premises under leave and license arrangements. These agreements are for tenures between 11 months and 5 years and majority of the agreements are renewable by mutual consent on mutually agreeable terms, lease rentals have an escalation ranging between 5% to 15%. Leases for which the lease term is less than 12 months have been accounted as short term leases.

(₹ In Crores)

Contractual cash maturities of lease liabilities on an undiscounted basis	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Not later than one year	0.49	0.24	0.60
Later than one year and not later than five years	0.99	0.55	0.08
Later than five years	-	-	-
Total undiscounted lease liabilities	**1.48**	**0.79**	**0.68**
Lease liabilities included in the balance sheet			
Total lease liabilities	**1.28**	**0.66**	**0.66**

(₹ In Crores)

Amount recognised in the statement of profit and loss account	Year ended 31 March 2023	Year ended 31 March 2022
Interest on lease liabilities	0.10	0.05
Depreciation charge for the year	0.32	0.45
Expenses relating to short term leases	3.85	2.72

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

(₹ In Crores)

Amount recognised in the statement of Cashflow	Year ended 31 March 2023	Year ended 31 March 2022
Cash outflow towards lease liability	(0.28)	(0.52)

For addition and carrying amount of right to use asset for 31 March 2023, 31 March 2022 and 1 April 2021, refer note 11(c).

Title deeds of all immovable properties of the Holding Company are held in name of the Holding Company. Further all the lease agreements are duly executed in favour of the Holding Company for properties where the Holding Company is the lessee.

45. TRANSFER OF FINANCIAL ASSETS

45.1 Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Securitisation			
Carrying amount of transferred assets	-	57.60	-
Carrying amount of associated liabilities (Borrowings - other than debt securities)	-	50.03	-
Fair value of assets (A)	-	57.50	-
Fair value of associated liabilities (B)	-	49.95	-
Net position at Fair Value (A-B)	-	7.55	-

45.2 Transferred financial assets that are derecognised in their entirety

The Group has assigned loans by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of exposure net of MRR to the buyer, the assets have been de-recognised from the Group's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Direct assignment			
Carrying amount of de-recognised financial asset	1,259.86	1,132.92	1,315.81
Carrying amount of retained financial asset	167.26	152.98	153.44

45.3 Transferred financial assets that are derecognised in their entirety but where the Group has continuing involvement

The Group has not transferred any assets that are derecognised in their entirety where the Group continues to have continuing involvement.

46. No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2023 and 31 March 2022.

47. The Group is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2023 and 31 March 2022.

48. The Group does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2023 and 31 March 2022.

49. All the charges or satisfaction, as applicable are registered with ROC within the statutory period.

50. The Group has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds as at 31 March 2023 are held by the Group in the form of deposits or in current accounts till the time the utilisation is made subsequently.

51. There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2023 and 31 March 2022, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March 2023 and 31 March 2022.

52. As a part of normal lending business, the Group grants loans and advances on the basis of security / guarantee provided by the Borrower/ co-borrower. These transactions are conducted after exercising proper due diligence.

Other than the transactions described above,

(a) No funds have been advanced or loaned or invested by the Group to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the group (Ultimate Beneficiaries);

(b) No funds have been received by the Group from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

53. The Group has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2023 and 31 March 2022.

54. The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2023 and March 31, 2022.

55. The Group has not entered into any scheme of arrangement.

56. REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Group's revenue from contracts with customers and reconciliation to statement of profit and loss:

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Type of income		
Services charges	0.08	0.02
Others	51.47	21.38
Total revenue from contracts with customers	**51.55**	**21.40**
Geographical markets		
India	51.55	21.40
Outside India	-	-
Total revenue from contracts with customers	**51.55**	**21.40**
Timing of revenue recognition		
Services transferred at a point in time	51.55	21.40
Services transferred over time	-	-
Total revenue from contracts with customers	**51.55**	**21.40**

Notes

Forming part of the Consolidated Financial Statement for the year ended 31 March 2023 (Contd.)

57. EVENTS AFTER THE REPORTING PERIOD

Ind AS 10 'Events after the Reporting Period', requires an entity to evaluate information available after the balance sheet date to determine if such information constitutes an adjusting event, which would require an adjustment to the financial statements, or a non-adjusting event, which would only require disclosure. There have been no events after the reporting date that require disclosure in these financial statements.

58. Figures of previous year has been regrouped / reclassified, wherever necessary, to correspond with the figures of the current year.

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
10 May 2023

Ahmedabad
10 May 2023

Independent Auditors' Report

To the Members of MAS Financial Services Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying Consolidated financial statements of MAS Financial Services Limited ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprises of the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained by us and the other auditors in terms of their report referred to in other matters section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Impairment of Loans** **Charge: INR 105.83 Lakhs for the year ended 31st March, 2022** **Provision: INR 10,494.69 as at 31st March, 2022** Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: • Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.	**Principal Audit Procedures** Procedures performed by us have been enumerated herein below: We performed end to end process walkthroughs to identify the key systems, applications and controls used in ECL processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key systems used in ECL process. Key aspects of our controls testing involved following: Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models.

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>Auditor's Response</th></tr>
<tr><td></td><td>Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach.
Economic scenarios – Ind AS 109 requires the Group to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment arising from COVID-19.
Qualitative adjustments – Adjustments to the model-driven ECL results are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. They represent approximately 38.91% of ECL balances as at 31 March, 2022. These adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts especially in relation to economic uncertainty as a result of COVID-19.
The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company. The extent to which the COVID-19 pandemic will impact the Company's current estimate of impairment loss allowances is dependent on future developments, which are highly uncertain at this point. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the standalone financial statements, we have considered this as a key audit matter.

Disclosures:
The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.</td><td>Testing the 'Governance Framework' controls over validation, implementation and model monitoring in line with Reserve Bank of India guidance.

Testing the design and operating effectiveness of the key controls over the application of the staging criteria.

Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights.

Testing management's controls over authorisation and calculation of post model adjustments and management overlays.

Testing management's controls on compliance with Ind AS 109 disclosures related to ECL.

Testing key controls operating over the information technology system in relation to loan impairment including system access and system change management, program development and computer operations.

Test of Details:
Key aspects of our testing included:
Sample testing over key inputs, data and assumptions impacting ECL calculations to assess completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied.

Model calculations testing through re-performance, where possible.

Test of details of post model adjustments, considering the size and complexity of management overlays with a focus on COVID-19 related overlays, to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data.

Assessing disclosures - We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining ECL. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear.</td></tr>
<tr><td>2</td><td>Information Technology
IT Systems and controls
The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.</td><td>In course of audit, our focus was on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. We performed a range of audit procedures, which included:
Review of the report of IS Audit carried in earlier year(s) by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications,</td></tr>
</table>

Sr. No.	Key Audit Matter	Auditor's Response
	IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data. Due to the pervasive nature of role of information technology systems in financial reporting, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.	operating systems and databases relied upon for financial reporting. • Our other processes include: o selectively recomputing interest calculations and maturity dates; o Selectively re-evaluating masters updation, interface with resultant reports; o Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system) o Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission o Other areas that were independently assessed included password policies, system configurations, system interface controls, controls over changes to applications and databases.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiary audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary, is traced from their financial statements audited by the other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, the Consolidated financial performance and the changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the holding and its subsidiary company to express an opinion on the consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entity included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

OTHER MATTERS

We did not audit the financial statements of subsidiary included in the Consolidated financial statements, whose financial statements reflect [the figures reported below are before giving effect to consolidation adjustments] total assets of ₹ 28,998.62 Lakhs as at March 31, 2022, total revenues of ₹ 3,583 Lakhs, total net profit after tax of ₹ 456.49 Lakhs, total comprehensive income of ₹ 437.07 Lakhs and net cash outflows amounting to ₹ 799.74 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion and conclusion on the statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiary, we report, to the extent applicable that:

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

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting with reference to the financial statements of the Holding Company and its subsidiary incorporated in India and the operating effectiveness of such controls, refer to our separate report in the Annexure -A, which is based on the auditors' reports of the Holding Company and its subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those Companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company or by subsidiary company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

  i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

  ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

  iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

  iv. (a) The respective managements of the Holding Company and its subsidiary, which are companies incorporated in India, whose financial statement have been audited under the Act, have represented to us and to the other auditors of such subsidiary, to the best of their knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary or in any other person(s) or entity(ies), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiary, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary, to the best of their knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary, with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, directly or indirectly, lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or the other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in consolidated financial statements,

a) The final dividend proposed in the previous year, declared and paid during the year by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.

b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act, as applicable.

c) The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members of the Holding Company at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, based on our report and on the consideration of the report of the other auditors on the separate financial statements and the other information of the subsidiary company included in the consolidated financial statements of the Group, we report that there are no qualifications or adverse remarks in these CARO reports.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Chandresh S. Shah
Partner
Membership No.: 042132
UDIN: 22042132AIQHSC8730

Place: Ahmedabad
Date: May 4, 2022

“Annexure A” to the Auditors’ Report

Report on the Internal Financial Control clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of MAS Financial Services Limited (hereinafter referred to as “Holding Company”) and its subsidiary company, which are companies incorporated in India, as of that date.

MANAGEMENT RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS’ RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary company incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Holding company and its subsidiary company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

OTHER MATTER

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to a subsidiary company, incorporated in India, is based solely on the corresponding reports of the auditors of such Company incorporated in India.

Our opinion is not modified in respect of the above matter.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Chandresh S. Shah
Partner
Membership No.: 042132
UDIN: 22042132AIQHSC8730

Place: Ahmedabad
Date: May 4, 2022

Consolidated Balance Sheet

as at 31 March 2022

(₹ in Lakhs)

	Note no.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Financial assets			
Cash and cash equivalents	5	28,756.38	98,711.42
Bank balance other than cash and cash equivalents	6	58,310.10	3,219.70
Trade receivables	7	104.63	223.34
Loans	8	4,79,980.90	4,06,330.95
Investments	9	49,320.66	20,158.38
Other financial assets	10	5,552.34	4,974.08
Total financial assets		**6,22,025.01**	**5,33,617.87**
Non-financial assets			
Income tax assets (net)	30	623.33	592.40
Deferred tax assets (net)	30	2,516.38	2,256.16
Property, plant and equipment	11(a)	1,293.47	1,144.80
Capital work-in-progress	11(d)	5,204.40	5,002.73
Right-of-use asset	11(c)	60.92	53.82
Intangible assets under development	11(e)	3.57	-
Other intangible assets	11(b)	22.34	9.25
Other non-financial assets	12	421.89	286.04
Total non-financial assets		**10,146.30**	**9,345.20**
Total assets		**6,32,171.31**	**5,42,963.07**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	13		
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,458.69	727.85
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		155.43	100.92
Debt securities	14	36,203.05	31,411.52
Borrowings (other than debt securities)	15	3,93,997.42	3,13,866.80
Subordinated liabilities	16	13,721.55	5,996.55
Other financial liabilities	17	46,186.25	63,467.40
Total financial liabilities		**4,91,722.39**	**4,15,571.04**
Non-financial liabilities			
Current tax liabilities (net)	30	248.45	1,214.93
Provisions	18	716.51	396.97
Other non-financial liabilities	19	5,487.27	5,745.30
Total non-financial liabilities		**6,452.23**	**7,357.20**
Total liabilities		**4,98,174.62**	**4,22,928.24**
EQUITY			
Equity share capital	20	5,466.20	5,466.20
Other equity	21	1,26,285.68	1,12,521.87
Equity attributable to the owners of the Holding Company		**1,31,751.88**	**1,17,988.07**
Non-controlling interest		2,244.81	2,046.76
Total equity		**1,33,996.69**	**1,20,034.83**
Total liabilities and equity		**6,32,171.31**	**5,42,963.07**

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
Chief Financial Officer

Ahmedabad
4 May 2022

Ahmedabad
4 May 2022

Consolidated Statement of Profit and Loss

for the year ended 31 March 2022

(₹ in Lakhs)

		Note no.	Year ended 31 March 2022	Year ended 31 March 2021
I.	**Revenue from operations**			
	Interest income	22	60,167.61	51,770.11
	Gain on assignment of financial assets (Refer note 32)		6,562.91	9,125.69
	Fees and commission income		1,814.30	1,813.78
	Net gain on fair value changes	23	472.55	29.90
	Total revenue from operations		**69,017.37**	**62,739.48**
	Other income	24	**93.40**	**31.75**
	Total income		**69,110.77**	**62,771.23**
II.	**Expenses**			
	Finance costs	25	33,868.41	28,493.54
	Fees and commission expense		2,309.41	624.36
	Impairment on financial assets	26	3,527.36	8,136.23
	Employee benefits expenses	27	4,778.95	3,503.32
	Depreciation, amortization and impairment	28	207.14	257.24
	Others expenses	29	2,771.19	2,159.63
	Total expenses		**47,462.46**	**43,174.32**
	Profit before exceptional items and tax (I - II)		21,648.31	19,596.91
	Exceptional items		-	-
III.	**Profit before tax**		**21,648.31**	**19,596.91**
IV.	**Tax expense:**			
	Current tax	30	5,583.11	5,935.17
	Excess provision for tax relating to prior years	30	(50.76)	(0.29)
	Net current tax expense		**5,532.35**	**5,934.88**
	Deferred tax expense / (credit)	30	1.08	(890.40)
	Net tax expense		**5,533.43**	**5,044.48**
V.	**Profit for the year (III - IV)**		**16,114.88**	**14,552.43**
VI.	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss:			
	Re-measurement of the defined benefit liabilities		(8.61)	75.21
	Income tax impact on above		2.17	(18.55)
	Total (A)		**(6.44)**	**56.66**
	(B) Items that will be reclassified to profit or loss:			
	Loans and advances through other comprehensive Income		(1,029.62)	960.33
	Income tax impact on above		259.14	(241.70)
	Total (B)		**(770.48)**	**718.63**
	Other comprehensive income (A+B)		**(776.92)**	**775.29**
VII.	**Total comprehensive income for the year (V + VI)**		**15,337.96**	**15,327.72**
VIII.	**Profit for the year attributable to**			
	Owners of the Holding Company		15,930.76	14,436.01
	Non-controlling interest		184.12	116.42
IX.	**Other comprehensive income attributable to**			
	Owners of the Holding Company		(769.09)	765.41
	Non-controlling interest		(7.83)	9.88
X.	**Total comprehensive income attributable to**			
	Owners of the Holding Company		15,161.67	15,201.42
	Non-controlling interest		176.29	126.30
XI.	**Earnings per equity share (of ₹ 10 each):**	31		
	Basic (₹)		29.14	26.41
	Diluted (₹)		29.14	26.41

See accompanying notes to the financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
Chief Financial Officer

Ahmedabad
4 May 2022

Ahmedabad
4 May 2022

Consolidated Statement of Changes in Equity

for the year ended 31 March 2022

(A) EQUITY SHARE CAPITAL

(₹ in Lakhs)

Equity Share of ₹ 10 each issued, subscribed and fully paid	
Balance at 1 April 2020	5,466.20
Changes in Equity Share Capital due to prior period errors	-
Restated balance at 1 April 2020	**5,466.20**
Changes in equity share capital during the year	-
Balance at 31 March 2021	**5,466.20**
Changes in Equity Share Capital due to prior period errors	-
Restated balance at 31 March 2021	**5,466.20**
Changes in equity share capital during the year	-
Balance at 31 March 2022	**5,466.20**

(B) OTHER EQUITY

(₹ in Lakhs)

	Reserves and surplus					Other comprehensive income		Total
	Reserve u/s. 45-IC of RBI Act, 1934	Reserve fund u/s. 29-C of NHB Act, 1987	Equity component of compound financial instruments	Securities premium	Retained earnings	Equity instruments through OCI	Loans and advances through OCI	
Balance at 1 April 2020	**14,522.00**	**314.96**	**10.72**	**42,695.48**	**28,381.53**	**(0.22)**	**7,317.50**	**93,241.97**
Profit for the year	-	-	-	-	14,436.01	-	-	14,436.01
Re-measurement of defined benefit plans (net of taxes)	-	-	-	-	54.03	-	-	54.03
Other comprehensive income (net of taxes)	-	-	-	-	-	-	4,790.18	4,790.18
Dividend distribution tax on equity dividend	-	-	-	-	(0.32)	-	-	(0.32)
Transfer to reserve u/s. 45-IC of RBI Act, 1934	2,870.06	-	-	-	(2,870.06)	-	-	-
Transfer to reserve u/s. u/s. 29-C of NHB Act,1987	-	66.83	-	-	(66.83)	-	-	-
Balance at 31 March 2021	**17,392.06**	**381.79**	**10.72**	**42,695.48**	**39,934.36**	**(0.22)**	**12,107.68**	**1,12,521.87**
Profit for the year	-	-	-	-	15,930.76	-	-	15,930.76
Re-measurement of defined benefit plans (net of taxes)	-	-	-	-	(7.19)	-	-	(7.19)
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(656.55)	(656.55)
Final Dividend on equity shares	-	-	-	-	(819.93)	-	-	(819.93)
Interim Dividend on equity shares	-	-	-	-	(683.28)	-	-	(683.28)
Transfer to reserve u/s. 45-IC of the RBI Act, 1934	3,156.53	-	-	-	(3,156.53)	-	-	-
Transfer to reserve u/s. 29-C of NHB Act,1987	-	87.29	-	-	(87.29)	-	-	-
Balance at 31 March 2022	**20,548.59**	**469.08**	**10.72**	**42,695.48**	**51,110.90**	**(0.22)**	**11,451.13**	**1,26,285.68**

In terms of our report of even date attached

For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
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(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
Chief Financial Officer

Ahmedabad
4 May 2022

Ahmedabad
4 May 2022

Consolidated Statement of Cash Flows

for the year ended 31 March 2022

(₹ in Lakhs)

		Year ended 31 March 2022		Year ended 31 March 2021	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net profit before tax		21,648.31		19,596.91
	Adjustments for :				
	Depreciation and amortisation	207.14		257.24	
	Finance cost	33,868.41		28,493.54	
	Impairment on financial assets	3,527.36		8,136.23	
	(Profit) / loss on sale of property, plant and equipment	(0.16)		1.16	
	Interest income	(60,167.61)		(51,770.11)	
	Net gain on fair value changes	(285.53)		-	
	Net gain on sale of investments measured at amortized cost	(23.28)		-	
	Gain on derecognition of leased asset	(0.07)		(2.83)	
			(22,873.74)		**(14,884.77)**
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(1,225.43)		4,712.14
	Changes in working capital:				
	Adjustments for (increase)/decrease in operating assets:				
	Loans	(77,001.68)		(51,754.90)	
	Trade receivables	118.71		(221.10)	
	Advances received against loan agreements	797.27		(10,021.24)	
	Bank balance other than cash and cash equivalents	(43.66)		21.16	
	Other financial asset	(702.15)		(728.60)	
	Other non-financial asset	(139.96)		106.99	
	Adjustments for increase/(decrease) in operating liabilities:				
	Trade payables	785.35		15.99	
	Other financial liabilities	(17,662.88)		(17,634.32)	
	Other non-financial liabilities	(258.03)		(4,107.50)	
	Provisions (Also refer note 34)	319.54	(93,787.49)	349.75	(83,973.77)
	CASH GENERATED FROM / (USED IN) OPERATIONS		**(95,012.92)**		**(79,261.63)**
	Interest income received	55,186.76		55,094.90	
	Interest income on Investment measured at amortised cost	1,586.06		42.02	
	Finance cost paid	(35,465.24)		(28,596.83)	
	Income tax paid (net)	(6,529.74)	**14,777.84**	(5,089.20)	**21,450.89**
	NET CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)		**(80,235.08)**		**(57,810.74)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Acquisition of property, plant and equipments and intangible assets, including capital advances	(533.63)		(201.41)	
	Proceeds from sale of property, plant and equipments and intangible assets	0.39		0.10	
	Change in Earmarked balances with banks and other free deposit	(55,046.74)		(3,048.26)	
	Interest income from bank deposits	2,497.29		2,971.87	
	Purchase of investments	(1,19,210.98)		(22,851.84)	
	Redemption of investments	90,281.54		3,190.94	
	Profit on redemption of long term investment	23.28		-	
	NET CASH FLOW GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)		**(81,988.85)**		**(19,938.60)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from debt securities and borrowings	2,06,090.11		1,29,110.00	
	Repayments of debt securities and borrowings	(1,18,200.15)		(79,972.01)	
	Net increase in working capital borrowings	5,938.22		22,848.29	
	Repayment of lease liabilities	(51.97)		(106.43)	
	Dividends paid including dividend distribution tax	(1,507.32)		(4.65)	
	NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)		**92,268.89**		**71,875.20**

Consolidated Statement of Cash Flows (contd.)

for the year ended 31 March 2022

(₹ in Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(69,955.04)**	**(5,874.14)**
Cash and cash equivalents at the beginning of the year	**98,711.42**	**1,04,585.56**
Cash and cash equivalents at the end of the year (refer note 1 below)	**28,756.38**	**98,711.42**

Notes:

(₹ in Lakhs)

		As at 31 March 2022	As at 31 March 2021
1	Cash and bank balances at the end of the year comprises:		
	(a) Cash on hand	24.76	18.07
	(b) Balances with banks	25,035.14	51,169.78
	(c) Bank deposits with original maturity of 3 months or less	3,696.48	47,523.57
	Cash and cash equivalents as per the balance sheet	**28,756.38**	98,711.42

2 The above cash flow statement has been prepared under the "Indirect method" as set out in the Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.

3 The Group as at 31 March 2022 has undrawn borrowing facilities amounting to ₹ 1,73,220.24 lakhs that may be available for future operating activities and to settle capital commitments.

4 Change in liabilities arising from financing activities

(₹ in Lakhs)

	31 March 2021	Cash flows	Non cash changes*	31 March 2022
Debt securities	31,411.52	5,000.00	(208.47)	36,203.05
Borrowings other than debt securities	3,13,866.80	80,828.18	(697.56)	3,93,997.42
Subordinated liabilities	5,996.55	8,000.00	(275.00)	13,721.55
Total liabilities from financing activities	**3,51,274.87**	**93,828.18**	**(1,181.03)**	**4,43,922.02**

	1 April 2020	Cash flows	Non cash changes*	31 March 2022
Debt securities	-	31,500.00	(88.48)	31,411.52
Borrowings (other than debt securities)	2,73,599.82	40,486.28	(219.30)	3,13,866.80
Subordinated liabilities	5,989.18	-	7.37	5,996.55
Total liabilities from financing activities	**2,79,589.00**	**71,986.28**	**(300.41)**	**3,51,274.87**

* Non-cash changes represents the effect of amortization of transaction cost.

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)
Ahmedabad
4 May 2022

Ankit Jain
Chief Financial Officer

Ahmedabad
4 May 2022

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022

1. CORPORATE INFORMATION

MAS Financial Services Limited (the "Holding Company") together with its subsidiary MAS Rural Housing & Mortgage Finance Limited (hereinafter referred to as the "Group") are public companies domiciled in India. The Holding Company is registered as a non deposit taking non-banking finance company ("NBFC") with Reserve Bank of India ("RBI"). MAS Rural Housing & Mortgage Finance Limited is registered as a non deposit taking housing finance company ("HFC") with National Housing Bank ("NHB"). The Group is engaged in the business of providing Micro Enterprise Loans ("MEL"), Small and Medium Enterprise loans ("SME"), Two Wheeler loans ("TW"), Commercial Vehicle loans ("CV"), loans to NBFCs, housing loans, commercial property loans and project loans for real estate projects to customers especially in the segment of affordable housing in rural and urban areas. The Holding Company's equity shares are listed on two recognised stock exchanges in India i.e. BSE Limited and the National Stock Exchange of India Limited.

The Holding Company's registered office is at 6, Ground Floor, Narayan Chambers, behind Patang Hotel, Ashram Road, Ahmedabad - 380009, Gujarat, India.

2. BASIS OF PREPARATION

2.1 Statement of compliance and principles of consolidation

These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 ("the Act"), and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Group has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC).CC.PD. No.109/22. 10.106/2019-20 dated 13 March 2020.

Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

Principles of consolidation

These consolidated financial statements are prepared on the following basis in accordance with Ind AS 110 on 'Consolidated Financial Statements' specified under Section 133 of the Act.

i) ***Subsidiary -***

Subsidiary in an entity controlled by the Holding Company. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which controls commences until the date on which control ceases.

ii) ***Non-controlling interest ("NCI")***

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii) ***Loss of control***

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value on the date the control is lost. Any resulting gain or loss is recognized in profit or loss.

iv) ***Transactions eliminated on consolidation***

The financial statements of the Holding Company and its subsidiary used in the consolidation procedure are drawn up to the same reporting date i.e. 31 March 2022. The financial statements of the Holding Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. The Group follows uniform accounting policies for like transactions and other events in similar circumstances.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

v) *The following subsidiary company has been considered in the preparation of the consolidated financial statements:*

Name of the entity	Relationship	Country of incorporation	Ownership held by	% of holding and voting power as at	
				31 March 2022	31 March 2021
MAS Rural Housing & Mortgage Finance Limited	Subsidiary company	India	MAS Financial Services Limited	59.67%	59.67%

2.2 Basis of measurement

The consolidated financial statements have been prepared on historical cost convention and on accrual basis, except for certain financial instruments which are measured at fair value as required by relevant Ind AS.

2.3 Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Group operates (the "functional currency"). Amounts in the consolidated financial statements are presented in lakhs rounded off to two decimal places as permitted by Schedule III to the Act, except when otherwise indicated.

2.4 Use of estimates, judgements and assumptions

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Estimation of uncertainties relating to the global health pandemic from novel coronavirus 2019 ("COVID-19"):

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the accounting estimates. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of standalone financial statements.

Judgements

In the process of applying the Group's accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Business model assessment

Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest (the "SPPI") test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or FVOCI that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value please refer note 3.8 and note 41.

ii) Effective interest rate ("EIR") method

The Group's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

e) Management overlay used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Group's lending portfolios.

iv) Provisions and other contingent liabilities

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Group's business.

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

For further details on provisions and other contingencies refer note 3.16.

v) Provision for income tax and deferred tax assets

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recovered for uncertain tax positions. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

vi) Defined Benefit Plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable.

2.5 Presentation of the consolidated financial statements

The Group presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in note 39.

Financial assets and financial liability are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

i) The normal course of business

ii) The event of default

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of interest income

A. EIR method

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

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as stage 3, the Group calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Group reverts to calculating interest income on a gross basis.

3.2 Financial instrument - initial recognition

A. Date of recognition

All financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments (refer note 3.3(A)). Financial instruments are initially measured at their fair value (as defined in note 3.8), transaction costs are added to, or subtracted from this amount, except in the case of financial assets and financial liabilities recorded at FVTPL.

C. Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

i) Amortised cost

ii) FVOCI

iii) FVTPL

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel.

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

d) The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

SPPI test

As a second step of its classification process, the Group assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, the financial assets are measured as follows:

i) ***Financial assets carried at amortised cost ("AC")***

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) ***Financial assets measured at FVOCI***

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) ***Financial assets at FVTPL***

A financial asset which is not classified in any of the above categories are measured at FVTPL.

iv) *Other equity investments*

All other equity investments are measured at fair value, with value changes recognised in the statement of profit and loss, except for those equity investments for which the Holding Company has elected to present the value changes in other comprehensive income ("OCI").

B. Financial liability

i) *Initial recognition and measurement*

All financial liability are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) *Subsequent measurement*

Financial liabilities are carried at amortized cost using the EIR method.

3.4 Reclassification of financial assets

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the circumstances in which the Group changes in its business model for managing those financial assets.

3.5 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

B. Derecognition of financial assets other than due to substantial modification

i) *Financial assets*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of financial assets on account of direct assignment of loans, gain is recognized as “Unearned income on assigned loans” under the head other non-financial liabilities and amortized in the profit or loss over the underlying residual tenure of the assigned portfolio. Refer note 32 for details.

Further, the Group recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset.

As per the guidelines of RBI, the Group is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continue to recognise the portion retained by it as MRR.

ii) *Financial liability*

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

3.6 Impairment of financial assets

A. Overview of the ECL principles

In accordance with Ind AS 109, the Group uses ECL model, for evaluating impairment of financial assets other than those measured at FVTPL.

ECL are measured through a loss allowance at an amount equal to:

i.) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii.) Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Group categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant increase in credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the life time ECL.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. Borrowers are also classified under stage 3 bucket under instances like fraud identification and legal proceeding. Further, stage 3 loan accounts are identified at customer level (i.e. a Stage 1 or 2 customer having other loans which are in Stage 3). The Group records an allowance for life time ECL.

There is a curing period with Stage 3 loan, where even if the DPD days are reduced by 90 days the same will not be upgraded to Stage 1 until the loan is 0 DPD.

Loan commitments: When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

B. The calculation of ECLs

For retail loans

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD "Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, expected drawdowns on committed facilities and accrued interest. Further, the EAD for stage 3 retail loan is the outstanding exposure at the time loan is classified as Stage 3 for the first time"

LGD LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total POS) % LGD = 1 – recovery rate

For retail asset channel ("RAC") and housing finance company ("HFC") loan portfolio

For RAC & HFC loan portfolio, the Group has developed internal rating based approach for the purpose of ECL. The credit rating framework of the Group consists of various parameters based on which RAC & HFC loan portfolio is evaluated and credit rating is assigned accordingly.

The Group has developed its PD matrix based on the external benchmarking of various external reports, ratings & Basel norms. This PD matrix is calibrated with its historical data and major events on regular time interval in accordance with its ECL policy.

The LGD has been considered based on Basel-II Framework (International Regulatory Framework of Banks) for all the level of credit rating portfolio.

The Group has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated EAD and LGDs are reviewed. While at every year end, PDs are reviewed and changes in the forward looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%. Credit impairment loans are determined at borrower level.

Loan commitments: When estimating ECL for undrawn loan commitments, the Group estimates the amount sanctioned that will be disbursed after the reporting date. The ECL is then calculated using PD and LGD.

Management overlay is used to adjust the ECL allowance in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Group's lending portfolios. Emerging local or global macroeconomic, micro economic or political events, and natural disasters that are not incorporated into the current parameters, risk ratings, or forward looking information are examples of such circumstances. The use of management overlay may impact the amount of ECL recognized.

Significant increase in credit risk

The Group monitors all financial assets, including loan commitments issued that are subject to impairment requirements, to assess whether there has been a significant increase in credit risk since initial recognition. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience that is available without undue cost or effort. However, when a financial asset becomes 30 days past due, the Group considers that a significant increase in credit risk has occurred and the asset is classified in Stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL. Further, a stage 2 customer having other loans which are in stage 1 are considered to have significant increase in credit risk

Definition of default

The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL.

Financial assets in default represent those that are at least 90 DPD in respect of principal or interest and/or where the assets are otherwise considered to be unlikely to pay, including those that are credit-impaired.

C. Loans and advances measured at FVOCI

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to the statement of profit and loss. The accumulated loss recognised in OCI is recycled to the statement of profit and loss upon derecognition of the assets.

D. Forward looking information

In its ECL models, the Group relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time. For this purpose, the Group has used the data source of Economist Intelligence Unit.

3.7 Write-offs

The gross carrying amount of a financial asset is written off when the chances of recoveries are remote. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in Statement of profit and loss.

3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;
- Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and
- Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

3.9 (I) Recognition of other income

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115 :

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

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

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

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

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

A. Dividend income

Dividend income (including from FVOCI investments) is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

B. Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

C. Other interest income

Other interest income is recognised on a time proportionate basis.

D. Fees and commission income

Fees and commission income such as stamp and document charges, guarantee commission, service income, due diligence & evaluation changes and portfolio monitoring fees etc. are recognised on point in time basis.

3.9 (II) Recognition of other expense

A. Finance cost

Finance costs are the interest and other costs that the Group incurs in connection with the borrowing of funds. Interest expenses are computed based on effective interest rate method. Finance costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other finance costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.11 Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the Group and the cost of the item can be measured reliably.

Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act. Land is not depreciated.

The estimated useful lives are, as follows:

i) Buildings - 60 years

ii) Office equipment - 3 to 15 years

iii) Furniture and fixtures - 10 years

iv) Vehicles - 8 years

Depreciation is provided on a pro-rata basis from the date on which such asset is purchased or ready for its intended use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date. Capital work-in-progress is stated at cost, net of impairment loss, if any.

3.12 Intangible assets

The Group's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives (three years) using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'.

3.13 Impairment of non financial assets - property, plant and equipment and intangible assets

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

3.14 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less

  Lease payments associated with short term leases or low value leases are recognised as an expense on a straight-line basis over the lease term.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

3.15 Retirement and other employee benefits

Defined contribution plans

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Group pays gratuity to the employees whoever has completed five years of service with the Group at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Group to the Life Insurance Corporation of India who administers the fund of the Group.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

3.16 Provisions, contingent liabilities and contingent assets

A. Provisions

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

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are neither recognised not disclosed in the financial statements.

3.17 Taxes

A. Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or equity.

B. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.18 Earnings per share

Basic earnings per share is computed by dividing the profit after tax (i.e. profit attributable to the owners of the parent) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.19 Dividends on ordinary shares

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Holding Company when the distribution is authorised and the distribution is no longer at the discretion of the Holding Company. As per the Act, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

3.20 Repossessed asset

In the normal course of business whenever default occurs, the Group may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle the outstanding debt.

3.21 Security Deposit

The security deposits received by the customers are in the nature of financial liabilities as defined under Ind AS – 32. The Group uses weighted average rate of borrowing as discount rate to arrives at fair valuation of security deposit. After initial recognition, the Group recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

No new standards as notified by Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules are effective for the current year.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

5. CASH AND CASH EQUIVALENTS

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Cash on hand	24.76	18.07
Balances with banks:		
In current / cash credit accounts (refer note 1 below)	25,035.14	51,169.78
Bank deposits with original maturity of 3 months or less (refer note 2 below)	3,696.48	47,523.57
Total cash and cash equivalents	**28,756.38**	**98,711.42**

Notes:

1. Balance amounting to ₹ 292.04 lakh represents balance with banks in earmarked account i.e. "unspent CSR account".
2. Represents bank deposits against overdraft facility as at 31 March 2022.

6. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
In current accounts (refer note 1 below)	10.73	28.27
Earmarked balances with banks:		
Unclaimed dividend bank balances (refer note 2 below)	63.03	1.83
In fixed deposit accounts:		
Deposits given as security against borrowings and other commitments	5,323.05	2,188.24
Bank deposits with original maturity of more than 3 months (refer note 3 below)	52,913.29	1,001.36
Total bank balance other than cash and cash equivalents	**58,310.10**	**3,219.70**

Notes:

1. Balance represents balance with banks in earmarked account i.e. 'collection and payout account'.
2. Balance amounting to ₹ 61.07 lakh was transferred to lien free "current account" after 31 March 2022 as it was available for free use.
3. Represents bank deposits against overdraft facility as at 31 March 2022.

7. TRADE RECEIVABLES

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	104.63	223.34
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total bank balance other than cash and cash equivalents	**104.63**	**223.34**

Notes:

1. Impairment allowance recognised on trade receivables is ₹ Nil (Previous year: ₹ Nil).
2. There is no due by directors or other officers of the Group or any firm or private company in which any director is a partner, a director or a member.

Trade Receivables ageing schedule as at 31 March 2022

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	14.72	46.41	43.50	-	-	104.63
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Trade Receivables ageing schedule as at 31 March 2021

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	223.34	-	-	-	-	223.34
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

8. LOANS

(₹ In Lakhs)

	As at 31 March 2022			As at 31 March 2021		
	At fair value through OCI	At amortised cost	Total	At fair value through OCI	At amortised cost	Total
(A) (I) Bills Purchased and Bills Discounted	-	4,088.81	4,088.81	-	-	-
Less: Impairment loss allowance	-	(30.70)	(30.70)	-	-	-
Total (A) (I)-Net	**-**	**4,058.11**	**4,058.11**	**-**	**-**	**-**
(A) (II) Term Loans - Gross	**4,63,069.27**	**13,235.52**	**4,76,304.79**	**3,86,070.97**	**20,698.02**	**4,06,768.99**
Less: Impairment loss allowance	-	(382.00)	(382.00)	-	(438.04)	(438.04)
(A) (II) Term loans	**4,63,069.27**	**12,853.52**	**4,75,922.79**	**3,86,070.97**	**20,259.98**	**4,06,330.95**
Total (A)-Net	**4,63,069.27**	**16,911.63**	**4,79,980.90**	**3,86,070.97**	**20,259.98**	**4,06,330.95**
(B) (i) Secured by tangible assets	3,43,927.18	17,324.33	3,61,251.51	2,78,582.60	20,698.02	2,99,280.62
(ii) Unsecured	1,19,142.09	-	1,19,142.09	1,07,488.37	-	1,07,488.37
Total (B)-Gross	**4,63,069.27**	**17,324.33**	**4,80,393.60**	**3,86,070.97**	**20,698.02**	**4,06,768.99**
Less: Impairment loss allowance	-	(412.70)	(412.70)	-	(438.04)	(438.04)
Total (B)-Net	**4,63,069.27**	**16,911.63**	**4,79,980.90**	**3,86,070.97**	**20,259.98**	**4,06,330.95**

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022			As at 31 March 2021		
	At fair value through OCI	At amortised cost	Total	At fair value through OCI	At amortised cost	Total
(C) (I) Loans in India						
(i) Public Sector	-	-	-	-	-	-
(ii) Private Sector	4,63,069.27	17,324.33	4,80,393.60	3,86,070.97	20,698.02	4,06,768.99
Total (C)-Gross	**4,63,069.27**	**17,324.33**	**4,80,393.60**	**3,86,070.97**	**20,698.02**	**4,06,768.99**
Less: Impairment loss allowance	-	(412.70)	(412.70)	-	(438.04)	(438.04)
Total (C) (I) -Net	**4,63,069.27**	**16,911.63**	**4,79,980.90**	**3,86,070.97**	**20,259.98**	**4,06,330.95**
(C) (II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C) (II)- Net	-	-	-	-	-	-
Total C(I) and C(II)	**4,63,069.27**	**16,911.63**	**4,79,980.90**	**3,86,070.97**	**20,259.98**	**4,06,330.95**

Loans or advances in the nature of loans are granted to promoters, directors, KMPs, and the related parties, either severally or jointly with any other person

Particulars	As at 31 March 2022	% to the total Loans and Advances in the nature of loans	As at 31 March 2021	% to the total Loans and Advances in the nature of loans
Promoter	Nil	Nil	Nil	Nil
Directors	15.51	0.00%	18.11	0.00%
KMPs	Nil	Nil	Nil	Nil
Related parties	Nil	Nil	Nil	Nil

Notes:

1. Refer note no. 36(b) for loans to companies in which directors are interested.
2. The impairment on loans measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss.

8.1 An analysis of changes in the gross carrying amount of loans is given below*

(₹ In Lakhs)

	31 March 2022				31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**3,95,184.48**	**9,555.51**	**6,540.89**	**4,11,280.88**	**3,52,437.13**	**9,648.94**	**6,384.58**	**3,68,470.65**
Changes in opening credit exposures (net of repayment and excluding write off)	(2,76,788.64)	(2,740.99)	(2,319.67)	(2,81,849.30)	(2,07,420.43)	(2,148.40)	(379.85)	(2,09,948.68)
New assets originated (net of repayment)**	3,54,587.75	2,380.19	1,782.55	3,58,750.49	2,55,330.03	883.63	128.08	2,56,341.74
Transfers from Stage 1	(9,837.96)	4,599.10	5,238.86	-	(8,479.75)	7,136.44	1,343.31	-
Transfers from Stage 2	277.30	(2,825.85)	2,548.55	-	4,880.90	(5,914.56)	1,033.66	-
Transfers from Stage 3	28.21	-	(28.21)	-	29.62	0.63	(30.25)	-
Amounts written off	(21.37)	(84.68)	(3,110.99)	(3,217.04)	(1,593.02)	(51.17)	(1,938.64)	(3,582.83)
Gross carrying amount closing balance	**4,63,429.77**	**10,883.28**	**10,651.98**	**4,84,965.03**	**3,95,184.48**	**9,555.51**	**6,540.89**	**4,11,280.88**

* The above classification also includes balance of spread receivable on assigned portfolio. (Refer note no. 10)

** New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

In accordance with the board approved moratorium policy read with RBI guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Group had granted moratorium up to six months on the payment of installments which became due between 1 March 2020 and 31 August 2020 to all eligible borrowers.

The Honourable Supreme Court of India in a public interest litigation (Gajendra Sharma vs. Union of India & Anr), vide an interim order dated 3 September 2020 ('interim order'), has directed that no additional borrower accounts shall be classified as impaired ('non-performing assets' or 'NPA')which were not declared NPA till 31 August 2020, till further orders. Based on the said interim order, the Group has not classified any standard account as of 31 August 2020 as NPA after 31 August 2020. The Group has classified those accounts as stage 3 and provisioned accordingly for financial reporting purposes.

The interim order granted to not declare accounts as NPA stood vacated on 23 March 2021 vide the judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors, and other connected matters, in accordance with the instructions in paragraph 5 of the RBI circular no. RB1/2021-22/17DOR. STR.REC.4/21.04.048/2021-22 dated 7 April 2021 issued in this connection, the Group has continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms and as per ECL model under Ind AS financial statements for the year ended 31 March 2021 and 31 March 2022.

8.2 Reconciliation of ECL balance is given below:

(₹ In Lakhs)

	31 March 2022				31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**5,977.70**	**1,894.16**	**2,516.95**	**10,388.81**	**2,287.71**	**1,949.70**	**1,936.03**	**6,173.44**
Changes in opening credit exposures (net of repayment and excluding write off)	(2,083.21)	(384.54)	(150.56)	(2,618.31)	1,356.14	(888.79)	303.93	771.28
New assets originated (net of repayment)	3,450.27	230.48	926.75	4,607.50	3,736.38	276.37	47.97	4,060.72
Transfers from Stage 1	(2,707.39)	692.71	2,014.69	0.01	(1,671.37)	1,141.09	530.28	-
Transfers from Stage 2	2.13	(1,076.37)	1,074.24	-	276.93	(561.10)	284.17	-
Transfers from Stage 3	0.24	-	(0.24)	-	0.64	-	(0.64)	-
Amounts written off	(0.52)	(19.08)	(1,863.72)	(1,883.32)	(8.73)	(23.11)	(584.79)	(616.63)
ECL allowance - closing balance	**4,639.22**	**1,337.36**	**4,518.11**	**10,494.69**	**5,977.70**	**1,894.16**	**2,516.95**	**10,388.81**

The contractual amount outstanding on loans that have been written off during the year, but were still subject to enforcement activity is ₹ 3,217.04 lakh at 31 March 2022 (31 March 2021 : ₹ 3,582.83 lakh).

The increase in ECL was driven by an increase in the gross amount of the portfolio, movements between stages as a result of increase in credit risk, change in probability of default and macro economic factors due to estimated impact of COVID-19 pandemic. The extent to which COVID-19 pandemic will impact current estimates of ECL is uncertain at this point of time. The Group has conducted a qualitative assessment and has considered forecasted macro economic factors and a higher probability of default to factor in the potential impact of COVID-19 on impairment allowances. For further details, refer note no. 43.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

8.3 Credit quality of loan assets

The table below shows the gross carrying amount of loans based on the Group's internal grading model and year-end stage classification of loans. The amounts presented are gross of impairment allowances. Details of the Group's internal grades are explained in note 43.1.

(₹ In Lakhs)

	31 March 2022				31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal grade								
Performing								
High quality assets	4,63,429.77	-	-	4,63,429.77	3,95,184.48	-	-	3,95,184.48
Quality assets	-	5,311.68	-	5,311.68	-	4,420.78	-	4,420.78
Standard assets	-	5,571.60	-	5,571.60	-	5,134.73	-	5,134.73
Non- performing								
Sub standard assets	-	-	5,160.65	5,160.65	-	-	2,721.61	2,721.61
Low quality assets	-	-	5,491.33	5,491.33	-	-	3,819.28	3,819.28
Total	**4,63,429.77**	**10,883.28**	**10,651.98**	**4,84,965.03**	**3,95,184.48**	**9,555.51**	**6,540.89**	**4,11,280.88**

9. INVESTMENTS

(₹ In Lakhs)

	As at 31 March 2022			As at 31 March 2021		
	At amortised cost	At fair value through P&L	Total	At amortised cost	At fair value through P&L	Total
Investments						
Alternative investment funds	-	3,558.71	3,558.71	-	2,029.90	2,029.90
Pass through certificates under securitization transactions	14,125.55	-	14,125.55	6,564.03	-	6,564.03
Market linked debentures	-	26,296.65	26,296.65	-	11,566.97	11,566.97
Non - convertible debentures	4,931.71	-	4,931.71	-	-	-
Mutual fund units	-	463.25	463.25	-	-	-
Total – Gross (A)	**19,057.26**	**30,318.61**	**49,375.87**	**6,564.03**	**13,596.87**	**20,160.90**
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	19,057.26	30,318.61	49,375.87	6,564.03	13,596.87	20,160.90
Total (B)	**19,057.26**	**30,318.61**	**49,375.87**	**6,564.03**	**13,596.87**	**20,160.90**
Less: Allowance for impairment loss (C)	(55.21)	-	(55.21)	(2.52)	-	(2.52)
Total – Net D= (A)-(C)	**19,002.05**	**30,318.61**	**49,320.66**	**6,561.51**	**13,596.87**	**20,158.38**

10. OTHER FINANCIAL ASSETS

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Security deposits	99.77	81.50
Interest accrued but not due on investments	67.37	2.20
Spread receivable on assigned portfolio	4,571.43	4,511.89
Advances to dealer	813.77	-
Interest Waiver Receivable From Banks	-	15.87
Ex-gratia interest amount under GOI scheme (net of ECL)	-	362.62
Total other financial assets	**5,552.34**	**4,974.08**

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

11. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(₹ In Lakhs)

Nature of assets	Property, plant and equipment (a)					Intangible assets (b)		
	Buildings	Office equipment	Furniture and fixtures	Vehicles	Total	Software	Other intangibles	Total
Cost								
As at 1 April 2020	**668.19**	**403.18**	**298.80**	**265.94**	**1,636.11**	**40.48**	**0.10**	**40.58**
Additions	-	16.89	-	-	16.89	3.13	-	3.13
Disposals	-	32.01	-	-	32.01	-	-	-
As at 31 March 2021	**668.19**	**388.06**	**298.80**	**265.94**	**1,620.99**	**43.61**	**0.10**	**43.71**
Additions	-	127.18	55.15	122.59	304.92	18.97	-	18.97
Disposals	-	0.70	-	-	0.70	-	-	-
As at 31 March 2022	**668.19**	**514.54**	**353.95**	**388.53**	**1,925.21**	**62.58**	**0.10**	**62.68**
Depreciation/amortisation								
As at 1 April 2020	**31.92**	**164.92**	**54.79**	**101.57**	**353.20**	**28.77**	**0.01**	**28.78**
Depreciation/amortization charge	11.44	71.29	30.57	40.44	153.74	5.67	0.01	5.68
Disposal	-	30.75	-	-	30.75	-	-	-
As at 31 March 2021	**43.36**	**205.46**	**85.36**	**142.01**	**476.19**	**34.44**	**0.02**	**34.46**
Depreciation/amortization charge	11.44	68.46	31.14	44.98	156.02	5.87	0.01	5.88
Disposal	-	0.47	-	-	0.47	-	-	-
As at 31 March 2022	**54.80**	**273.45**	**116.50**	**186.99**	**631.74**	**40.31**	**0.03**	**40.34**
Net block value:								
At 31 March 2021	624.83	182.60	213.44	123.93	1,144.80	9.17	0.08	9.25
At 31 March 2022	**613.39**	**241.09**	**237.45**	**201.54**	**1,293.47**	**22.27**	**0.07**	**22.34**

Note: No revaluation of any class of asset is carried out during the year.

11 (c) Right-of-use Asset

The details of the right-of-use asset held by the Group is as follows:

(₹ In Lakhs)

Office Premises	
As at 1 April 2020	290.83
Additions	-
Disposals	24.69
As at 31 March 2021	**266.14**
Additions	52.66
Disposals	0.58
As at 31 March 2022	**318.22**
Depreciation	
As at 1 April 2020	123.18
Additions	97.81
Disposals	8.67
As at 31 March 2021	**212.32**
Additions	45.24
Disposals	0.26
As at 31 March 2022	**257.30**
Net Block Value:	
As at 31 March 2021	53.82
As at 31 March 2022	**60.92**

11 (d) CAPITAL WORK IN PROGRESS

Capital work in progress includes borrowing costs related to development of building amounted to ₹ 146.29 lakhs (31 March 2021: ₹ 181.39 lakhs). Finance costs are capitalised using rates based on specific borrowing rate i.e. 8.39%.

(₹ In Lakhs)

Capital work-in-progress	
As at 1 April 2020	4,821.34
Additions	181.39
Disposals	-
As at 31 March 2021	**5,002.73**
Additions	201.67
Disposals	-
As at 31 March 2022	**5,204.40**

Capital work in progress aging schedule

(₹ In Lakhs)

Capital work in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022					
Projects in progress	201.67	181.39	256.92	4,564.42	5,204.40
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2021					
Projects in progress	181.39	256.92	33.92	4,530.51	5,002.74
Projects temporarily suspended	-	-	-	-	-

Capital work in progress completion schedule

(₹ In Lakhs)

Capital work in progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022					
MAS headquarters	-	-	-	5,193.56	5,193.56
As at 31 March 2021					
MAS headquarters	-	-	-	5,002.73	5,002.73

11 (e) Intangible assets under development

(₹ In Lakhs)

Intangible assets under development	
As at 1 April 2020	-
Additions	-
Disposals	-
As at 31 March 2021	**-**
Additions	3.57
Disposals	-
As at 31 March 2022	**3.57**

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

Intangible assets under development aging schedule

(₹ In Lakhs)

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022					
Projects in progress	3.57	-	-	-	3.57
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2021					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

12. OTHER NON-FINANCIAL ASSETS

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	139.32	10.32
Advances to employees	15.38	16.61
Re-possessed assets	178.54	176.00
Balance with Government Authorities	29.91	19.12
Capital advances	4.50	-
Gratuity fund [refer note 40(b)]	8.10	4.79
Other advances	46.14	59.20
Total	**421.89**	**286.04**

13. PAYABLES

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
(a) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,458.69	727.85
(b) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	155.43	100.92
Total	**1,614.12**	**828.77**

Trade Payables aging schedule

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022					
(i) MSME	-	-	-	-	-
(ii) Others	1,256.22	178.73	22.46	1.28	1,458.69
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
As at 31 March 2021					
(i) MSME	-	-	-	-	-
(ii) Others	699.62	26.95	-	1.28	727.85
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

Micro, Small and Medium Enterprises:

Based on and to the extent of the information received by the Group from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
(a) Dues remaining unpaid to any supplier at the year end		
- Principal	-	-
- Interest on above	-	-
(b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of the MSMED Act	-	-
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
(d) Amount of interest accrued and remaining unpaid	-	-
(e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-

14. DEBT SECURITIES (AT AMORTISED COST)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Secured debentures (refer note 14.1)		
- 1000, 9.00% Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each	-	10,000.00
- 500, 9.00% Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each	-	5,000.00
- 1000, 9.00% Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each	-	10,000.00
Market Linked debenture	36,500.00	6,500.00
Less: Unamortised borrowing costs	(296.95)	(88.48)
Total	**36,203.05**	**31,411.52**
Debt securities in India	36,203.05	31,411.52
Debt securities outside India	-	-
Total	**36,203.05**	**31,411.52**

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

14.1 Details of terms of redemption/repayment in respect of debt securities:

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Debentures				
1000, 9.00% Redeemable, Non-Convertible Debentures of ₹10,00,000 each	-	10,000.00	Coupon Rate: 9% p.a. Coupon Payment frequency: Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 years and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
500, 9.00% Redeemable, Non-Convertible Debentures of ₹10,00,000 each	-	5,000.00	Coupon Rate: 9% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 years and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
1000, 9.00% Redeemable, Non-Convertible Debentures of ₹10,00,000 each	-	10,000.00	Coupon Rate: 9% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 years and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	6,500.00	6,500.00	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	10,000.00	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 6 Month	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	10,000.00	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 1 day	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	10,000.00	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 2 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Total debentures	**36,500.00**	**31,500.00**		

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

15. BORROWINGS (OTHER THAN DEBT SECURITIES) (AT AMORTISED COST)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
(a) Term loans (refer note no. 15.1)		
(i) from banks	1,98,984.55	1,29,733.83
(ii) from NHB	1,302.45	1,605.41
(iii) from other parties (financial institutions)	37,485.84	36,546.85
(b) Loans repayable on demand from banks-cash credit/overdraft (Refer note below)	26,586.90	34,346.53
(c) Short term loans		
(i) from banks	1,26,494.07	1,12,796.22
(d) Borrowing under securitisation	5,003.21	-
Less: Unamortised borrowing costs	(1,859.60)	(1,162.04)
Total	**3,93,997.42**	**3,13,866.80**
Secured	3,91,514.32	3,11,387.53
Unsecured	2,483.12	2,479.27
Total	**3,93,997.44**	**3,13,866.80**
Borrowings in India	3,93,997.44	3,13,866.80
Borrowings outside India	-	-
Total	**3,93,997.44**	**3,13,866.80**

Note:

For cash credit / Overdraft and short term loans

(a) Cash credit / short term loans from banks are secured by hypothecation of movable assets of the Group and goods covered under hypothecation ("HP") agreements / Loan cum HP agreements and book debts, receivables, loans and advances and entire portfolio outstanding (except specific portfolio generated from various term loans sanctioned by various banks/financial institutions on an exclusive basis) and equitable mortgage/negative lien by deposit of title deeds on some of the Group's immovable properties, as collateral security. The loans are also guaranteed by Mr. Kamlesh Chimanlal Gandhi, Mrs. Shweta Kamlesh Gandhi and Legal heirs of Late Mr. Mukesh Chimanlal Gandhi. Overdraft loans are secured against fixed deposits placed.

(b) Interest rate range

Interest rate ranges from 2.90% p.a to 11.00% p.a as at 31 March 2022.

Interest rate ranges from 7.65% p.a to 12.00% p.a as at 31 March 2021.

The Group has not defaulted in repayment of borrowings and interest.

The Group has borrowings from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts of the Group.

The carrying amount of financial assets which is hypothecated against secured borrowing inclusive of margin requirement ranging from 1.00 times to 1.25 times is amounting to ₹ 4,81,497.41 lakhs (31 March 2020: ₹ 4,09,016.39 lakhs)

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

15.1 Details of terms of repayment in respect of term loans:

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term loans from Bank (Refer note i)				
Term Loan - 1	1,600.00	2,400.00	Repayable in 12 Quarterly installments from 30 June 2021	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 2	9,166.67	-	Repayable in 12 Quarterly installments from 31 March 2022	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 3	-	0.58	Repayable in 20 Quarterly installments from 30 September 2016.	Secured by a first ranking and exclusive charge on standard receivables of the Holding Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 4	6,399.17	8,000.00	Repayable in 20 Quarterly installments from 30 June 2021.	Secured by a first ranking and exclusive charge on standard receivables of the Holding Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term loans - 5	13,500.00	-	Repayable in 20 Quarterly installments from 05 November 2021.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the Holding company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 5	20,000.00	-	Repayable in 12 Quarterly installments from 30 June 2022.	Exclusive first charge on the specific loan portfolio of the Borrower by way of hypothecation on the loan installments receivables. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 7	3,500.00	-	Repayable in 36 monthly installments from 01 May 2022.	First Exclusive hypothecation charge on book debts created out of Bank Loan.
Term Loan - 8	9,497.65	-	Repayable in 20 Quarterly installments from 31 March 2022.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are financed/ to be financed by the Holding company out of the proposed term loan to the company.
Term Loan - 9	5,454.57	7,500.00	Repayable in 33 monthly installments from 30 July 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 10	5,000.00	-	Repayable in 33 monthly installments from 30 July 2022.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 11	-	626.39	Repayable in 36 monthly installments from 7 August 2018.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 12	-	778.57	Repayable in 36 monthly installments from 7 September 2018.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 12	1,580.56	1,914.10	Repayable in 96 monthly installments from 7 April 2018.	First and exclusive charge on land, property and commercial property under construction.
Term Loan - 14	728.91	1,958.22	Repayable in 36 monthly installments from 7 November 2019.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 15	269.20	522.58	Repayable in 36 monthly installments from 7 April 2020.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 16	1,076.79	2,090.32	Repayable in 36 monthly installments from 7 April 2020.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 17	448.66	870.97	Repayable in 36 monthly installments from 7 April 2020.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 18	500.00	750.00	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 19	2,000.00	3,000.00	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 20	833.33	1,250.00	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 21	583.33	-	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 22	2,333.33	-	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 23	972.22	-	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 24	687.54	-	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 25	2,750.14	-	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 26	1,145.89	-	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Holding Company created out of the loan availed.
Term Loan - 27	-	208.33	Repayable in 36 monthly installments from 31 July 2018.	First and exclusive charge by way of hypothecation on the Holding Company's book debts and loan installments receivables.
Term Loan - 28	2,666.67	4,000.00	Repayable in 36 monthly installments from 30 April 2021.	Secured by a first and exclusive charge on specific book debt and future receivables of the Holding Company created/to be created out of the loan availed.
Term Loan - 29	-	4,583.33	Repayable in 36 monthly installments from 30 April 2019.	First exclusive charge of present and future book debts and receivables of the Holding Company.
Term Loan - 30	-	2,536.36	Repayable in 11 Quarterly installments from 30 September 2019.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 31	1,825.25	7,272.73	Repayable in 11 Quarterly installments from 30 December 2020.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 32	7,784.85	10,000.00	Repayable in 18 Quarterly installments from 30 December 2021.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 33	10,000.00	-	Repayable in 18 Quarterly installments from 24 September 2022.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Holding Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 34	5,000.00	-	Repayable in 10 Quarterly installments from 14 December 2022.	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 35	4,165.85	-	Repayable in 12 Quarterly installments from 16 December 2021.	Exclusive charge by way of Hypothecation of book debt/receivables arising out of bank financial assets of the borrower.
Term Loan - 36	-	166.67	Repayable in 36 monthly installments from 1 August 2018.	Exclusive charge by way of hypothecation of the specific receivables/book debts.
Term Loan - 37	416.67	1,250.00	Repayable in 12 Quarterly installments from 30 November 2019.	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Holding Company out of the bank finance.
Term Loan - 38	750.00	3,750.00	Repayable in 8 Quarterly installments from 30 September 2020.	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 39	734.57	4,879.76	Repayable in 12 Quarterly installments from 31 March 2020.	Exclusive charge by way of hypothecation of such of the book debts, which are financed/ to be financed by the Holding Company out of the bank financed to the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loan - 40	2,599.96	5,200.00	Repayable in 16 Quarterly installments from 30 September 2019.	Secured by Hypothecation of portfolio of the Holding Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi and legal heirs of Mr. Mukesh Gandhi.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 41	7,649.91	12,750.00	Repayable in 16 Quarterly installments from 29 February 2020.	Secured by Hypothecation of portfolio of the Holding Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loan - 42	1,500.00	2,000.00	Repayable in 16 Quarterly installments from 26 June 2021.	Exclusive charge by way of hypothecation on book debts under standard assets portfolio of the borrower eligible for Bank finance.
Term Loan - 43	11,043.60	15,489.46	Repayable in 18 Quarterly installments from 31 December 2020.	Exclusive charge by the way of hypothecation on specific receivables of the Holding Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 44	8,421.05	5,000.00	Repayable in 19 Quarterly installments from 30 September 2021.	Exclusive charge by the way of hypothecation on specific receivables of the Holding Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 45	-	3.83	Repayable in 36 monthly installments from 5 July 2018.	Secured by hypothecation of the vehicle financed.
Term Loan - 46	28,500.00	-	Repayable in 20 Quarterly installments from 31 March 2022.	Exclusive charge by the way of hypothecation on specific receivables of the Holding Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 47	-	250.00	Repayment in 8 Quarterly Instalments from 27 March 2019	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Subsidiary Company (identified loan assets) sufficient to provide security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan - 48	-	1,515.63	Repayment in 8 Quarterly Instalments from 27 December 2019	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Subsidiary Company (identified loan assets) sufficient to provide security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 49	1,000.00	1,500.00	Repayment in 36 Monthly Instalments from 03 April 2021	The Term loan shall be secured by exclusive hypothecation of present & future loan receivables of the Subsidiary company created out of the loan. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 50	285.42	810.42	Repayment in 24 Quarterly Instalments starting from 31 March 2017	Loan is secured by hypothecation charge on portfolio created form the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan - 51	125.00	375.00	Repayment in 24 Quarterly Instalments starting from 31 March 2017	Loan is secured by hypothecation charge on portfolio created form the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan - 52	125.00	291.67	Repayment in 24 Quarterly Instalments beginning from 31 July 2016	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan - 53	104.17	187.50	Repayment in 24 Quarterly Instalments starting from 30 June 2017	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan - 54	250.00	416.67	Repayment in 24 Quarterly Instalments starting from 30 June 2017	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan - 55	666.95	902.09	Repayment in 57 Monthly Instalments starting from 30 October 2020	Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Subsidiary company out of the bank finance to the company. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 56	2,878.71	2,000.00	Repayment in 60 Monthly Instalments starting from 30 July 2021	Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Subsidiary company out of the bank finance to the company. Personal Guarantee of Mr. Kamlesh Gandhi.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 57	-	107.14	Repayment in 28 Quarterly Instalments from 30 April 2014	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan - 58	20.83	104.17	Repayment in 24 Quarterly Instalments beginning from 30 June 2016	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan - 59	540.90	713.35	Repayment in 24 Quarterly Instalments starting from 31 January 2019	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets). Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 60	290.02	419.71	Repayment in 24 Quarterly Instalments starting from 30 September 2019	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets). Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 61	702.32	965.13	Repayment in 24 Quarterly Instalments from 31 December 2020	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets). Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 62	1,185.93	1,510.74	Repayment in 24 Quarterly Instalments from 30 June 2021	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets).Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 63	-	831.13	Repayment in 10 Quarterly Instalments starting from 28 February 2019	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mrs Shweta Gandhi.
Term Loan - 64	1,311.77	1,914.84	Repayment in 26 Quarterly Instalments starting from 28 February 2019	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mrs Shweta Gandhi.
Term Loan - 65	-	37.50	Repayment in 24 Quarterly Instalments from 19 March 2016	First & Exclusive Charge by way of Hypothecation of such of the book debts, which are financed to be financed by the Subsidiary company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & Mrs Shweta Gandhi.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 66	-	87.43	Repayment in 24 Quarterly Instalments from 19 March 2016	First & Exclusive Charge by way of Hypothecation of such of the book debts, which are financed to be financed by the Subsidiary company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & Mrs Shweta Gandhi.
Term Loan - 67	375.00	541.67	Repayment in 24 Quarterly Instalments from 31 March 2018	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Subsidiary Company (identified loan assets) sufficient to provide one time security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 68	-	166.52	Repayment in 36 monthly Instalments from 30 April 2018	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Subsidiary Company (identified loan assets) sufficient to provide one time security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 69	2,222.22	3,333.33	Repayment in 18 Quarterly Instalments from 30 June 2019	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Subsidiary Company (identified loan assets) sufficient to provide security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 70	849.70	-	Repayment in 20 Quarterly Instalments from 25 September 2021	Exclusive charge by way of hypothecation of book debts, which are financed/ to be financed by the company out of the bank financed to the company Subsidiary Company should maintain 1.10 time security cover of outstanding amount of term loan on continuous basis during the tenure of term loan. Personal Guarantee of Mr. Kamlesh Gandhi.

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 71	2,000.00	-	Repayment in 10 Quarterly Instalments from 25 June 2022	Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Subsidiary company out of the bank finance to the Subsidiary company. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan - 72	964.28	-	Repayment in 28 Quarterly Instalments from 31 March 2022	First & Exclusive Charge by way of Hypothecation of such of the book debts, which are financed to be financed by the Subsidiary company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi.
Total term loans from banks	**1,98,984.55**	**1,29,733.83**		

Note (i):
Interest rate ranges from 7.80% p.a to 10.30% p.a as at 31 March 2022.
Interest rate ranges from 7.75% p.a to 10.75% p.a as at 31 March 2021.

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term loans from NHB (Refer note ii)				
Term Loan from NHB - 1	176.09	227.41	Repayment in 39 Quarterly Instalments from 01 July 2017	First & Exclusive Hypothecation of Specific Receivables of the Subsidiary Company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from NHB - 2	190.65	246.22	Repayment in 39 Quarterly Instalments from 01 October 2017	First & Exclusive Hypothecation of Specific Receivables of the Subsidiary Company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from NHB - 3	158.50	179.10	Repayment in 60 Quarterly Instalments from 01 October 2019	First & Exclusive Hypothecation of Specific Receivables of the Subsidiary Company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from NHB - 4	40.00	70.00	Repayment in 60 Quarterly Instalments from 01 October 2019	First & Exclusive Hypothecation of Specific Receivables of the Subsidiary Company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from NHB - 5	308.21	379.60	Repayment in 60 Quarterly Instalments from 01 July 2020	First & Exclusive Hypothecation of Specific Receivables of the Subsidiary Company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan from NHB - 6	244.00	276.00	Repayment in 39 Quarterly Instalments from 01 October 2020	First & Exclusive Hypothecation of Specific Receivables of the Subsidiary Company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from NHB - 7	73.69	83.01	Repayment in 39 Quarterly Instalments from 31 July 2020	First & Exclusive Hypothecation of Specific Receivables of the Subsidiary Company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from NHB - 8	111.31	144.07	Repayment in 51 Quarterly Instalments from 01 July 2014	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Subsidiary Company. Corporate Guarantee of MAS Financial Services Ltd.
Total term loans from NHB	**1,302.45**	**1,605.41**		

Note (ii):

Interest rate ranges from 4.68% p.a to 8.90% p.a as at 31 March 2022.

Interest rate ranges from 4.68% p.a to 8.90% p.a as at 31 March 2021.

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term loans from others (Refer note iii)				
Term Loans from a Financial Institution - 1	-	1,053.62	Repayable in 36 monthly installments from 15 March 2019.	Exclusive charge by way of hypothecation of specific standard receivable of the Subsidiary Company.
Term Loans from a Financial Institution - 2	-	1,705.72	Repayable in 36 monthly installments from 10 March 2019.	Secured by hypothecation of specific book debts created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 3	-	500.00	Repayable in 10 quarterly installments from 31 March 2019.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Subsidiary Company created out of the loan availed.
Term Loans from a Financial Institution - 4	-	1,666.67	Repayable in 36 monthly installments from 30 April 2019.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Subsidiary Company created out of the loan availed.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loans from a Financial Institution - 5	763.89	1,597.22	Repayable in 36 monthly installments from 31 March 2020.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Subsidiary Company created out of the loan availed.
Term Loans from a Financial Institution - 6	1,983.33	3,116.67	Repayable in 36 monthly installments from 31 January 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Subsidiary Company created out of the loan availed.
Term Loans from a Financial Institution - 7	1,066.67	1,600.00	Repayable in 36 monthly installments from 30 April 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Subsidiary Company created out of the loan availed.
Term Loans from a Financial Institution - 8	2,500.00	2,500.00	Bullet Repayment on 17 August 2026.	N.A.
Term Loans from a Financial Institution - 9	4,166.67	-	Repayable in 36 monthly installments from 31 October 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Subsidiary Company created out of the loan availed.
Term Loans from a Financial Institution - 10	-	1,300.00	Repayable in 9 monthly installments from 10 August 2020.	Secured by exclusive first charge by way of hypothecation on standardbook debts of the Subsidiary Company. Personal Guarantee of Mr. Kamlesh Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 11	8,330.00	-	Repayable in 9 monthly installments from 10 January 2022.	Secured by exclusive first charge by way of hypothecation on standardbook debts of the Subsidiary Company. Personal Guarantee of Mr. Kamlesh Gandhi
Term Loans from a Financial Institution - 12	-	62.50	Repayable in 10 quarterly installments from 10 March 2020.	Exclusive first charge by way of hypothecation of book debts and receivables of secured loans provided by the Borrower. Personal Guarantee of Mr. Kamlesh Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 13	16,000.00	20,000.00	Repayable in 20 Quarterly installments from 30 June 2021.	Exclusive charge by way of hypothecation of the specific receivables/book debts. Liquid collateral of 10% of the sanctioned amount.

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan from Financial Institutions - 1	194.44	527.78	Repayment in 36 Monthly Instalments starting from 30 November 2019	The Loan is secured by Exclusive first charge on the loan portfolio of the Borrower by way of hypothecation on the loan instalments receivables created from the proceeds of the Facility. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Financial Institutions - 2	583.33	916.67	Repayment in 36 Monthly Instalments starting from 31 January 2021	The Loan is secured by Exclusive first charge on the loan portfolio of the Borrower by way of hypothecation on the loan instalments receivables created from the proceeds of the Facility. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Financial Institutions - 3	1,897.51	-	Repayment in 60 Monthly Instalments starting from 15 January 2022	Exclusive charge on specific loan assets / book debts of the company assigned to TCFSL at a minimum cover of 1.10 times. Personal Guarantee of Mr. Kamlesh Gandhi.
Total term loans from others	**37,485.84**	**36,546.85**		

Note (iii):

Interest rate ranges from 5.75% p.a to 10.00% p.a as at 31 March 2022.

Interest rate ranges from 6.32% p.a to 11.15% p.a as at 31 March 2021.

Note:

The above table doesn't include associated liabilities to securitized asset that has been re-recognised due to non fulfilment of derecognition criteria as per Ind AS amounting to ₹ 5,003.21 lakh.

16. SUBORDINATED LIABILITIES (AT AMORTISED COST)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Unsecured debentures (refer note no. 16.1)		
- 400, 14.00% Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each	4,000.00	4,000.00
- 200, 13.50% Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each	-	2,000.00
- 50, 10.75% Redeemable, Non-Convertible Debentures of ₹ 100,00,000 each	5,000.00	-
- 500, 10.75% Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each	5,000.00	-
Less: Unamortised borrowing costs	(278.45)	(3.45)
Total	**13,721.55**	**5,996.55**
Subordinated liabilities in India	13,721.55	5,996.55
Subordinated liabilities outside India	-	-
Total	**13,721.55**	**5,996.55**

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

16.1 Details of terms of redemption/repayment in respect of subordinated liabilities:

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Subordinated liabilities				
400, 14.00% Unsecured, Redeemable, Non-Convertible Debentures of ₹ 10 lakhs each	4,000.00	4,000.00	Coupon Rate: 13.00% p.a. Coupon Payment frequency: Quarterly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor :7 years	N.A.
200, 13.50% Unsecured, Redeemable, Non-Convertible Debentures of ₹ 10 lakhs each	-	2,000.00	Coupon Rate: 13.50% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years and 6 months	N.A.
50, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 100 lakhs each	5,000.00	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
500, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 10 lakhs each	5,000.00	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years	N.A.
Total subordinated liabilities	**14,000.00**	**6,000.00**		

17. OTHER FINANCIAL LIABILITIES

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due on borrowings	2,950.78	2,210.84
Interest accrued but not due on others	1,423.34	2,579.07
Dues to the assignees towards collections from assigned receivables	12,979.62	26,223.67
Security deposits received from borrowers	27,628.98	32,027.41
Advances received against loan agreements	810.14	12.87
Unpaid dividend on equity shares	1.96	1.83
Dealer advances	228.61	266.90
Lease liability	66.44	66.14
Provision for Interest on Interest waiver	-	78.67
Other payable	96.38	-
Total other financial liabilities	**46,186.25**	**63,467.40**

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

18. PROVISIONS

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits (Refer note 40)		
Compensated absences	17.77	7.66
Provision for Gratuity	7.83	5.10
Provision for unspent CSR liability	690.91	384.21
Total provisions	**716.51**	**396.97**

19. OTHER NON-FINANCIAL LIABILITIES

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Statutory remittances	151.40	267.88
Unearned income on assigned loans	4,571.43	4,511.89
Income received in advance	764.44	965.53
Total other non-financial liabilities	**5,487.27**	**5,745.30**

20. EQUITY SHARE CAPITAL

(₹ In Lakhs)

		As at 31 March 2022	As at 31 March 2021
Authorized shares:			
6,40,00,000	Equity Shares of ₹ 10 each (As at 31 March 2021: 6,40,00,000 Equity Shares of ₹ 10 each)	6,400.00	6,400.00
2,20,00,000	0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31 March 2021: 2,20,00,000 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	2,200.00	2,200.00
2,20,00,000	13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31 March 2021: 2,20,00,000 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	2,200.00	2,200.00
400	9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each (As at 31 March 2021: 400 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 100,000 each)	400.00	400.00
		11,200.00	**11,200.00**
Issued, subscribed and fully paid-up shares:			
5,46,62,043	Equity Shares of ₹ 10 each fully paid-up (As at 31 March 2021: 5,46,62,043 Equity Shares of ₹ 10 each)	5,466.20	5,466.20
		5,466.20	**5,466.20**

20.1Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Equity Shares				
Outstanding at the beginning of the year	5,46,62,043	5,466.20	5,46,62,043	5,466.20
Issued during the year	-	-	-	-
Outstanding at the end of the year	5,46,62,043	5,466.20	5,46,62,043	5,466.20

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

Class of shares / Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
Shweta Kamlesh Gandhi	1,63,38,450	29.89%	1,63,38,450	29.89%
Mukesh C. Gandhi (Refer note below)	1,61,56,814	29.56%	1,61,56,814	29.56%
Kamlesh C. Gandhi	62,86,833	11.50%	62,86,833	11.50%
Vistra ITCL I Ltd Business Excellence Trust III India Business	40,44,579	7.40%	40,44,579	7.40%
Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Long Term Equity Fund	27,64,059	5.06%	27,64,059	5.06%

Note: Mr. Mukesh C. Gandhi has passed away on 19 January 2021.

20.3 Details of bonus shares issued during the five years immediately preceding the balance sheet date:

2,40,00,188 equity shares of ₹ 10 each fully paid-up were allotted as bonus shares by capitalisation of general reserve and balance from the statement of profit and loss during the year ended 31 March 2017.

20.4 The Holding Company has not allotted any share pursuant to contracts without payment being received in cash nor has it bought back any shares during the preceding period of 5 financial years.

20.5 Terms/ rights attached to equity shares

The Holding Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Holding Company, the equity shareholders of the Holding Company will be entitled to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

20.6 Details of shares held by promoters (including promoter group) of the Holding Company:

Promoter and promoter group name	As at 31 March 2022		As at 31 March 2021		% Change during the year
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	
Equity shares					
Shweta Kamlesh Gandhi	1,63,38,450	29.89%	1,63,38,450	29.89%	0.00%
Mukesh C. Gandhi (Refer note above)	1,61,56,814	29.56%	1,61,56,814	29.56%	0.00%
Kamlesh C. Gandhi	63,04,508	11.53%	62,86,833	11.50%	0.28%
Prarthana Marketing Private Limited	13,12,557	2.40%	13,10,057	2.40%	0.19%
Anamaya Capital LLP	94,994	0.17%	94,994	0.17%	0.00%
Dhvanil K. Gandhi	34,619	0.06%	34,619	0.06%	0.00%
Dhriti K. Gandhi	12,054	0.02%	12,054	0.02%	0.00%

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

21. OTHER EQUITY (REFER NOTE 21.1)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Reserve under section 45-IC of Reserve Bank of India Act, 1934 (the "RBI Act, 1934")		
Outstanding at the beginning of the year	17,392.06	14,522.00
Additions during the year	3,156.53	2,870.06
Outstanding at the end of the year	**20,548.59**	**17,392.06**
Equity component of compound financial instruments- optionally convertible preference shares		
Outstanding at the beginning of the year	10.72	10.72
Add: Equity component of 6% OCPS issued during the period (net of tax)	-	-
Outstanding at the end of the year	**10.72**	**10.72**
Reserve fund under section 29C of The National Housing Bank Act, 1987 ("NHB Act")		
Opening balance		
a. Statutory reserve u/s 29C of NHB Act	1.80	1.80
b. Amount of special reserve u/s 36(i)(viii) of Income-tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act	379.99	313.16
c. Total	**381.79**	**314.96**
Addition / appropriation / withdrawal during the year		
Add:		
a. Amount transferred u/s 29C of the NHB Act	24.64	-
b. Amount of special reserve u/s 36(i)(viii) of Income-tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act	62.65	66.83
Less:		
a. Amount appropriated u/s 29C of NHB Act	-	-
b. Amount withdrawn from special reserve u/s 36(i)(viii) of Income-tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act	-	-
Closing balance		
a. Statutory reserve u/s 29C of NHB Act	26.44	1.80
b. Amount of special reserve u/s 36(i)(viii) of Income-tax Act, 1961 taken into account for the purposes of statutory reserve u/s 29C of NHB Act	442.64	379.99
c. Total	**469.08**	**381.79**
Securities premium		
Outstanding at the beginning of the year	42,695.48	42,695.48
Additions during the year	-	-
Outstanding at the end of the year	**42,695.48**	**42,695.48**
Retained earnings		
Outstanding at the beginning of the year	39,934.36	28,381.53
Profit for the year	15,930.76	14,436.01
Item of other comprehensive income recognised directly in retained earnings		
On defined benefit plan	(7.19)	54.03
	55,857.93	**42,871.57**
Appropriations:		
Transfer to reserve under section 45-IC of the RBI Act,1934	(3,156.53)	(2,870.06)
Reserve u/s.29C of NHB Act and special reserve u/s 36(1)(viii) of Income-tax Act, 1961	(87.29)	(66.83)
Final dividend on equity shares	(819.93)	-
Interim dividend on equity shares	(683.28)	-
Dividend Distribution Tax ("DDT") on final equity dividend	-	(0.32)
Total appropriations	**(4,747.03)**	**(2,937.21)**

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Retained earnings	**51,110.90**	**39,934.36**
Other comprehensive income		
Outstanding at the beginning of the year	12,107.46	7,317.28
Loans and advances through other comprehensive Income	(1,018.15)	950.63
Impairment on loans and advances through OCI	105.35	4,078.81
Income tax relating to items that will be reclassified to profit or loss	256.25	(239.26)
Other comprehensive income for the year, net of tax	**11,450.91**	**12,107.46**
Total other equity	**1,26,285.68**	**1,12,521.87**

21.1 Nature and purpose of reserve

1 Reserve u/s. 45-IC of the RBI Act, 1934

Reserve u/s. 45-IC of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

2 Reserve fund u/s. 29C of NHB Act

Special reserve has been created in terms of section 36(1) (viii) of the Income-tax Act, 1961 out of the distributable profits of the subsidiary company. As per section 29C of NHB Act, the subsidiary company is required to transfer at least 20% of its net profits prior to distribution of dividend every year to a reserve. For this purpose any special reserve created by the subsidiary company in termsof section 36(1) (viii) of the Income-tax Act, 1961 is considered an eligible transfer.

3 Equity component of compound financial instruments - optionally convertible preference shares

Equity component of compound financial instruments represents equity component of OCPS of subsidiary company.

4 Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 the Act.

5 Retained earnings

Retained earnings is the accumulated available profit of the Group carried forward from earlier years. These reserve are free reserves which can be utilised for any purpose as may be required.

The Group recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings with separate disclosure, which comprises of:

i) actuarial gains and losses;

ii) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

iii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

6 Other comprehensive income

On equity investments

The Holding Company has elected to recognise changes in the fair value ofinvestments in equity securities in OCI. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from these reserves to retained earnings when the relevant equity securities are derecognised.

On loans and advances

The Group recognises changes in the fair value ofloans and advances in OCI. These changes are accumulated within the FVOCI - loans and advances reserve within equity. The Group transfers amounts from these reserves to retained earnings when the loans and advances are sold. Further, impairment loss allowances on the loans measured at FVOCI are recognised in OCI.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

21.2 Equity dividend paid and proposed

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Declared and paid during the year		
Dividends on equity shares:		
Final dividend for 31 March 2021: ₹ 1.5 per share (31 March 2020: ₹ Nil per share)	819.93	-
Interim dividend for 31 March 2022: ₹ 1.25 per share (31 March 2021 : ₹ Nil per share)	683.28	-
Total dividend paid	**1,503.21**	**-**

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Proposed for approval at Annual General Meeting (not recognised as a liability)		
Dividend on equity shares:		
Final dividend for 31 March 2022: ₹ 1.75 per share (31 March 2021: ₹ 1.5 per share)	956.59	819.93

22. INTEREST INCOME

(₹ In Lakhs)

	Year ended 31 March 2022				Year ended 31 March 2021			
	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	On Financial Assets classified at fair value through profit or loss	Total	On financial assets measured at FVOCI	On financial assets measured at amortised cost	On Financial Assets classified at fair value through profit or loss	Total
Interest on loans	52,411.80	2,402.27	-	54,814.07	44,301.59	2,992.18	-	47,293.77
Interest income from investments	-	1,121.39	529.84	1,651.23	-	41.45	-	41.45
Interest on deposits with banks	-	2,497.29	-	2,497.29	-	2,971.87	-	2,971.87
Other interest income	292.76	912.26	-	1,205.02	586.96	876.06	-	1,463.02
Total	**52,704.56**	**6,933.21**	**529.84**	**60,167.61**	**44,888.55**	**6,881.56**	**-**	**51,770.11**

23. NET GAIN ON FAIR VALUE CHANGES

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Net gain on financial instruments at fair value through profit or loss - Investments	472.55	29.90
Fair value changes:		
- Realised	187.02	29.90
- Unrealised	285.53	-
Total	**472.55**	**29.90**

24. OTHER INCOME

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Net loss on derecognition of property, plant and equipment	0.16	(1.16)
Net gain on sale of investments measured at amortized cost	23.28	-
Gain on derecognition of leased asset	0.07	2.83
Income from non-financing activity	69.89	30.08
Total	**93.40**	**31.75**

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

25. FINANCE COST (ON FINANCIAL LIABILITIES MEASURED AT AMORTISED COST)

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Interest on borrowings	24,223.73	21,389.61
Interest on debt securities	3,887.83	1,478.89
Interest on subordinated liabilities	1,019.79	790.00
Other interest expense	2,963.62	3,548.28
Other borrowing cost	1,768.00	1,274.52
Lease liability interest obligation	5.44	12.24
Total	**33,868.41**	**28,493.54**

26. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Loans		
- Expected credit loss (On financial instruments measured at FVOCI)	131.17	4,087.92
- Expected credit loss (On financial instruments measured at amortised cost)	(25.34)	127.50
- Write off (net of recoveries)	3,120.24	3,566.87
- Loss on sale of repossessed assets	248.60	351.42
Investments		
- Expected credit loss (On financial instruments measured at amortised cost)	52.69	2.52
Total	**3,527.36**	**8,136.23**

27. EMPLOYEE BENEFITS EXPENSE

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries and wages	4,488.42	3,227.38
Contribution to provident fund and other funds	180.55	182.57
Gratuity expense (Refer note 40)	54.32	58.12
Staff welfare expenses	55.66	35.25
Total	**4,778.95**	**3,503.32**

28. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property, plant and equipment	156.02	153.75
Amortisation of intangible assets	5.88	5.68
Right-of-use asset depreciation	45.24	97.81
Total	**207.14**	**257.24**

29. OTHER EXPENSES

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Rent	272.48	172.35
Rates and taxes	19.66	18.59
Stationery and printing	69.98	46.56
Telephone	61.09	60.71
Electricity	75.60	60.19
Postage and courier	74.59	42.64
Insurance	75.69	102.09
Conveyance	118.24	70.36
Travelling	171.70	55.83
Repairs and maintenance:		
Building	19.70	1.27
Others	147.47	72.32
Professional fees	596.55	504.41
Payment to auditors(refer note below)	52.65	66.47
Director's sitting fees	11.72	12.26
Legal expenses	56.83	49.99
Bank charges	142.61	147.39
Advertisement expenses	82.88	26.02
Sales promotion expenses	18.47	2.36
Recovery contract charges	39.49	47.97
Corporate social responsibility expenditure (Refer note 34)	440.87	417.64
Miscellaneous expenses	222.92	182.21
Total	**2,771.19**	**2,159.63**
Note: Payment to auditors (including taxes)		
As auditor		
Statutory audit	19.31	26.32
Limited review of quarterly results	23.81	29.43
Other services	7.57	10.53
Reimbursements of expenses	1.96	0.19
	52.65	**66.47**

30. TAX EXPENSES

The components of income tax expense for the year ended 31 March 2022 and 31 March 2021 are:

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Current tax	5,583.11	5,935.17
Adjustment in respect of current income tax of prior years	(50.76)	(0.29)
Deferred tax	1.08	(890.40)
Total tax charge	**5,533.43**	**5,044.48**
Current tax	5,532.35	5,934.88
Deferred tax	1.08	(890.40)

30.1 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2022 and 31 March 2021 is, as follows:

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Accounting profit before tax	21,648.31	19,596.91
Applicable tax rate	25.168%	25.168%
Computed tax expense	5,448.45	4,932.15
Tax effect of :		
Exempted income	(20.70)	(0.88)
Additional deduction	(25.64)	(15.44)
Non deductible items	200.53	115.87
Adjustment in respect of current income tax of prior years	(50.76)	(0.29)
Others	(18.45)	13.07
Tax expenses recognised in the statement of profit and loss	**5,533.43**	**5,044.48**
Effective tax rate	25.56%	25.74%

30.2 Deferred tax

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Deferred tax asset/ liability (net)		
The movement on the deferred tax account is as follows:		
At the start of the year DTA / (DTL) (net)	2,256.16	1,626.01
Credit / (charge) for loans and advances through OCI	259.14	(241.70)
Credit / (charge) for remeasurement of the defined benefit liabilities	2.17	(18.55)
Credit / (charge) to the statement of profit and loss	(1.08)	890.40
At the end of year DTA / (DTL)	**2,516.39**	**2,256.16**

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

(₹ In Lakhs)

	As at 31 March 2021	Statement of profit and loss	OCI	As at 31 March 2022
Component of deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between written down value of fixed assets as per books of accounts and income tax	(35.36)	(4.48)	-	(39.84)
Impact of fair value of assets	(365.55)	-	259.14	(106.41)
Income taxable on realised basis	20.13	(5.63)	-	14.50
Deferred tax on prepaid finance charges	9.10	(24.62)	-	(15.52)
Impairment on financial assets	2,615.31	39.89	-	2,655.20
Recognition of lease asset and right to use asset	4.31	(1.71)	-	2.60
Expenses allowable on payment basis	8.22	(4.53)	2.17	5.86
Total	**2,256.16**	**(1.08)**	**261.31**	**2,516.39**

(₹ In Lakhs)

	As at 1 April 2020	Statement of profit and loss	OCI	As at 31 March 2021
Component of deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between written down value of fixed assets as per books of accounts and income tax	(35.15)	(0.21)	-	(35.36)
Impact of fair value of assets	(123.85)	-	(241.70)	(365.55)
Income taxable on realised basis	201.05	(180.92)	-	20.13
Deferred tax on prepaid finance charges	5.36	3.74	-	9.10
Impairment on financial assets	1,553.83	1,061.48	-	2,615.31
Recognition of lease asset and right to use asset	7.19	(2.88)	-	4.31
Expenses allowable on payment basis	17.58	9.19	(18.55)	8.22
Total	**1,626.01**	**890.40**	**(260.25)**	**2,256.16**

30.3 Current tax liabilities

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Provision for tax [net of advance tax of ₹ 5,334.66 lakhs (31 March 2021 ₹ 4,720.24 lakhs)]	248.45	1,214.93

30.4 Income tax assets

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Income tax assets [net of provision for tax of ₹ 28,103.86 lakhs (31 March 2021 ₹ 22,294.09 lakhs)]	623.33	592.40

31. EARNINGS PER SHARE

(A) Basic earnings per share

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Net profit for the year attributable to the owners of the Holding Company (basic)	15,930.76	14,436.01
Weighted average number of equity shares of ₹ 10 each	5,46,62,043	5,46,62,043
Basic earnings per share of face value of ₹ 10 each (in ₹)	29.14	26.41

(B) Diluted earnings per share

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Net profit for the year attributable to the owners of the Holding Company (diluted)	15,930.76	14,436.01
Weighted average number of equity shares of ₹ 10 each	5,46,62,043	5,46,62,043
Diluted earnings per share of face value of ₹ 10 each (in ₹)	29.14	26.41

32. AMORTISING THE GAIN ON ASSIGNMENT OF FINANCIAL ASSETS OVER THE RESIDUAL TENURE INSTEAD OF BOOKING UPFRONT:

Disclosure requirement as per para 20 of Ind AS 1 'Presentation of Financial Statements' is as follows:

On derecognition of loans in its entirety upon assignment, as per Ind AS 109 'Financial Instruments', the Group is required to recognise the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including new asset obtained less any new liability assumed) as gain immediately in the statement of profit or loss.

The Group is of view that the accounting treatment prescribed in Ind AS 109 inflates the income at the time of assignment and leads to reporting higher earnings per share, potentially higher dividend pay-out and improved capital adequacy ratio and will not present true and fair view of the entity's financial position, financial performance and cash flows. Therefore, the management of the Group has exercised their judgement under para 19 of Ind AS 1 and has departed from the aforementioned requirement of Ind AS 109. The Group is complying with the applicable Ind AS except for the particular requirement of Ind AS 109 as mentioned above.

As per current practice, such gains are recognised as 'unearned income on assigned loans' under the head 'other non-financial liabilities' and is amortised in the statement of profit and loss over the period of the underlying residual tenure of the assigned loan portfolio while related assets and liabilities are recorded at the fair value as per Ind AS requirement.

If the Group had complied with Ind AS 109, the financial impact on the following items [Increase / (decrease)] in the financial statements would have been as under:

(A) Impact on Statement of Profit and Loss items:

(₹ In Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Gain on assignment of financial assets	59.55	(3,461.49)
Profit before tax	59.55	(3,461.49)
Deferred tax expense / (Credit)	14.99	(871.19)
Profit after tax	44.56	(2,590.30)
Profit after tax attributable to Owners of the Parent	26.59	(1,545.52)
Profit after tax attributable to Non-controlling interest	17.97	(1,044.78)
Basic / Diluted EPS (₹)	0.05	(2.83)

(B) Impact on Balance Sheet items:

(₹ In Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Other equity	3,363.95	3,319.53
Other non-financial liabilities	(4,571.43)	(4,511.89)
Deferred tax asset	(1,105.40)	(1,139.10)
Non Controlling Interest	102.08	53.26

Further, NBFC industry body Finance Industry Development Council which is represented by more than 100 NBFCs is also of the same view.

33. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ In Lakhs)

		As at 31 March 2022	As at 31 March 2021
(A)	**Commitments**		
I)	Estimated amount of contracts remaining to be executed on capital account and not provided for:		
	Property, plant & equipment and Capital work in progress	138.00	-
II)	Loan commitments for sanctioned but not disbursed amount	5,165.25	557.85

The Group's pending litigations comprise of proceedings pending with Income Tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

34. CORPORATE SOCIAL RESPONSIBILITY ("CSR") EXPENSES:

The average profit before tax of the Holding Company for the last three financial years was ₹ 22,043.33 lakhs, basis which the Holding Company was required to spend ₹ 440.87 lakhs towards CSR activities for the current financial year (31 March 2021: ₹ 417.64 lakhs).

a) Amount spent during the year on:

(₹ In Lakhs)

Particulars	31 March 2022			31 March 2021		
	Amount Spent	Amount Unpaid/ provision	Total	Amount Spent	Amount Unpaid/ provision	Total
Construction / acquisition of any asset	-	-	-	-	-	-
On purpose other than above	42.00	398.87	440.87	33.43	384.21	417.64

b) The Holding Company has not made any transaction with related parties in relation to CSR expenditure as per Ind AS 24.

c) In case of Section 135(6): Details of ongoing projects

(₹ In Lakhs)

F. Y.	Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
	With Holding Company	In Separate CSR		From Holding Company's bank A/c	From Separate CSR Unspent A/c	With Holding Company	In Separate CSR Unspent A/c
2021-22	-	384.21	440.87	42.00	92.17	398.87	292.04
2020-21	Nil	N.A.	417.64	33.43	-	384.21	-

Note: Unspent CSR amount of ₹ 384.21 lakhs for FY 2020-21 was deposited in unspent CSR bank account on 28 April 2021. Unspent amount of ₹ 398.87 lakhs available with the Holding Company shall be transferred to an unspent CSR account by end of 30 April 2022.

d) Reason for shortfall: The Holding Company has ongoing projects and it is spending the said amount as per pre-approved ongoing projects. For more details, refer annexure of Director's report on CSR.

e) Nature of CSR activities: Promoting education, eradicating hunger, poverty & malnutrition, promoting health care and such other activities. For more details, refer annexure of Director's report on CSR.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

35. SEGMENT REPORTING:

Operating segment are components of the Group whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Group is engaged primarily on the business of 'Financing' only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Group are in India. All non-current assets of the Group are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – 'Operating Segments'.

36. RELATED PARTY DISCLOSURES:

(a) Related party disclosures as required by Ind AS 24 - 'Related Party Disclosures'.

List of related parties and relationships:

Sr. No.	Nature of relationship	
1	Key management personnel ("KMP")	Mr. Kamlesh C. Gandhi (Chairman and managing director)
	(where there are transactions)	Mr. Mukesh C. Gandhi (Whole time director and chief financial officer) (till 19 January 2021)
		Mrs. Darshana S. Pandya (Director and chief executive officer)
		Mr. Bala Bhaskaran (Independent director)
		Mr. Umesh Shah (Independent director)
		Mr. Chetanbhai Shah (Independent director)
		Mrs. Daksha Shah (Independent director)
2	Other related parties	Prarthna Marketing Private Limited
	(where there are transactions)	Anamaya Capital LLP
		Mrs. Shweta K. Gandhi (relative of KMP)
		Mr. Dhvanil K. Gandhi (relative of KMP)
		Mr. Saumil D. Pandya (relative of KMP)
		Ms. Dhriti K. Gandhi (relative of KMP)
		Mrs. Pauravi Umesh Shah (relative of KMP)
		Umesh Rajanikant Shah HUF

Transactions with related parties are as follows:

	Year ended 31 March 2022		
	Key management personnel	Other related parties	Total
Remuneration (including bonus)	414.94	78.67	493.61
Dividend paid	620.86	490.62	1,111.48
Sitting fees	10.20	-	10.20

	Year ended 31 March 2021		
	Key management personnel	Other related parties	Total
Remuneration (including bonus)	39.56	64.70	104.26
Dividend paid	3.13	0.98	4.11
Sitting fees	10.70	-	10.70

Balances outstanding from related parties are as follows:

	As at 31 March 2022		
	Key management personnel	Other related parties	Total
Loans and advances given	15.51	-	15.51
Bonus payable	22.70	2.10	24.80

	As at 31 March 2021		
	Key management personnel	Other related parties	Total
Loans and advances given	18.11	-	18.11
Bonus payable	1.20	1.92	3.12

All transactions with these related parties are priced on an arm's length basis.

Key managerial personnel who are under the employment of the Group are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

Transactions with key management personnel are as follows:

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Post-employment benefits	1.23	2.68
Other long term employment benefits	4.46	0.38
	5.69	**3.06**

The remuneration of key management personnel are determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

(b) Disclosures as per Regulation 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015).

Loans and advances in the nature of loans to companies in which directors are interested as under:

(₹ In Lakhs)

Sr. No.	Name	As at 31 March 2022	Maximum balance out-standing during the year ended 31 March 2022	As at 31 March 2021	Maximum balance out-standing during the year ended 31 March 2021
1	M Power Micro Finance Private Limited	-	-	-	1,305.11

* The director interested in M Power Micro Finance Private Limited redeemed his holding on 23 October 2020 and hence, the disclosures made are of maximum balance outstanding up to that date.

37. OFFSETTING

Following table represents the recognised financial assets that are offset, or subject to enforceable master netting arrangements and other similar arrangements but not offset, as at 31 March 2022 and 31 March 2021. The column 'net amount' shows the impact of Group's balance sheet if all the set-off rights were exercised.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	Effect of offsetting on the balance sheet			Related amount not offset		
	Gross amounts	Gross amount off set in balance sheet (refer note 1)	Net amount presented in balance sheet	Advances received against loan agreements (refer note 1)	Financial instrument collateral (refer note 2)	Net amount
31 March 2022						
Loans and advances	4,80,617.20	636.30	4,79,980.90	9.65	29,047.83	4,50,923.42
31 March 2021						
Loans and advances	4,09,304.28	2,973.33	4,06,330.95	12.87	32,027.41	3,74,290.67

Note:

1. ₹ 645.94 lakhs (31 March 2021: ₹ 2,986.20 lakhs) represents advances received against loan agreements.
2. ₹ 29,047.83 lakhs (31 March 2021: ₹ 32,027.41 lakhs) represents security deposits received from borrowers.

38. ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE ACT.

As at 31 March 2022

(₹ In Lakhs)

Name of entity in the Group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of other comprehensive income (OCI)		Share ofTotal Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Holding Company								
MAS Financial Services Limited	94.30%	1,26,363.80	96.49%	15,549.13	97.50%	(757.51)	96.44%	14,791.62
Subsidiary								
MAS Rural Housing & Mortgage Finance Limited	4.02%	5,388.08	2.37%	381.63	1.49%	(11.58)	2.41%	370.05
Non-controlling interest	1.68%	2,244.81	1.14%	184.12	1.01%	(7.83)	1.15%	176.29
Total	**100.00%**	**1,33,996.69**	**100.00%**	**16,114.88**	**100.00%**	**(776.92)**	**100.00%**	**15,337.96**

As at 31 March 2021

(₹ In Lakhs)

Name of entity in the Group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share of other comprehensive income (OCI)		Share ofTotal Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Holding Company								
MAS Financial Services Limited	94.90%	1,13,916.42	97.52%	14,191.11	96.84%	750.79	97.49%	14,941.90
Subsidiary								
MAS Rural Housing & Mortgage Finance Limited	3.39%	4,071.65	1.68%	244.90	1.89%	14.62	1.69%	259.52
Non-controlling interest	1.71%	2,046.76	0.80%	116.42	1.27%	9.88	0.82%	126.30
Total	**100.00%**	**1,20,034.83**	**100.00%**	**14,552.43**	**100.00%**	**775.29**	**100.00%**	**15,327.72**

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

39. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ In Lakhs)

	As at 31 March 2022			As at 31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	28,756.38	-	28,756.38	98,711.42	-	98,711.42
Bank balance other than above	56,237.26	2,072.84	58,310.10	1,082.16	2,137.54	3,219.70
Trade Receivables	104.63	-	104.63	223.34	-	223.34
Loans	2,86,331.21	1,93,649.69	4,79,980.90	2,38,091.44	1,68,239.51	4,06,330.95
Investments	15,768.78	33,551.88	49,320.66	6,107.16	14,051.22	20,158.38
Other financial assets	4,387.65	1,164.69	5,552.34	4,109.10	864.98	4,974.08
Non-financial assets						
Income tax assets (net)	-	623.33	623.33	-	592.40	592.40
Deferred tax Assets (net)	-	2,516.38	2,516.38	-	2,256.16	2,256.16
Property, plant and equipment	-	1,293.47	1,293.47	-	1,144.80	1,144.80
Capital work-in-progress	-	5,204.40	5,204.40	-	5,002.73	5,002.73
Right-of-use asset	19.35	41.57	60.92	48.57	5.25	53.82
Intangible assets under development	-	3.57	3.57	-	-	-
Other Intangible assets	-	22.34	22.34	-	9.25	9.25
Other non-financial assets	421.89	-	421.89	286.04	-	286.04
Total assets	**3,92,027.15**	**2,40,144.16**	**6,32,171.31**	**3,48,659.23**	**1,94,303.84**	**5,42,963.07**
LIABILITIES						
Financial liabilities						
Trade payables	1,458.69	-	1,458.69	727.85	-	727.85
Other payables	155.43	-	155.43	100.92	-	100.92
Debt securities	6,464.63	29,738.42	36,203.05	24,976.34	6,435.18	31,411.52
Borrowings (other than debt securities)	2,45,880.32	1,48,117.10	3,93,997.42	2,14,545.84	99,320.96	3,13,866.80
Subordinated liabilities	4,000.00	9,721.55	13,721.55	1,996.55	4,000.00	5,996.55
Other financial liabilities	31,412.34	14,773.91	46,186.25	49,423.84	14,043.56	63,467.40
Non-financial liabilities						
Current tax liabilities (net)	248.45	-	248.45	1,214.93	-	1,214.93
Provisions	10.32	706.19	716.51	0.59	396.38	396.97
Other non-financial liabilities	4,084.18	1,403.09	5,487.27	4,528.29	1,217.01	5,745.30
Total liability	**2,93,714.36**	**2,04,460.26**	**4,98,174.62**	**2,97,515.15**	**1,25,413.09**	**4,22,928.24**
Net	**98,312.79**	**35,683.90**	**1,33,996.69**	**51,144.08**	**68,890.75**	**1,20,034.83**

40. EMPLOYEE BENEFIT PLAN

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

(a) Defined contribution plan

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Group's contribution to provident fund aggregating ₹ 150.98 lakhs (31 March 2021: ₹ 151.32 lakhs) and employee state insurance scheme aggregating ₹ 15.01 lakhs (31 March 2021: ₹ 17.81 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense.

(b) Defined benefit plan:

Gratuity

The Group operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age / resignation date.

The defined benefit plans expose the Group to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Group, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Notes

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The status of gratuity plan as required under Ind AS 19 is as under:

(₹ In Lakhs)

		As at 31 March 2022	As at 31 March 2021
i.	**Reconciliation of opening and closing balances of defined benefit obligation**		
	Present value of defined benefit obligations at the beginning of the year	305.34	315.96
	Current service cost	56.22	57.46
	Interest cost	20.36	21.28
	Benefit paid	(20.17)	(9.67)
	Re-measurement (or Actuarial) (gain) / loss arising from:		
	Change in demographic assumptions	(7.43)	(7.07)
	Change in financial assumptions	(3.23)	-
	Experience adjustments	15.72	(72.62)
	Present value of defined benefit obligations at the end of the year	**366.81**	**305.34**
ii.	**Reconciliation of opening and closing balances of the fair value of plan assets**		
	Fair value of plan assets at the beginning of the year	305.03	271.59
	Interest income	22.27	20.62
	Return on plan assets excluding amounts included in interest income	(3.55)	(4.48)
	Contributions by employer	63.50	26.97
	Benefits paid	(20.17)	(9.67)
	Fair value of plan assets at the end of the year	**367.08**	**305.03**
iii.	**Reconciliation of the present value of defined benefit obligation and fair value of plan assets**		
	Present value of defined benefit obligations at the end of the year	366.81	305.34
	Fair value of plan assets at the end of the year	367.08	305.03
	Net asset / (liability) recognized in balance sheet as at the end of the year	**0.27**	**(0.31)**
iv.	**Composition of plan assets**		
	100% of plan assets are administered by LIC.		

(₹ In Lakhs)

		Year ended 31 March 2022	Year ended 31 March 2021
v.	**Expense recognised during the Year**		
	Current service cost	**56.22**	57.46
	Interest cost	**(1.90)**	0.66
	Expenses recognised in the statement of profit and loss	**54.32**	**58.12**
vi.	**Other comprehensive income**		
	Components of actuarial gain/losses on obligations:		
	Due to change in financial assumptions	**(3.23)**	-
	Due to change in demographic assumption	**(7.43)**	(7.07)
	Due to experience adjustments	**15.72**	(72.62)
	Return on plan assets excluding amounts included in interest income	**3.55**	4.48
	Components of defined benefit costs recognised in other comprehensive income	**8.61**	(75.21)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
vii. Principal actuarial assumptions		
Discount rate (per annum)	6.95%	6.85%
Rate of return on plan assets (p.a.)	6.95%	6.85%
Annual increase in salary cost	8.00%	8.00%
Withdrawal rates per annum		
25 and below	20.00%	10.00%
26 to 35	15.00%	8.00%
36 to 45	10.00%	6.00%
46 to 55	5.00%	4.00%
56 and above	5.00%	2.00%

The discount rate is based on the prevailing market yields of Government of India's bond as at the balance sheet date for the estimated term of the obligations.

viii. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting year, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Defined benefit obligation (base)	**366.81**	305.34

(₹ In Lakhs)

	Year ended 31 March 2022		Year ended 31 March 2021	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)	383.40	351.35	322.94	289.12
(% change compared to base due to sensitivity	4.52%	-4.21%	5.76%	-5.31%
Salary Growth Rate (- / + 0.5%)	354.03	380.40	291.64	319.83
(% change compared to base due to sensitivity)	-3.48%	3.70%	-4.49%	4.75%
Withdrawal Rate (W.R.) (W.R. x 90% / W.R. x 110%)	368.62	365.06	306.70	304.04
(% change compared to base due to sensitivity)	0.49%	-0.48%	0.45%	-0.43%

ix. Asset liability matching strategies

The Group contributes to the insurance fund based on estimated liability of next financial year end. The projected liability statements is obtained from the actuarial valuer.

x. Effect of plan on entity's future cash flows

a) Funding arrangements and funding policy

The Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

b) Maturity profile of defined benefit obligation

The average outstanding term of the obligations (years) as at valuation date is 11.31 to 11.88 years.

(₹ In Lakhs)

	Cash flows (₹)	Distribution (%)
Expected cash flows over the next (valued on undiscounted basis):		
1st following year	28.18	3.55%
2nd following year	29.19	3.85%
3rd following year	28.75	3.95%
4th following year	28.68	3.75%
5th following year	30.05	3.85%
Sum of years 6 to 10	157.51	18.75%

The future accrual is not considered in arriving at the above cash-flows.

The expected contribution for the next year is ₹ 16.27 lakhs.

c) Other long term employee benefits

The liability for compensated absences as at the year ended 31 March 2022 is ₹ 17.77 Lakhs and as at year ended 31 March 2021 is ₹ 7.66 lakhs.

Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the provident fund Act and the gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry of Labour and Employment. The Group will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

41. FINANCIAL INSTRUMENT AND FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

This note describes the fair value measurement of both financial and non-financial instruments.

A. Measurement of fair values

i) Financial instruments - fair value

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 Measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

ii) Transfers between levels 1 and 2

There has been no transfer in between level 1 and level 2.

iii) Valuation techniques

Loans

The Group has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last month of the year which is an unobservable input and therefore these has been considered to be fair valued using level 3 inputs.

Investments measured at FVTPL

Fair values of market linked debentures have been determined under level 1 using quoted market prices of the underlying instruments. Fair value of investment in alternate investment funds have been determined under level 2 using observable input.

B. Accounting classifications and fair values

The carrying amount and fair value of financial instruments including their levels in the fair value hierarchy presented below:

(₹ In Lakhs)

As at 31 March 2022	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	4,63,069.27	-	-	-	4,67,158.09	4,67,158.09
Investments measured at FVTPL	-	-	30,318.61	26,296.65	4,021.96	-	30,318.61
	-	**4,63,069.27**	**30,318.61**				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	28,756.38	-	-	28,756.38	-	-	28,756.38
Bank balance other than cash and cash equivalents	58,310.10	-	-	58,310.10	-	-	58,310.10
Trade receivables	104.63	-	-	-	-	104.63	104.63
Loans measured at amortised cost	16,911.63	-	-	-	-	17,382.63	17,382.63
Investment measured at amortised cost	19,002.05	-	-	-	-	19,057.26	19,057.26
Other financials asset	5,552.34	-	-	-	-	5,547.90	5,547.90
	1,28,637.13	**-**	**-**				
Financial liabilities not measured at fair value[1]							
Trade payables	1,458.69	-	-	-	-	1,458.69	1,458.69
Other payables	155.43	-	-	-	-	155.43	155.43
Debt securities	36,203.05	-	-	-	-	38,322.32	38,322.32
Borrowings (other than debt securities)	3,93,997.42	-	-	-	-	3,97,014.78	3,97,014.78
Subordinated liabilities	13,721.55	-	-	-	-	14,019.98	14,019.98
Other financial liabilities	46,186.25	-	-	-	-	46,186.25	46,186.25
	4,91,722.39	**-**	**-**				

(₹ In Lakhs)

As at 31 March 2021	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	3,86,070.97	-	-	-	3,86,070.96	3,86,070.96
Investments measured at FVTPL	-	-	13,596.87	11,566.97	2,029.90	-	13,596.87
	-	**3,86,070.97**	**13,596.87**				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	98,711.42	-	-	98,711.42	-	-	98,711.42
Bank balance other than cash and cash equivalents	3,219.70	-	-	3,219.70	-	-	3,219.70
Trade receivables	223.34	-	-	-	-	223.34	223.34
Loans measured at amortised cost	20,259.98	-	-	-	-	26,854.16	26,854.16
Investment measured at amortised cost	6,561.51	-	-	-	-	6,564.03	6,564.03
Other financials asset	4,974.08	-	-	-	-	4,972.97	4,972.97
	1,33,950.03	**-**	**-**				
Financial liabilities not measured at fair value[1]							
Trade payables	727.85	-	-	-	-	727.85	727.85
Other payables	100.92	-	-	-	-	100.92	100.92
Debt securities	31,411.52	-	-	-	-	31,520.62	31,520.62
Borrowings (other than debt securities)	3,13,866.80	-	-	-	-	3,15,555.98	3,15,555.98
Subordinated liabilities	5,996.55	-	-	-	-	6,168.36	6,168.36
Other financial liabilities	63,467.40	-	-	-	-	63,467.40	63,467.40
	4,15,571.04	**-**	**-**				

[1] The Group has not disclosed the fair values for cash and cash equivalents, bank balances, investment in debt securities, interest accrued but not due on loans and advances, bank deposits and investment, trade payables and other financial liabilities as these are short term in nature and their carrying amounts are a reasonable approximation of fair value.

Reconciliation of level 3 fair value measurement is as follows:

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
i) Loans		
Balance at the beginning of the year	3,90,401.86	3,44,239.88
Addition during the year	3,54,151.18	2,54,996.90
Amount derecognised / repaid during the year	(2,73,149.78)	(2,06,374.59)
Amount written off	(3,010.64)	(3,420.66)
Gains/(losses) recognised in other comprehensive income	(1,029.62)	960.33
Balance at the end of the year	4,67,363.00	3,90,401.86

* The above classification also includes balance of spread receivable on assigned portfolio. (Refer note 10)

Sensitivity analysis to fair value

(₹ In Lakhs)

	Amount, net of tax	
	Increase	Decrease
31 March 2022		
Loans		
Interest rates (50 bps movement)	(1,094.47)	1,106.83
31 March 2021		
Loans		
Interest rates (50 bps movement)	(762.19)	799.85

42 CAPITAL

The Group maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, RBI and NHB. The adequacy of the Group's capital is monitored using, among other measures, the regulations issued by RBI and NHB.

The Group has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Group's capital management.

42.1 Capital management

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's financial assets include loan and advances, cash and cash equivalents that derive directly from its operations.

The Group is exposed to credit risk, liquidity risk and market risk. The Group's board of directors has an overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's risk management committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

43.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and loans.

The carrying amounts of financial assets represent the maximum credit risk exposure.

(a) Loans and advances

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before sanctioning any loan. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information, the loan-to-value ratio etc.

The Group's exposure to credit risk for loans and advances by type of counterparty is as follows:

(₹ In Lakhs)

	Carrying Amount	
	As at 31 March 2022	**As at 31 March 2021**
Retail assets	2,49,637.70	1,85,871.75
Two wheeler loans	25,978.81	19,548.15
Micro enterprise loans	1,05,089.78	88,992.95
Salaried personal loans	10,339.65	9,243.88
Small and medium enterprise loans	82,475.26	42,146.37
Commercial vehicle loans	4,725.65	4,146.64
Housing & non-housing loans	21,028.55	21,793.76
Loans to NBFC	2,34,348.41	2,23,097.68
Construction finance	978.92	2,311.45
Total	**4,84,965.03**	**4,11,280.88**

Narrative Description of Collateral

Collateral primarily include vehicles purchased by retail loan customers and machinery & property in case of SME customers. The secured exposure are secured wholly or partly by hypothecation of assets and undertaking to create a security.

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments.

(i) Staging:

As per the provision of Ind AS 109, all financial instruments are allocated to stage 1 on initial recognition. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifespan of the instrument.

As per Ind AS 109, the Group assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. The Group has staged the assets based on the days past due criteria and other market factors which significantly impacts the portfolio.

Group's internal credit rating grades and staging criteria for loans are as follows:

Days past dues status	Stage	Internal grades	Provisions
Current	Stage 1	High Quality assets, negligible credit risk	12 Months Provision
1-30 Days	Stage 1	High Quality assets, negligible credit risk	12 Months Provision
31-60 Days	Stage 2	Quality assets, low credit risk	Lifetime Provision
61-90 Days	Stage 2	Standard assets, moderate credit risk	Lifetime Provision
91-180 Days	Stage 3	Sub-standard assets, relatively high credit risk	Lifetime Provision
>180 Days	Stage 3	Low quality assets, very high credit risk	Lifetime Provision

(ii) Grouping:

As per Ind AS 109, the Group is required to group the portfolio based on the shared risk characteristics. The Group has assessed the risk and its impact on the various portfolios and has divided the portfolio into following groups:

a. Two wheeler loans
b. Micro enterprise loans
c. Salaried personal loans
d. Small and medium enterprise loans
e. Commercial vehicle loans
f. Retail asset channel loans
g. Housing & non-housing loans
h. Construction finance

(iii) ECL:

ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low. ECL is calculated based on the following components:

a. Probability of default ("PD")
b. Loss given default ("LGD")
c. Exposure at default ("EAD")
d. Discount factor ("D")

For RAC & HFC loan portfolio, the Group has developed internal rating based approach for the purpose of ECL. The credit rating framework of the Group consists of various parameters based on which RAC & HFC loan portfolio is evaluated and credit rating is assigned accordingly. The credit rating matrix developed by the Group is validated in accordance with its ECL policy.

The Group has developed its PD matrix based on the external benchmarking of various external reports, ratings & Basel norms. This PD matrix is calibrated with its historical data and major events on regular time interval in accordance with its ECL policy.

Probability of default:

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from internal data calibrated with forward looking macroeconomic factors.

For computation of probability of default ("PD"), Vasicek Single Factor Model was used to forecast the PD term structure over lifetime of loans. As per Vasicek model, given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. Group has worked out on PD based on the last five years historical data.

The PDs derived from the vasicek model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs have to be converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the previous year.

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.

The probability of default was calculated for 3 scenarios: upside (11%), downside (21%) and base (68%). This weightage has been decided on best practices and expert judgement. Marginal conditional probability was calculated for all 3 possible scenarios and one conditional PD was arrived as conditional weighted probability.

Loss given default:

LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

Various approaches are available to compute the LGD. Group has considered workout LGD approach. The following steps are performed to calculate the LGD:

1) Analysis of historical credit impaired accounts at cohort level.
2) The computation consists of five components, which are:
    a) Outstanding balance (POS)
    b) Recovery amount (discounted yearly) by effective interest rate.
    c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using effective interest rate.
    d) Collateral (security) amount

The formula for the computation is as below:

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total POS)
% LGD = 1 – recovery rate

For RAC and HFC loan portfolio, the LGD has been considered based on Basel-II Framework for all the level of credit rating portfolio.

Exposure at default:

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. The Group has modelled EAD based on the contractual and behavioural cash flows till the lifetime of the loans considering the expected prepayments and assignments of loans.

The Group has considered expected cash flows for all the loans at DPD bucket level for each of the segments, which was used for computation of ECL. The exposure at default is calculated for each product and for various DPD status after considering future expected assignment which is not at risk. Moreover, the EAD comprised of principal component, accrued interest and also the future interest for the outstanding exposure. Further, the stage 3 EAD for the purpose of the ECL computation is considering when loan became Stage 3 for the first time (for retail loans).

Discounting:

As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

ECL computation:

Conditional ECL at DPD pool level was computed with the following method:
Conditional ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt) * discount factor (yt)
Conditional RAC ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt)

For RAC and HFC loan portfolio, the Group has calculated ECL based on borrower wise assessment of internal credit rating as per the framework of the Group, while for retail loan portfolio, the same has been calculated on collective basis.

The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of expected credit loss provided for across the stage is summarised below:

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Stage 1	1.00%	1.51%
Stage 2	12.29%	19.82%
Stage 3	42.42%	38.48%
Amount of expected credit loss provided for	**10,494.69**	**10,388.81**

The loss rates are based on actual credit loss experience over past 5 years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Group's view of economic conditions over the expected lives of the loan receivables.

(iv) Impact assessment on account of COVID-19

In accordance with the board approved moratorium policy read with the RBI guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Group had granted moratorium up to six months on the payment of installments which became due between 1 March 2020 and 31 August 2020 to all eligible borrowers. This relaxation did not automatically trigger a significant increase in credit risk. The Group continued to recognize interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period did not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

The Group's management is continuously monitoring the situation and the economic factors affecting the operations of the Group arising on account of COVID-19 and accordingly is providing for additional management overlay provision for such uncertainty. As at 31 March 2022, additional Expected Credit Loss (ECL) provision on loan assets as management overlay on account of COVID-19 stood at ₹ 4,083.66 lakh (31 March 2021: ₹ 5,954.19 lakh).

The additional ECL provision on account of COVID-19 is based on the Group's historical experience, collection efficiencies till date, internal assessment and other macro economic factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic.

(v) Modification of financial assets

The Group has modified the terms of certain loans provided to customers in accordance with RBI notification on MSME restructuring dated 6 August 2020 and 5 May 2021. Such restructuring benefits are provided to distressed customers who are impacted by COVID-19 pandemic.

Such restructuring benefits include extended payment term arrangements, moratorium and changes in interest rates. The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset (refer note 3.5). The Group monitors the subsequent performance of modified assets. The gross carrying amount of such assets held as at 31 March 2022 is ₹ 1,842.56 lakhs (31 March 2021: ₹ 446.20 lakhs). Overall provision for expected credit loss against restructured loan exposure amounts to ₹ 221.53 lakhs as at 31 March 2022 (31 March 2021: ₹ 111.92 lakhs). The Group continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets.

(b) Cash and cash equivalent and bank deposits

Credit risk on cash and cash equivalent and bank deposits is limited as the Group generally invests in term deposits with banks which are subject to an insignificant risk of change in value.

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

43.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities. The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Group is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Group manages its liquidity by unutilised cash credit facility, term loans and direct assignment.

The composition of the Group's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

The total cash credit limit available to the Group is ₹ 187,700.00 lakhs spread across 18 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

Over the years, the Holding Company has maintained around 20% to 25% of assets under management as off book through direct assignment transactions. It is with door to door maturity and without recourse to the Holding Company. This further strengthens the liability management.

The table below summarises the maturity profile of the undiscounted cashflow of the Group's financial liabilities:

(₹ In Lakhs)

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
As at 31 March 2022									
Debt securities	-	-	-	-	7,658.97	35,710.89	-	-	43,369.86
Borrowings (Other than debt securities)	7,227.77	7,625.80	17,142.19	29,978.92	1,99,676.37	1,25,580.94	39,297.70	610.96	4,27,140.65
Subordinated liabilities	72.16	88.36	4,209.55	270.96	533.08	2,152.95	2,150.00	10,216.34	19,693.40
Payable	1,167.58	10.39	10.05	30.15	395.95	-	-	-	1,614.12
Lease Liability	3.70	2.27	2.28	5.87	9.89	31.89	22.57	-	78.47
Other financial liabilities	16,424.24	985.08	2,414.85	4,351.48	7,217.13	13,199.86	1,190.49	336.68	46,119.81

(₹ In Lakhs)

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
As at 31 March 2021									
Debt securities	-	-	-	2,250.00	26,110.59	7,629.52	-	-	35,990.11
Borrowings (Other than debt securities)	7,178.50	4,903.99	12,043.67	19,161.21	1,82,023.80	81,693.09	26,170.67	3,533.76	3,36,708.69
Subordinated liabilities	-	-	129.64	2,254.11	259.29	4,118.25	-	-	6,761.29
Trade payable	719.31	10.13	9.80	29.41	60.12	-	-	-	828.77
Lease Liability	10.46	6.16	7.44	18.05	19.31	6.62	0.76	-	68.80
Other financial liabilities	29,226.77	1,448.88	2,022.45	4,991.80	11,674.72	12,143.24	1,365.02	528.38	63,401.26

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

43.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's investment in bank deposits and variable interest rate borrowings and lending.

The sensitivity analysis have been carried out based on the exposure to interest rates for lending and borrowings carried at variable rate and investments made by the Group.

(₹ In Lakhs)

Change in interest rates	Year ended 31 March 2022		Year ended 31 March 2021	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Investments	26,296.65	26,296.65	11,566.97	11,566.97
Impact on profit before tax for the year	131.48	(131.48)	57.83	(57.83)
Variable rate lending	2,56,355.87	2,56,355.87	2,47,202.88	2,47,202.88
Impact on profit before tax for the year	1,274.70	(1,274.70)	1,230.80	(1,230.80)
Variable rate borrowings	3,74,853.82	3,74,853.82	2,88,673.44	2,88,673.44
Impact on profit before tax for the year	(1,883.05)	1,883.05	(1,445.18)	1,445.18

B. Foreign currency risk

The Group does not have any instrument denominated or traded in foreign currency. Hence, such risk does not affect the Group.

44. LEASE DISCLOSURE

Where the Group is the lessee

The Group has entered into agreements for taking its office premises under leave and license arrangements. These agreements are for tenures between 11 months and 5 years and majority of the agreements are renewable by mutual consent on mutually agreeable terms, lease rentals have an escalation ranging between 5% to 15%. Leases for which the lease term is less than 12 months have been accounted as short term leases.

(₹ In Lakhs)

Contractual cash maturities of lease liabilities on an undiscounted basis	As at 31 March 2022	As at 31 March 2021
Not later than one year	24.01	61.42
Later than one year and not later than five years	54.46	7.38
Later than five years	-	-
Total undiscounted lease liabilities	**78.47**	**68.80**
Lease liabilities included in the balance sheet		
Total lease liabilities	66.44	66.14

(₹ In Lakhs)

Amount recognised in the statement of profit and loss account	Year ended 31 March 2022	Year ended 31 March 2021
Interest on lease liabilities	5.44	12.24
Depreciation charge for the year	45.24	97.81
Expenses relating to short term leases	272.48	172.35

(₹ In Lakhs)

Amount recognised in statement of cash flow	Year ended 31 March 2022	Year ended 31 March 2021
Cash outflow towards lease liability	(51.97)	(106.43)

For addition and carrying amount of right to use asset for 31 March 2022 and 31 March 2021, refer note 11(c).

Title deeds of all immovable properties of the Company are held in name of the Company. Further all the lease agreements are duly executed in favour of the Company for properties where the Company is the lessee.

45. TRANSFER OF FINANCIAL ASSETS

45.1 Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Securitisation		
Carrying amount of transferred assets	5,759.75	-
Carrying amount of associated liabilities (Borrowings - other than debt securities)	5,003.21	-
Fair value of assets (A)	5,750.45	-
Fair value of associated liabilities (B)	4,995.13	-
Net position at Fair Value (A-B)	755.31	-

45.2 Transferred financial assets that are derecognised in their entirety

The Group has assigned loans by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of exposure net of MRR to the buyer, the assets have been de-recognised from the Group's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Direct assignment		
Carrying amount of de-recognised financial asset	1,13,291.87	1,33,633.96
Carrying amount of retained financial asset	15,297.75	15,573.67

45.3 Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

46. No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2022 and 31 March 2021.

47. The Group is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2022 and 31 March 2021.

48. The Group does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2022 and 31 March 2021.

49. All the charges or satisfaction, as applicable are registered with ROC within the statutory period.

50. The Group has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds as at 31 March 2022 are held by the Group in the form of deposits or in current accounts till the time the utilisation is made subsequently.

51. There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2022 and 31 March 2021, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March 2022 and 31 March 2021.

52. As a part of normal lending business, the Group grants loans and advances on the basis of security / guarantee provided by the Borrower/ co-borrower. These transactions are conducted after exercising proper due diligence.

Other than the transactions described above,

(a) No funds have been advanced or loaned or invested by the Group to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the Company (Ultimate Beneficiaries);

(b) No funds have been received by the Group from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

53. The Group has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2022 and 31 March 2021.

54. The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2022 and March 31, 2021.

55. The Group has not entered into any scheme of arrangement.

56. REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Group's revenue from contracts with customers and reconciliation to statement of profit and loss:

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Type of income		
Services charges	1.81	-
Others	1,830.83	1,832.21
Total revenue from contracts with customers	**1,832.64**	**1,832.21**
Geographical markets		
India	1,832.64	1,832.21
Outside India	-	-
Total revenue from contracts with customers	**1,832.64**	**1,832.21**
Timing of revenue recognition		
Services transferred at a point in time	1,832.64	1,832.21
Services transferred over time	-	-
Total revenue from contracts with customers	**1,832.64**	**1,832.21**

Notes

Forming part of Consolidated Financial Statement for the year ended 31 March 2022 (Contd.)

57. EVENTS AFTER THE REPORTING PERIOD

Ind AS 10 'Events after the Reporting Period', requires an entity to evaluate information available after the balance sheet date to determine if such information constitutes an adjusting event, which would require an adjustment to the financial statements, or a non-adjusting event, which would only require disclosure. There have been no events after the reporting date that require disclosure in these financial statements.

58. Previous year figures have been regrouped / reclassified, wherever found necessary, to conform to current year classification.

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
Chief Financial Officer

Ahmedabad
4 May 2022

Ahmedabad
4 May 2022

Mas Financial Services Limited

Standalone Financial Statements

for the periods ended

March 31, 2024

March 31, 2023

March 31, 2022

INDEPENDENT AUDITORS' REPORT

To the Members of MAS Financial Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of MAS Financial Services Limited ('the Company'), which comprise the standalone Balance Sheet as at March 31, 2024, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of cash flows and the standalone Statement of Changes in Equity for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information ("the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, cash flows and the changes in equity for the year then ended.

Basis for Opinion

We conducted our audit of the Standalone financial statements in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Impairment of Loans:** **Charge: INR 25.98 Crores for the year ended 31st March, 2024** **Provision: INR 129.44 Crores as at 31st March, 2024** Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant	**<u>Principal Audit Procedures</u>** Procedures performed by us have been enumerated herein below: We performed end to end process walkthroughs to identify the key systems, applications and controls used in ECL processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key

Sr. No.	Key Audit Matter	Auditor's Response
	judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: • Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. • Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. • Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment. • Qualitative adjustments – Adjustments to the model-driven ECL results are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. They represent approximately 14.52% of ECL balances as at 31 March 2024. These adjustments are inherently uncertain and significant management judgement is involved considering internal assessment of emerging forward looking economic factors and related uncertainties. The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the standalone financial statements, we have considered this as a key audit matter. **Disclosures:** The disclosures regarding the Company's application of Ind AS 109 are key to explaining the	systems used in ECL process. Key aspects of our controls testing involved following: • Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models. • Testing the 'Governance Framework' controls over validation, implementation and model monitoring in line with Reserve Bank of India guidance. • Testing the design and operating effectiveness of the key controls over the application of the staging criteria. • Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights. • Testing management's controls over authorisation and calculation of post model adjustments and management overlays. • Testing management's controls on compliance with Ind AS 109 disclosures related to ECL. • Testing key controls operating over the information technology system in relation to loan impairment including system access and system change management, program development and computer operations. **Test of Details:** Key aspects of our testing included: • Sample testing over key inputs, data and assumptions impacting ECL calculations to assess completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied. • Model calculations testing through re-performance, where possible. • Test of details of post model adjustments, considering the size and complexity of management overlays, to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data. • Assessing disclosures - We assessed whether

Sr. No.	Key Audit Matter	Auditor's Response
	key judgements and material inputs to the Ind AS 109 ECL results.	the disclosures appropriately disclose and address the uncertainty which exists when determining ECL. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear.
2	**Information Technology:** **IT Systems and controls** The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data. Due to the pervasive nature of role of information technology systems in financial reporting, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.	In course of audit, our focus was on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. We performed a range of audit procedures, which included: • Review of the report of IS Audit carried during the year by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting. • Our other processes include: o selectively recomputing interest calculations and maturity dates; o Selectively re-evaluating masters updation, interface with resultant reports; o Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system) o Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission o Other areas that were independently assessed included password policies, system configurations, system interface controls, controls over changes to applications and databases.

Information other than the Standalone Financial Statements and Auditor's Report thereon

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

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Management's Responsibility for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone financial statements

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

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

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible

for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books. The backup of the books of account and other books and papers maintained in electronic mode, has been maintained on a daily basis on servers physically located in India during the year.

c) The standalone Balance Sheet, the standalone Statement of Profit and Loss including Other Comprehensive Income, the standalone Cash Flow Statement and standalone Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

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

    i. The Company has disclosed the impact of pending litigations as at March 31, 2024 on its financial position in its Standalone financial statements.

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

    iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund by the Company.

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

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

    (c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations given under (a) and (b) above, contain any material mis-statement.

    v. As stated in Note no. 21.2 of the standalone financial statements

    (a) The final dividend proposed in the previous year, declared and paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.

    (b) The interim dividend declared and paid by the company during the year and until the date of this report is in compliance with section 123 of the Companies Act, 2013.

(c) The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members in the ensuing Annual General Meeting. The amount of proposed dividend is in accordance with section 123 of the Companies Act, 2013.

vi. Based on our examination, which included test checks, the company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software except that, audit trail feature was not enabled at database level for accounting software to log any direct data changes. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tempered with in respect of such accounting software where such feature is enabled.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), is applicable from April 1, 2023, reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Place: Ahmedabad
Date: April 24, 2024
UDIN: 24042132BJZWZF6117

Chandresh S. Shah
Partner
Membership No.: 042132

“Annexure A” to the Independent Auditors’ Report

The Annexure referred to in Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended March 31, 2024.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of its Property, Plant and Equipment and right of use assets so as to cover all the items of Property, Plant and Equipment in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment and right of use assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of the immovable properties taken on lease and disclosed under “Right of use asset” in the financial statements, the lease agreements are in the name of the Company, where the Company is lessee in the agreement.

(d) According to the information and explanations given to us and the records examined by us and based on the examination, the Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(e) According to the information and explanations given to us and the records examined by us and based on the examination, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Refer Note 46 to the standalone financial statements.

(ii) (a) The Company is a non-banking finance company (‘NBFC’) and does not hold any inventories. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable.

(b) During the year, the company has availed sanctioned working capital limit in excess of Rs. 5 Crores from banks on the basis of security of current assets. Based on our examination of the records of the company, the quarterly returns/ statements filed by the company with the said bank are materially in agreement with the books of accounts maintained by the company.

(iii) (a) Since the Company's principal business is to give loans. Accordingly, the reporting under clause 3(iii)(a) of the Order is not applicable to it.

(b) In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.

(c) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its borrowers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 8.1 to the Standalone Financial Statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations. According to the information and explanations given to us, reasonable steps are taken by the Company for recovery thereof.

(d) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and /or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 8.1 and note 43.1 to the Standalone Financial Statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations for more than ninety days under the title "stage 3" loans.. According to the information and explanations given to us, reasonable steps are taken by the Company for recovery thereof.

(e) Since the Company's principal business is to give loans, the reporting under clause 3(iii)(e) of the Order are not applicable to it.

(f) Based on our audit procedures and the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of examination of the records, the Company has not granted any loans, made investments or provided guarantees in contravention of the provisions of Section 185 of the Act and has complied with the applicable provisions of Section 186 (1) of the Act.

(v) The Company has not accepted any deposits within the meaning of the provisions of section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed thereunder. Further, according to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal, in this regard.

(vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act for any of the services rendered by the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been generally regular in depositing the amounts deducted / accrued in the books of account, in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and any other material statutory dues applicable to the company.

(b) There were no material undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and any other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(c) There are no statutory dues referred in above sub-clause, which have not been deposited with the appropriate authorities on account of any disputes except for the following:

Sr. No.	Name of Statute	Nature of Dues	Amount [₹ in Crores]	Period to which the amount relates	Forum where dispute is pending
1	Income tax Act, 1961	Income Tax	0.12 [*]	AY 2017-2018	Deputy Commission of Income Tax (A)

[*] after adjusting the amount of refund claimed by the company amounting Rs. 0.33 Crore.

(viii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) According to the information and explanations given to us and on the basis of our examination of the books of account, we report that

(a) The Company has not defaulted in repayment of loans or borrowings or interest thereon from any financial institution, banks, government or due to debenture holders during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) The Company has utilised the money obtained by way of term loans from banks and other financial institutions during the year for the purposes for which they were obtained. Unutilised funds are held by the Company in the form of deposits or in current accounts till the time of subsequent utilisation.

(d) The funds raised on short term basis have not been utilized for the long-term purpose.

(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiary company.

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

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, there are 10 instances of fraud by customers relating to availment of loans by falsifying the records and documents. The total amount of such frauds amounts to Rs. 0.87 Crore.

(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.

(c) According to the information and explanations given by management/Audit Committee, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the company is in compliance with section 177 and 188 of the Act, where applicable, for all the transactions with the related parties and details of such transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.

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

(b) We have considered, during the course of our audit, the reports of the internal auditor issued till date for the period under audit in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company and hence provisions of section 192 of the Act are not applicable to the company.

(xvi) According to the information and explanations given to us and based on the examination of the records of the Company, we report that

(a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained the required registration.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company ('CIC') as defined under the Regulations by the Reserve Bank of India.

(d) As per information provided in course of our audit, the group to which the Company belongs does not have CIC.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) According to the information and explanations given to us, there are no unspent amount towards Corporate Social Responsibility (CSR) in respect of other than ongoing projects that are required to be transferred to a fund specified in Schedule VII to the Act.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has transferred the amount remaining unspent in respect of ongoing projects, to a Special Account (as required) till the date of our report in compliance with provision of sub section (6) of section 135 of the Act. Relevant disclosures are made in Note 34 (c) of the Standalone financial statement of the Company.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Place: Ahmedabad
Date: April 24, 2024
UDIN: 24042132BJZWZF6117

Chandresh S. Shah
Partner
Membership No.: 042132

“**ANNEXURE B” TO THE AUDITORS’ REPORT**

Report on the Internal Financial Control clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **MAS Financial Service Limited** (“the Company”) as of March 31, 2024 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Reg. No.: 106625W

Place: Ahmedabad
Date: April 24, 2024
UDIN: 24042132BJZWZF6117

Chandresh S. Shah
Partner
Membership No.: 042132

STANDALONE BALANCE SHEET

AS AT 31 MARCH 2024

(₹ in Crores)

	Note no.	As at 31 March 2024	As at 31 March 2023
ASSETS			
Financial assets			
Cash and cash equivalents	5	178.02	237.86
Bank balance other than cash and cash equivalents	6	664.27	533.77
Trade receivables	7	6.52	4.27
Loans	8	7,264.83	5,910.16
Investments	9	787.71	826.12
Other financial assets	10	75.80	60.24
Total financial assets		8,977.15	7,572.42
Non-financial assets			
Income tax assets (net)	30	2.52	2.52
Deferred tax assets (net)	30	9.97	18.22
Property, plant and equipment	11(a)	18.63	13.95
Capital work-in-progress	11(c)	69.80	57.66
Right-of-use asset	11(d)	2.82	1.06
Intangible assets under development	11(e)	0.24	0.33
Other intangible assets	11(b)	1.01	1.03
Other non-financial assets	12	27.10	10.79
Total non-financial assets		132.09	105.56
Total assets		9,109.24	7,677.98
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	13		
(I)Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	0.13
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		15.74	11.51
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1.14	1.84
Debt securities	14	626.86	627.26
Borrowings (other than debt securities)	15	6,120.36	4,957.56
Subordinated liabilities	16	302.11	252.70
Other financial liabilities	17	253.25	305.65
Total financial liabilities		7,319.46	6,156.65
Non-financial liabilities			
Current tax liabilities (net)	30.3	4.29	1.86
Provisions	18	10.09	9.48
Other non-financial liabilities	19	6.44	4.26
Total non-financial liabilities		20.82	15.60
Total liabilities		7,340.28	6,172.25
EQUITY			
Equity share capital	20	163.99	54.66
Other equity	21	1,604.97	1,451.07
Total equity		1,768.96	1,505.73
Total liabilities and equity		9,109.24	7,677.98

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached

For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
24 April 2024

Ahmedabad
24 April 2024

STANDALONE STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

	Note no.	Year ended 31 March 2024	Year ended 31 March 2023
I. Revenue from operations			
Interest income	22	1,022.28	797.33
Gain on assignment of financial assets		116.97	68.04
Fees and commission income		65.33	49.99
Net gain on fair value changes	23	12.57	21.49
Total revenue from operations		1,217.15	936.85
Other income	24	7.42	3.00
Total income		1,224.57	939.85
II. Expenses			
Finance costs	25	614.16	474.82
Fees and commission expense		48.80	48.00
Impairment on financial assets	26	89.55	53.00
Employee benefits expenses	27	87.05	62.49
Depreciation, amortization and impairment	28	3.81	2.40
Others expenses	29	49.78	34.44
Total expenses		893.15	675.15
Profit before exceptional items and tax (I - II)		331.42	264.70
Exceptional items		-	-
III. Profit before tax		331.42	264.70
IV. Tax expense:			
Current tax	30	80.89	65.10
Short / (Excess) provision for tax relating to prior years	30	(0.17)	(2.47)
Net current tax expense		80.72	62.63
Deferred tax expense / (credit)	30	2.95	1.11
Net tax expense		83.67	63.74
V. Profit for the year (III - IV)		247.75	200.96
VI. Other comprehensive income			
(A) Items that will not be reclassified to profit or loss:			
Re-measurement of the defined benefit liabilities		(0.52)	0.06
Income tax impact on above		0.13	(0.02)
Total (A)		(0.39)	0.04
(B) Items that will be reclassified to profit or loss:			
Loans and advances through other comprehensive Income		21.57	(26.05)
Income tax impact on above		(5.43)	6.56
Total (B)		16.14	(19.49)
Other comprehensive income (A+B)		15.75	(19.45)
VII. Total comprehensive income for the year (V + VI)		263.50	181.51
VIII. Earnings per equity share (of ₹ 10 each):	31		
Basic (₹)		15.11	12.25
Diluted (₹)		15.11	12.25

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached

For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
24 April 2024

Ahmedabad
24 April 2024

STANDALONE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

(A) Equity share capital

Equity Share of ₹ 10 each issued, subscribed and fully paid	
Balance at 1 April 2022	**54.66**
Changes in Equity Share Capital due to prior period errors	-
Restated balance at 1 April 2022	**54.66**
Changes in equity share capital during the year	-
Balance at 31 March 2023	**54.66**
Changes in Equity Share Capital due to prior period errors	-
Restated balance at 31 March 2023	**54.66**
Changes in equity share capital during the year	109.32
Balance at 31 March 2024	**163.99**

(B) Other equity

	Reserves and surplus			Other comprehensive income		Total
	Reserve u/s. 45-IC of the RBI Act, 1934	Securities premium	Retained earnings	Equity instruments through OCI	Loans and advances through OCI	
Restated balance at 31 March 2022	**211.91**	**426.87**	**533.21**	*	**113.94**	**1,285.93**
Profit for the year	-	-	200.96	-	-	200.96
Re-measurement of defined benefit plans (net of taxes)	-	-	0.04	-	-	0.04
Other comprehensive income (net of taxes)	-	-	-	-	(16.45)	(16.45)
Final dividend on equity shares	-	-	(9.57)	-	-	(9.57)
Interim dividend on equity shares	-	-	(9.84)	-	-	(9.84)
Transfer to reserve u/s. 45-IC of the RBI Act, 1934	40.19	-	(40.19)	-	-	-
Balance at 31 March 2023	**252.10**	**426.87**	**674.61**	*	**97.49**	**1,451.07**
Profit for the year	-	-	247.75	-	-	247.75
Re-measurement of defined benefit plans (net of taxes)	-	-	(0.39)	-	-	(0.39)
Other comprehensive income (net of taxes)	-	-	-	-	42.37	42.37
Final dividend on equity shares	-	-	(10.11)	-	-	(10.11)
Interim dividend on equity shares	-	-	(16.40)	-	-	(16.40)
Transfer to reserve u/s. 45-IC of the RBI Act, 1934	49.55	-	(49.55)	-	-	-
On issue of bonus shares	-	(109.32)	-	-	-	(109.32)
Balance at 31 March 2024	**301.65**	**317.55**	**845.91**	*	**139.86**	**1,604.97**

* Represents amount less than ₹ 50,000

In terms of our report of even date attached

For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
24 April 2024

Ahmedabad
24 April 2024

STANDALONE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

	Year ended 31 March 2024		Year ended 31 March 2023	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax		**331.42**		264.70
Adjustments for :				
Depreciation and amortisation	**3.81**		2.40	
Finance cost	**614.16**		474.82	
Impairment on financial assets	**89.55**		53.00	
(Profit) / loss on sale of property, plant and equipment	**-**		(0.10)	
Interest income	**(1,022.28)**		(797.33)	
Gain on assignment of financial assets	**(116.97)**		(68.04)	
Net gain on fair value changes	**(2.48)**		(2.74)	
Net gain on sale of investments measured at amortized cost	**(4.84)**		(1.35)	
Financial guarantee commission income	**-**		(0.01)	
Unrealised gain on foreign exchange	**(0.06)**		-	
Dividend income	**(1.26)**		(1.12)	
Gain on derecognition of leased assets	**(0.02)**		-	
		(440.39)		(340.47)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**(108.97)**		(75.77)
Changes in working capital:				
Adjustments for (increase)/decrease in operating assets:				
Loans	(1,264.89)		(1,340.37)	
Trade receivables	(2.26)		(3.26)	
Advances received against loan agreements	0.48		(6.38)	
Bank balance other than cash and cash equivalents	(130.52)		26.46	
Other financial asset	9.76		(7.44)	
Other non-financial asset	(32.31)		(14.49)	
Adjustments for increase/(decrease) in operating liabilities:				
Trade payable and other payable	3.38		(2.19)	
Other financial liabilities	(16.24)		(172.94)	
Other non-financial liabilities	2.19		(4.71)	
Provisions	0.54	(1,429.87)	2.01	(1,523.31)
CASH GENERATED FROM / (USED IN) OPERATIONS		**(1,538.84)**		(1,599.08)
Interest income received	921.45		730.31	
Dividend received	1.26		1.12	
Interest income on Investment measured at amortised cost	76.48		48.61	
Finance cost paid	(664.90)	334.29	(463.37)	316.67
		(1,204.55)		(1,282.41)
Income tax paid (net)		(78.29)		(59.31)
NET CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)		(1,282.84)		(1,341.72)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipments and intangible assets, including capital advances	(19.95)		(10.51)	
Proceeds from sale of property, plant and equipments and intangible assets	-		0.24	
Purchase of investments	(2,583.49)		(2,824.51)	
Redemption of investments	2,629.33		2,542.51	
NET CASH FLOW GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)		25.89		(292.27)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from debt securities and borrowings	3,637.17		3,073.48	
Repayments of debt securities and borrowings	(2,223.17)		(1,236.21)	
Short term loans (Net)	(189.93)		(216.37)	
Repayment of lease liabilities	(0.45)		(0.22)	
Dividends paid	(26.51)		(19.41)	
NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)		1,197.11		1,601.27
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(59.84)		(32.72)
Cash and cash equivalents at the beginning of the year		237.86		270.58
Cash and cash equivalents at the end of the year (refer note 1 below)		178.02		237.86

STANDALONE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

(₹ in Crores)

Notes:

	As at 31 March 2024	As at 31 March 2023
1 Cash and bank balances at the end of the year comprises:		
(a) Cash on hand	**0.12**	0.14
(b) Balances with banks	**102.84**	67.64
Total	**102.96**	67.78
(c) Bank deposits with original maturity of 3 months or less	**75.06**	170.08
Cash and cash equivalents as per the balance sheet	**178.02**	237.86

2 The above cash flow statement has been prepared under the "indirect method" as set out in the Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.

3 The Company as at 31 March 2024 has undrawn borrowing facilities amounting to ₹ 1192.17 Crores that may be available for future operating activities and to settle capital commitments.

4 **Change in liabilities arising from financing activities**

	31 March 2023	Cash flows	Non-cash changes*	31 March 2024
Debt securities	627.26	-	(0.40)	626.86
Borrowings (other than debt securities)	4,957.56	1,174.06	(11.26)	6,120.36
Subordinated liabilities	252.70	50.00	(0.59)	302.11
Total liabilities from financing activities	**5,837.52**	**1,224.06**	**(12.25)**	**7,049.33**

	31 March 2022	Cash flows	Non-cash changes*	31 March 2023
Debt securities	362.03	266.25	(1.02)	627.26
Borrowings (other than debt securities)	3,732.73	1,234.65	(9.82)	4,957.56
Subordinated liabilities	137.22	120.00	(4.52)	252.70
Total liabilities from financing activities	**4,231.98**	**1,620.90**	**(15.36)**	**5,837.52**

* Non-cash changes represents the effect of amortization of transaction cost.

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached

For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
𝔐𝔄𝔖 Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
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(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
24 April 2024

Ahmedabad
24 April 2024

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. A) CORPORATE INFORMATION

MAS Financial Services Limited (the "Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. It is registered as a systematically important non deposit taking non-banking finance Company ("NBFC") with Reserve Bank of India ("RBI"). The Company is engaged in the business of providing Micro Enterprise loans ("MEL"), Small and Medium Enterprise loans ("SME"), Two Wheeler loans ("TW"), Salaried Personal loans ("SPL"), Commercial Vehicle loans ("CV") and loans to NBFCs - to create the underlying assets of MEL, SME, TW, SPL and CV. Its shares are listed on two recognised stock exchanges in India i.e. BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

The Company's registered office is at 6, Ground Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad-380009, Guiarat. India.

B) RECENT ACCOUNTING DEVELOPMENTS:

The following Indian Accounting Standards have been modified on miscellaneous issues with effect from April 1, 2023. Such changes include clarification/guidance on:

(i) Ind AS 101 – First time adoption of Ind AS – Deferred tax assets and deferred tax liabilities to be recognized for all temporary differences associated with right-of-use assets, lease liabilities,decommissioning / restoration / similar liabilities.

ii) Ind AS 107 – Financial Instruments: Disclosures – Information about the measurement basis for financial instruments shall be disclosed as part of material accounting policy information.

(iii) Ind AS 1 – Presentation of Financial Statements & Ind AS 34 – Interim Financial Reporting – Material accounting policy information (including focus on how an entity applied the requirements of Ind AS) shall be disclosed instead of significant accounting policies as part of financial statements.

(iv) Ind AS 8 – Accounting policies, changes in accounting estimate and errors – Clarification on what constitutes an accounting estimate provided.

(v) Ind AS 12 – Income Taxes – In case of a transaction which give rise to equal taxable and deductible temporary differences, the initial recognition exemption from deferred tax is no longer applicable and deferred tax liability & deferred tax asset shall be recognized on gross basis for such cases.

None of the above amendments had any material effect on the company's financial statements,except for disclosure of Material Accounting Policies instead of Significant Accounting Policies in the Financial Statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These standalone financial statements of the Company have been prepared in accordance with the Indian Accounting standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 ("the Act"), and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC).CC.PD.No.109/22. 10.106/2019-20 dated 13 March 2020.

Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

2.2 Basis of measurement

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain financial instruments which are measured at fair values as required by relevant Ind AS.

2.3 Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Company operates (the "functional currency"). Amounts in the standalone financial statements are presented in crores rounded off to two decimal places as permitted by Schedule III to the Act, except when otherwise indicated.

2.4 Use of estimates, judgements and assumptions

The preparation of the standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised prospectively.

2. BASIS OF PREPARATION *(Continued)*

2.4 Use of estimates, judgements and assumptions *(Continued)*

Judgements

In the process of applying the Company's accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Business model assessment

Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest ("SPPI") test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value refer note 3.8 and note 41.

ii) Effective interest rate ("EIR") method

The Company's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.
b) Development of ECL models, including the various formulas and the choice of inputs.
c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").
d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.
e) Management overlay is used in circumstances where management in its objective review and internal assessment of emerging forward looking economic factors and related uncertainties.

2. BASIS OF PREPARATION *(Continued)*

2.4 Use of estimates, judgements and assumptions *(Continued)*

iv) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

For further details on provisions and other contingencies refer note 3.17.

v) Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recovered for uncertain tax positions. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

vi) Defined Benefit Plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the standalone financial statements are prudent and reasonable.

2.5 Presentation of the standalone financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in note 39.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

i) The normal course of business
ii) The event of default

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Sr No.	Material Accounting Policies	Reference In Balance Sheet & Profit And Loss Notes
1	Recognition of interest income	22
2	Impairment of financial assets	8.1, 26, 53
3	Property, plant and equipment	11(a)
4	Financial instrument	41
5	Intangible assets	11(e), 11(b)
6	Leases	11(d), 44
7	Retirement and other employee benefits	27, 40
8	Finance cost	25

3.1 Recognition of interest income

A. EIR method

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

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

3.1 Recognition of interest income *(Continued)*

B. Interest income

The Company calculates interest income by applying EIR to the gross carrying amount of financial assets other than credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as stage 3, the Company calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

3.2 Financial instrument - initial recognition

A. Date of recognition

All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments (Refer note 3.3(A)). Financial instruments are initially measured at their fair value (as defined in Note 3.8), transaction costs are added to or subtracted from this amount, except in the case of financial assets and financial liabilities recorded at FVTPL.

C. Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

i) Amortised cost
ii) FVOCI
iii) FVTPL

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

d) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

SPPI test

As a second step of its classification process, the Company assesses the contractual terms of financial asset to identify whether they meet SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

3.3 Financial assets and liabilities *(Continued)*

A. Financial assets *(Continued)*

SPPI test *(Continued)*

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

i) Financial assets carried at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets measured at FVOCI

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) Financial assets at FVTPL

A financial asset which is not classified in any of the above categories are measured at FVTPL.

iv) Equity investment in subsidiaries

The Company has accounted for its equity investments in subsidiaries at cost.

B. Financial liability

i) Initial recognition and measurement

All financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) Subsequent measurement

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

3.4 Reclassification of financial assets

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the circumstances in which the Company changes in its business model for managing those financial assets.

3.5 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

3.5 Derecognition of financial assets and liabilities *(Continued)*

B. Derecognition of financial assets other than due to substantial modification

i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109.

As per the guidelines of RBI, the Company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continue to recognise the portion retained by it as MRR.

ii) Financial liability

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

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets together with loan commitments other than those measured at FVTPL.

Expected credit losses are measured through a loss allowance at an amount equal to:

i.) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii.) Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial

Both LTECLs and 12 months ECLs are calculated on collective basis for retail loans.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant increase in credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. Borrowers are also classified under stage 3 bucket under instances like fraud identification and legal proceeding. Further, stage 3 loan accounts are identified at customer level (i.e. a Stage 1 or 2 customer having other loans which are in Stage 3). The Company records an allowance for life time ECL.

There is a curing period with Stage 3 loan, where even if the DPD days are reduced by 90 days the same will not be upgraded to Stage 1 until the loan is 0 DPD.

Loan commitments: When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

3.6 Impairment of financial assets *(Continued)*

B. Calculation of ECLs

For retail loans

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

PD Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, expected drawdowns on committed facilities and accrued interest. Further, the EAD for stage 3 retail loan is the outstanding exposure at the time loan is classified as Stage 3 for the first time.

LGD LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total outstanding)
% LGD = 1 – recovery rate

For retail asset channel ("RAC") loan portfolio

For RAC loan portfolio, the Company has developed internal rating based approach for the purpose of ECL. The credit rating framework of the Company consists of various parameters based on which RAC loan portfolio is evaluated and credit rating is assigned.

The Company has developed its PD matrix based on the benchmarking of various external reports, ratings and Basel norms. This PD matrix is calibrated with its historical data and major events at a regular time interval in accordance with its ECL policy.

The LGD has been considered based on Basel-II Framework for all the level of RAC credit rating portfolio.

The Company calculates PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated EADs are reviewed. While at every year end, LGDs and PDs are reviewed and changes in the forward looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%. Credit impairment loans are determined at borrower level.

Loan commitments When estimating ECL for undrawn loan commitments, the Company estimates the amount sanctioned that will be disbursed after the reporting date. The ECL is then calculated using PD and LGD.

Management overlay is used to adjust the ECL allowance in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios. Emerging local or global macroeconomic, micro economic or political events, and natural disasters that are not incorporated into the current parameters, risk ratings, or forward looking information are examples of such circumstances. The use of management overlay may impact the amount of ECL recognized.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

3.6 Impairment of financial assets *(Continued)*

B. Calculation of ECLs *(Continued)*

Significant increase in credit risk

The Company monitors all financial assets, including loan commitments issued that are subject to impairment requirements, to assess whether there has been a significant increase in credit risk since initial recognition. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience that is available without undue cost or effort. However, when a financial asset becomes 30 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is classified in Stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL. Further, a stage 2 customer having other loans which are in stage 1 are considered to have significant increase in credit risk.

Definition of default

The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL.

Financial assets in default represent those that are at least 90 DPD in respect of principal or interest and/or where the assets are otherwise considered to be unlikely to pay, including those that are credit-impaired.

C. Loans and advances measured at FVOCI

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the statement of profit and loss upon derecognition of the assets.

D. Forward looking information

In its ECL models, the Company relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time. For this purpose, the Company has used the data source of Economist Intelligence Unit.

3.7 Write-offs

The gross carrying amount of a financial asset is written off when the chances of recoveries are remote. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in Statement of profit and loss.

3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

• Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;

• Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and

• Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

3.9 (I) Recognition of other income

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115 :

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

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

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

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

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

A. Dividend income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

B. Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

C. Other interest income

Other interest income is recognised on a time proportionate basis.

D. Fees and commission income

Fees and commission income such as stamp and document charges, guarantee commission, service income, due diligence & evaluation charges and portfolio monitoring fees etc. are recognised on point in time basis.

3.9 (II) Recognition of other expense

A. Finance cost

Finance costs are the interest and other costs that the Company incurs in connection with the borrowing of funds. Interest expenses are computed based on effective interest rate method.

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortized cost. Financial instruments include bank term loans, non-convertible debentures, commercial papers, subordinated debts, perpetual debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Finance costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other finance costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

3.11 Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the Company and the cost of the item can be measured reliably.

Depreciation is calculated using the straight line method to write down the cost of property, plant and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act. Land is not depreciated. All assets individually costing less than Rs. 5,000 are fully depreciated in the year of purchase.

The estimated useful lives are, as follows:

i) Buildings - 60 years
ii) Office equipments - 3 to 10 years
iii) Furniture and fixtures - 10 years
iv) Vehicles - 8 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date. Capital work-in-progress is stated at cost, net of impairment loss, if any.

3.12 Intangible assets

The Company's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives (three years) using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'.

3.13 Impairment of non financial assets - property, plant and equipments and intangible assets

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

3.14 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:
- Leases of low value assets; and
- Leases with a duration of 12 months or less

Lease payments associated with short term leases or low value leases are recognised as an expense on a straight-line basis over the lease term.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

3.15 Corporate guarantees

Corporate guarantees are initially recognised in the standalone financial statements (within "other non-financial liabilities") at fair value, being the notional commission. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss. The notional commission is recognised in the statement of profit and loss under the head fees and commission income on a straight line basis over the life of the guarantee.

3.16 Retirement and other employee benefits

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Company to the Life insurance corporation of India who administers the fund of the Company.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

3.16 Retirement and other employee benefits *(Continued)*

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

3.17 Provisions, contingent liabilities and contingent assets

A. Provisions

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

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised not disclosed in the financial statements.

3.18 Taxes

A. Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or equity.

B. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

3.18 Taxes *(Continued)*

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.19 Earnings per share

Basic earnings per share ("EPS") is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.20 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when the it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

3.21 Repossessed asset

In the normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle the outstanding debt.

3.22 (I) Foreign Currency Transactions

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency at rates of exchange on the reporting date.

Exchange difference on restatement of all other monetary items is recognised in the Statement of Profit and Loss.

(II) Derivatives

A derivative is a financial instrument or other contract with all three of the following characteristics:

i) Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the ‘underlying’).

ii) It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.

iii) It is settled at a future date.

The Company enters into derivative transactions with various counterparties to hedge its foreign currency exchange rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes forward contracts.

Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are recognised in the Statement of Profit and Loss.

4 . STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
AS AT 31 MARCH 2024

(₹ In Crores)

		As at 31 March 2024	As at 31 March 2023
5	**Cash and cash equivalents**		
	Cash on hand	0.12	0.14
	Balances with banks:		
	In current / cash credit accounts	102.84	67.64
	Bank deposits with original maturity of 3 months or less	75.06	170.08
	Total cash and cash equivalents	178.02	237.86
6	**Bank balance other than cash and cash equivalents**		
	In current accounts (refer note 1 below)	0.11	0.12
	Earmarked balances with banks:		
	Unclaimed dividend bank balances	0.02	0.02
	Unspent CSR bank balances	5.72	5.34
	In fixed deposit accounts:		
	Deposits given as security against borrowings and other commitments	23.45	22.74
	Bank deposits with original maturity of more than 3 months (refer note 2 below)	634.97	505.55
	Total bank balance other than cash and cash equivalents	664.27	533.77

Notes:
1. Balance represents balance with banks in earmarked account i.e. "collection and pay-out account".
2. Represents bank deposits against overdraft facility except balance amounting to ₹ 0.10 crore as regular deposit.

7	**Trade receivables**		
	Trade receivables considered good-secured	-	-
	Trade receivables considered good-unsecured	6.52	4.27
	Trade receivables which have significant increase in credit risk	-	-
	Trade receivables - credit impaired	-	-
	Total trade receivables	6.52	4.27

Notes:
1. Impairment allowance recognised on trade receivables is ₹ Nil (Previous years: ₹ Nil).
2. There is no due by directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member.

Trade Receivables ageing schedule as at 31 March 2024

Particulars	**Outstanding for following periods from due date of payment**					
	Less than 6 months	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade receivables – considered good	5.09	1.28	0.15	-	-	6.52
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
AS AT 31 MARCH 2024

(₹ In Crores)

7 Trade receivables *(Continued)*

Trade Receivables ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	4.00	0.15	0.12	-	-	4.27
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Continued)
AS AT 31 MARCH 2024

(₹ In Crores)

8 Loans

	As at 31 March 2024			As at 31 March 2023		
	At amortised cost	At fair value through OCI	Total	At amortised cost	At fair value through OCI	Total
Bills Receivables	121.02	-	121.02	82.35	-	82.35
Add: Interest accrued but not due on Bills Purchased and Discounted	0.05	-	0.05	0.03	-	0.03
(A) (I) Bills Receivables	121.07	-	121.07	82.38	-	82.38
Term loans (Excl. interest accrued)	-	7,071.53	7,071.53	-	5,779.81	5,779.81
Add: Interest accrued but not due on term loans	-	72.51	72.51	-	48.50	48.50
(II) Term loans	-	7,144.04	7,144.04	-	5,828.31	5,828.31
Total (A)-Gross	121.07	7,144.04	7,265.11	82.38	5,828.31	5,910.69
Less: Impairment loss allowance	(0.28)	-	(0.28)	(0.53)	-	(0.53)
Total (A)-Net	120.79	7,144.04	7,264.83	81.85	5,828.31	5,910.16
(B) (i) Secured by tangible assets	121.07	4,840.78	4,961.85	82.38	4,300.77	4,383.15
(ii) Unsecured	-	2,303.26	2,303.26	-	1,527.54	1,527.54
Total (B)-Gross	121.07	7,144.04	7,265.11	82.38	5,828.31	5,910.69
Less: Impairment loss allowance	(0.28)	-	(0.28)	(0.53)	-	(0.53)
Total (B)-Net	120.79	7,144.04	7,264.83	81.85	5,828.31	5,910.16
(C) (I) Loans in India						
(i) Public sector	-	-	-	-	-	-
(ii) Private sector	121.07	7,144.04	7,265.11	82.38	5,828.31	5,910.69
Total (C)-Gross	121.07	7,144.04	7,265.11	82.38	5,828.31	5,910.69
Less: Impairment loss allowance	(0.28)	-	(0.28)	(0.53)	-	(0.53)
Total (C) (I) -Net	120.79	7,144.04	7,264.83	81.85	5,828.31	5,910.16
(C) (II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C) (II)- Net	-	-	-	-	-	-
Total C(I) and C(II)	120.79	7,144.04	7,264.83	81.85	5,828.31	5,910.16

Loans or advances in the nature of loans are granted to promoters, directors, KMPs, and the related parties, either serverally or jointly with any other person

Particulars	As at 31 March 2024	% to the total Loans and Advances in the nature of loans	As at 31 March 2023	% to the total Loans and Advances in the nature of loans
Promoter	**Nil**	**Nil**	**Nil**	**Nil**
Directors	**Nil**	**Nil**	**Nil**	**Nil**
KMPs	**Nil**	**Nil**	**Nil**	**Nil**
Related parties	**Nil**	**Nil**	**Nil**	**Nil**

Notes:

1. There are no loans outstanding to Companies in which directors are interested.
2. The impairment on loans measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
AS AT 31 MARCH 2024

(₹ In Crores)

8.1 An analysis of changes in the gross carrying amount of loans is given below#

	31 March 2024				31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**5,708.05**	**111.31**	**132.70**	**5,952.06**	**4,401.63**	**90.53**	**104.89**	**4,597.05**
Changes in opening credit exposures (net of repayment and excluding write off)	(4,230.83)	(61.29)	(48.97)	(4,341.09)	(3,193.32)	(31.31)	(39.35)	(3,263.98)
New assets originated (net of repayment)**	5,635.68	78.71	54.18	5,768.57	4,574.47	66.89	20.28	4,661.64
Transfers from Stage 1	(91.11)	32.72	58.39	-	(84.61)	33.04	51.57	-
Transfers from Stage 2	3.33	(45.47)	42.14	-	9.67	(47.84)	38.17	-
Transfers from Stage 3	1.20	-	(1.20)	-	0.38	-	(0.38)	-
Amounts written off (net of recoveries)	(0.11)	(1.36)	(46.66)	(48.13)	(0.17)	*	(42.48)	(42.65)
Gross carrying amount closing balance	**7,026.21**	**114.62**	**190.58**	**7,331.41**	**5,708.05**	**111.31**	**132.70**	**5,952.06**

\# The above classification also includes balance of spread receivable on assigned portfolio. (Refer note 10)
* Represents amount less than ₹ 50,000
** New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end.

8.2 Reconciliation of ECL balance is given below

	31 March 2024				31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**30.34**	**19.77**	**53.35**	**103.46**	**45.20**	**10.29**	**44.70**	**100.20**
Changes in opening credit exposures (net of repayment and excluding write off)	1.70	3.79	(13.99)	(8.51)	(11.69)	5.86	(10.21)	(16.04)
New assets originated (net of repayment)	23.74	17.71	19.13	60.58	24.71	12.93	6.75	44.39
Transfers from Stage 1	(26.65)	7.78	18.86	-	(27.92)	5.62	22.30	-
Transfers from Stage 2	0.07	(22.74)	22.67	-	0.05	(14.91)	14.86	-
Transfers from Stage 3	0.00	-	(0.00)	-	0.00	-	(0.00)	-
Amounts written off	(0.00)	(0.25)	(25.85)	(26.10)	(0.00)	(0.04)	(25.05)	(25.09)
ECL allowance - closing balance	**29.21**	**26.06**	**74.17**	**129.44**	**30.34**	**19.77**	**53.35**	**103.46**

The contractual amount outstanding on loans that have been written off during the year, but were still subject to enforcement activity is ₹ 48.13 crores at 31 March 2024 (31 March 2023 : ₹ 42.65 crores).

The increase in ECL was driven by an increase in the gross amount of the portfolio, movements between stages as a result of increase in credit risk, change in probability of default, macro economic factors and management overlays due to estimated macro-economic factors. The extent to which macro-economic factors will impact current estimates of ECL is uncertain at this point of time. The Company has conducted a qualitative assessment and has considered forecasted macro economic factors and a higher probability of default to factor on impairment allowances. For further details, refer note 43.

(₹ In Crores)

8.3 Credit quality of loan assets

The table below shows the gross carrying amount of loans based on the Company's internal grades and year-end stage classification of loans. The amounts presented are gross of impairment allowances. Details of the Company's internal grades are explained in note 43.1.

	31 March 2024				31 March 2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Internal grades								
Performing								
High quality assets	7,026.21	-	-	7,026.21	5,708.05	-	-	5,708.05
Quality assets	-	59.04	-	59.04	-	79.23	-	79.23
Standard assets	-	55.58	-	55.58	-	32.08	-	32.08
Non- performing								
Sub standard assets	-	-	96.61	96.61	-	-	44.99	44.99
Low quality assets	-	-	93.97	93.97	-	-	87.71	87.71
Total	**7,026.21**	**114.62**	**190.58**	**7,331.41**	**5,708.05**	**111.31**	**132.70**	**5,952.06**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
AS AT 31 MARCH 2024

(₹ In Crores)

9 Investments

	As at 31 March 2024				As at 31 March 2023			
	At amortised cost	At fair value through P&L	Others	Total	At amortised cost	At fair value through P&L	Others	Total
Investments in								
Alternative investment funds	-	2.36	-	2.36	-	38.97	-	38.97
Pass through certificates under securitization transactions	507.81	-	-	507.81	527.76	-	-	527.76
Market linked debentures	-	50.95	-	50.95	-	176.78	-	176.78
Non - convertible debentures	159.08	-	-	159.08	31.62	-	-	31.62
Mutual fund units	-	6.14	-	6.14	-	4.68	-	4.68
Subsidiaries #	-	-	61.55	61.55	-	-	46.55	46.55
Total – Gross (A)	666.89	59.45	61.55	787.89	559.38	220.43	46.55	826.36
(i) Investments outside India	-	-	-	-	-	-	-	-
(ii) Investments in India	666.89	59.45	61.55	787.89	559.38	220.43	46.55	826.36
Total (B)	666.89	59.45	61.55	787.89	559.38	220.43	46.55	826.36
Less: Allowance for Impairment Loss (C)	(0.18)	-	-	(0.18)	(0.24)	-	-	(0.24)
Total – Net D= (A)-(C)	666.71	59.45	61.55	787.71	559.14	220.43	46.55	826.12

 # Investments in subsidiaries

	31 March 2024	31 March 2023
Investment in equity shares of subsidiaries [Refer note below]	**35.09**	20.09
Investment in optionally convertible preference shares of subsidiary	**20.00**	20.00
Deemed investment in optionally convertible preference shares of subsidiary	**4.00**	4.00
Investment in subsidiary on account of:		
Corporate financial guarantee given to bank on behalf of subsidiary	**2.39**	2.39
Issuance of equity shares to the employees of subsidiary at discount	**0.07**	0.07
Total	**61.55**	46.55

Note : During the F.Y 2023-24, the Company has invested an amount of ₹ 15 crore in MAS Rural Housing & Mortgage Finance Limited, a subsidiary of the Company, by subscribing to 12,31,628 no. of equity shares of face value of ₹ 10 each for cash at ₹ 121.79 (including premium of ₹ 111.79) per share.

“Equity investment in subsidiary” is measured at cost.

(₹ In Crores)

10 Other financial assets

	As at 31 March 2024	As at 31 March 2023
Security deposits	1.39	1.02
Spread receivable on assigned portfolio	66.30	41.37
Interest accrued but not due on investments	2.75	2.43
Advances to dealers	3.45	7.63
Derivative financial instruments	1.91	-
Other Recievable	-	7.79
Total other financial assets	**75.80**	60.24

11 Property, plant and equipments and intangible assets

Nature of assets	Property, plant and equipment (a)					Intangible assets (b)	
	Buildings	Office equipment	Furniture and fixtures	Vehicles	Total	Software	Total
Cost							
At 31 March 2022	**6.68**	**4.45**	**3.36**	**2.86**	**17.34**	**0.60**	**0.60**
Additions	-	1.44	1.20	0.95	3.59	1.04	1.04
Disposals	-	-	-	0.42	0.42	-	-
At 31 March 2023	**6.68**	**5.89**	**4.56**	**3.39**	**20.51**	**1.64**	**1.64**
Additions	-	2.61	1.68	3.11	7.40	0.50	0.50
Disposals	-	-	-	-	-	-	-
At 31 March 2024	**6.68**	**8.50**	**6.24**	**6.50**	**27.91**	**2.14**	**2.14**
Depreciation/Amortisation							
At 31 March 2022	**0.54**	**2.22**	**1.08**	**1.11**	**4.95**	**0.38**	**0.38**
Depreciation/amortization charge	0.11	0.87	0.50	0.41	1.89	0.23	0.23
Disposal	-	-	-	0.28	0.28	-	-
At 31 March 2023	**0.65**	**3.09**	**1.58**	**1.24**	**6.56**	**0.61**	**0.61**
Depreciation/amortization charge	0.12	1.26	0.76	0.58	2.72	0.52	0.52
Disposal	-	-	-	-	-	-	-
At 31 March 2024	**0.77**	**4.35**	**2.34**	**1.82**	**9.28**	**1.13**	**1.13**
Net block value:							
At 31 March 2023	6.03	2.80	2.98	2.15	13.95	1.03	1.03
At 31 March 2024	**5.91**	**4.15**	**3.90**	**4.68**	**18.63**	**1.01**	**1.01**

Note: No revaluation of any class of asset is carried out during the year.

(c) Capital work in progress

Capital work in progress includes borrowing costs related to development of building amounted to ₹ 1.01 crores (31 March 2023: ₹ 1.24 crores). Finance costs are capitalised at MCLR + 1.15% p.a. - presently 10.30% p.a. for the year ended 31 March 2024.

Capital work-in-progress	
At 31 March 2022	**52.04**
Additions	5.62
Disposals	-
At 31 March 2023	**57.66**
Additions	12.14
Disposals	-
At 31 March 2024	**69.80**

11 Property, plant and equipments and intangible assets *(Continued)*

(c) Capital work in progress *(Continued)*

Capital work in progress aging schedule

Capital work in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024					
Projects in progress	12.14	5.72	1.91	50.03	69.80
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2023					
Projects in progress	5.72	1.91	1.81	48.21	57.66
Projects temporarily suspended	-	-	-	-	-

(₹ In Crores)

Capital work in progress completion schedule for projects where completion is overdue

Capital work in progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024					
MAS headquarters	-	-	-	69.80	69.80
As at 31 March 2023					
MAS headquarters	-	-	-	57.66	57.66

(d) Right-of-use asset

The details of the right-of-use asset held by the Company is as follows:

Office Premises	
At 31 March 2022	**2.48**
Additions	0.80
Disposals	-
At 31 March 2023	**3.28**
Additions	2.62
Disposals	0.34
At 31 March 2024	**5.56**
Depreciation	
At 31 March 2022	**1.95**
Additions	0.27
Disposals	-
At 31 March 2023	**2.22**
Additions	0.57
Disposals	0.04
At 31 March 2024	**2.75**
Net Block Value:	
At 31 March 2023	1.06
At 31 March 2024	**2.82**

11 Property, plant and equipments and intangible assets *(Continued)*

(e) Intangible assets under development

Intangible assets under development	
At 31 March 2022	**0.04**
Additions	0.33
Disposals	0.04
At 31 March 2023	**0.33**
Additions	0.24
Disposals	0.33
At 31 March 2024	**0.24**

Intangible assets under development aging schedule

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024					
Projects in progress	0.24	-	-	-	**0.24**
Projects temporarily suspended	-	-	-	-	**-**
As at 31 March 2023					
Projects in progress	0.33	-	-	-	**0.33**
Projects temporarily suspended	-	-	-	-	**-**

12 Other non-financial assets

	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	14.24	4.44
Advances to employees	0.18	0.11
Re-possessed assets	8.16	3.54
Balance with Government Authorities	2.23	1.46
Capital advances	0.03	0.02
Gratuity fund [Refer note 40(b)]	1.23	0.54
Other advances	1.03	0.68
Total	**27.10**	10.79

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
AS AT 31 MARCH 2024

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
13 Payables		
(a) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	0.13
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	15.74	11.51
(b) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.14	1.84
Total	16.88	13.48

Trade Payables aging schedule

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024					
(i) MSME	-	-	-	-	-
(ii) Others	15.74	-	-	-	15.74
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
As at 31 March 2023					
(i) MSME	0.13	-	-	-	0.13
(ii) Others	11.50	-	0.01	-	11.51
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Micro, Small and Medium Enterprises:

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:

	As at 31 March 2024	As at 31 March 2023
(a) Dues remaining unpaid to any supplier at the year end		
- Principal	-	0.13
- Interest on above	-	-
(b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of the MSMED Act	-	-
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
(d) Amount of interest accrued and remaining unpaid	-	-
(e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
AS AT 31 MARCH 2024

(₹ In Crores)

		As at 31 March 2024	As at 31 March 2023
14	**Debt securities (at amortised cost) (refer note 14.1)**		
	Secured non-convertible debentures	531.25	31.25
	Secured Market Linked debenture	100.00	600.00
	Less: Unamortised borrowing costs	(4.39)	(3.99)
	Total	626.86	627.26
	Debt securities in India	626.86	627.26
	Debt securities outside India	-	-
	Total	626.86	627.26
15	**Borrowings (Other than debt securities) (at amortised cost)**		
	(a) Term loans (refer note 15.1)		
	(i) from banks		
	-In Indian Rupees	3,324.96	3,001.62
	-In Foreign Currency [refer note 43.3(b)]	577.04	-
	(ii) from other parties (financial institutions)	1,142.02	678.40
	(b) Loans repayable on demand from banks-cash credit/overdraft (Refer note below)	-	0.01
	(c) Short term loans from banks (Refer note below)	1,114.50	1,304.43
	Less: Unamortised borrowing costs	(38.16)	(26.90)
	Total	6,120.36	4,957.56
	Secured	6,095.45	4,932.69
	Unsecured	24.91	24.87
	Total	6,120.36	4,957.56
	Borrowings in India	6,120.36	4,957.56
	Borrowings outside India	-	-
	Total	6,120.36	4,957.56

Note:

For Cash credit / Overdraft and short term loans

(a) Cash credit / short term loans from banks are secured by hypothecation of movable assets of the Company and goods covered under hypothecation ("HP") agreements / Loan cum HP agreements and book debts, receivables, loans and advances and entire portfolio outstanding (except specific portfolio generated from various term loans sanctioned by various banks/financial institutions on an exclusive basis) and equitable mortgage/negative lien by deposit of title deeds on some of the Company's immovable properties, as collateral security. The loans are also guaranteed by Mr. Kamlesh Chimanlal Gandhi, Mrs. Shweta Kamlesh Gandhi. Overdraft loans are secured against fixed deposits placed.

(b) Interest rate range
Interest rate ranges from 8.75 % p.a. to 9.40 % p.a. as at 31 March 2024.
Interest rate ranges from 7.45 % p.a. to 11.55 % p.a. as at 31 March 2023.

The Company has not defaulted in repayment of borrowings and interest.

The Company has availed borrowings from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts of the Company.

The carrying amount of financial assets which is hypothecated against all secured borrowing inclusive of margin requirement ranging from 1.10 times to 1.25 times is amounting to ₹ 7,512.28 crores (31 March 2023: ₹ 6,291.38 crores).

		As at 31 March 2024	As at 31 March 2023
16	**Subordinated liabilities (at amortised cost)**		
	Unsecured debentures (refer note 16.1)	310.00	260.00
	Less: Unamortised borrowing costs	(7.89)	(7.30)
	Total	302.11	252.70
	Subordinated liabilities in India	302.11	252.70
	Subordinated liabilities outside India	-	-
	Total	302.11	252.70

(₹ In Crores)

14 Debt securities (at amortised cost): *(Continued)*

14.1 Details of terms of redemption/repayment in respect of debt securities:

	As at 31 March 2024	As at 31 March 2023	**Terms of redemption/ repayment**	**Security**
Debentures				
500 rated, listed, redeemable, senior, secured, non-convertible debentures of ₹ 10,00,000 each	**6.25**	31.25	Coupon Rate: Benchmark Rate +173 bps Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Quarterly Tenor : 2 years	Secured by a first ranking exclusive Hypothecation charge over Assets
10,000, secured, listed, rated, unsubordinated, redeemable, transferable, non-convertible debentures ₹1,00,000 each	**100.00**	-	Coupon Rate:Benchmark Rate +271 bps Coupon Payment frequency : Quarterly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 3 years	Secured by a first ranking exclusive Hypothecation charge over Assets
10000, rated, listed, senior, secured, redeemable, taxable, transferable, non-convertible debentures of ₹1,00,000 each	**100.00**	-	Coupon Rate:Fixed Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 year 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
12,500, fully paid, senior, secured, listed, rated, taxable, redeemable, transferable, non-convertible debentures ₹1,00,000 each	**125.00**	-	Coupon Rate:Benchmark Rate +266 bps Coupon Payment frequency : Yearly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 year 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
20,000 rated, listed, senior, secured, redeemable, transferable, taxable, non-convertible debentures of ₹1,00,000 each	**200.00**		Coupon Rate: Benchmark rate Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Semi annualy Tenor : 4 years	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	**-**	100.00	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 6 Month	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	**-**	100.00	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 1 day	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	**-**	100.00	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 2 months	Secured by a first ranking exclusive Hypothecation charge over Assets

(₹ In Crores)

14 Debt securities (at amortised cost): *(Continued)*

14.1 Details of terms of redemption/repayment in respect of debt securities:

Debentures	**As at 31 March 2024**	As at 31 March 2023	**Terms of redemption/ repayment**	**Security**
Market Linked Debentures	**-**	100.00	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 Year and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	**-**	100.00	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 Year and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	**100.00**	100.00	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 2 days	Secured by a first ranking exclusive Hypothecation charge over Assets
Total debentures	**631.25**	631.25		

(₹ In Crores)

15 Borrowings (other than debt securities) (at amortised cost): *(Continued)*

15.1 Details of terms of repayment in respect of term loans:

	As at 31 March 2024	As at 31 March 2023	**Terms of redemption/ repayment**	**Security**
Term loans from banks (Refer note i)				
In Indian Rupees				
Term Loan - 1	**-**	8.00	Repayable in 12 Quarterly installments from 30 June 2021	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 2	**25.00**	58.33	Repayable in 12 Quarterly installments from 31 March 2022	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 3	**27.95**	43.95	Repayable in 20 Quarterly installments from 30 June 2021.	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 4	**74.99**	105.00	Repayable in 20 Quarterly installments from 05 November 2021.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 5	**66.67**	133.33	Repayable in 12 Quarterly installments from 30 June 2022.	Exclusive first charge on the specific loan portfolio of the Borrower by way of hypothecation on the loan installments receivables. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 6	**41.67**	83.33	Repayable in 36 monthly installments from 01 May 2022.	First Exclusive hypothecation charge on book debts created out of Bank Loan.
Term Loan - 7	**50.09**	70.03	Repayable in 20 Quarterly installments from 31 March 2022.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are financed/ to be financed by the company out of the proposed term loan to the Company.
Term Loan - 8	**-**	27.27	Repayable in 33 monthly installments from 30 July 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 9	**18.18**	36.36	Repayable in 33 monthly installments from 30 July 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .

(₹ In Crores)

15 Borrowings (other than debt securities) (at amortised cost): *(Continued)*

15.1 Details of terms of repayment in respect of term loans: *(Continued)*

Term Loans from Banks *(Continued)*	**As at 31 March 2024**	As at 31 March 2023	**Terms of redemption/ repayment**	**Security**
Term Loan - 10	**8.45**	12.24	Repayable in 96 monthly installments from 7 April 2018.	First and exclusive charge on land, property and commercial property under construction.
Term Loan - 11	**0.34**	2.58	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 12	**1.35**	10.32	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 13	**0.56**	4.30	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 14	**1.14**	3.40	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 15	**4.55**	13.60	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 16	**1.90**	5.67	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 17	**2.13**	4.45	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 18	**8.53**	17.80	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 19	**3.55**	7.42	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .

(₹ In Crores)

15 Borrowings (other than debt securities) (at amortised cost): *(Continued)*

15.1 Details of terms of repayment in respect of term loans: *(Continued)*

Term Loans from Banks *(Continued)*	**As at 31 March 2024**	As at 31 March 2023	**Terms of redemption/ repayment**	**Security**
Term Loan - 20	**-**	13.33	Repayable in 36 monthly installments from 30 April 2021.	Secured by a first and exclusive charge on specific book debt and future receivables of the Company created/to be created out of the loan availed .
Term Loan - 21	**27.94**	50.11	Repayable in 18 Quarterly installments from 30 December 2021.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 22	**55.64**	77.78	Repayable in 18 Quarterly installments from 24 September 2022.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 23	**20.00**	40.00	Repayable in 10 Quarterly installments from 14 December 2022.	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 24	**8.30**	24.98	Repayable in 12 Quarterly installments from 16 December 2021.	Exclusive charge by way of Hypothecation of book debt/receivables arising out of bank financial assets of the borrower.

(₹ In Crores)

15 Borrowings (other than debt securities) (at amortised cost): *(Continued)*

15.1 Details of terms of repayment in respect of term loans: *(Continued)*

Term Loans from Banks *(Continued)*	**As at 31 March 2024**	As at 31 March 2023	**Terms of redemption/ repayment**	**Security**
Term Loan - 25	**-**	6.50	Repayable in 16 Quarterly installments from 30 September 2019.	Secured by Hypothecation of portfolio of the Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loan - 26	**-**	25.50	Repayable in 16 Quarterly installments from 29 February 2020.	Secured by Hypothecation of portfolio of the Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loan - 27	**5.00**	10.00	Repayable in 16 Quarterly installments from 26 June 2021.	Exclusive charge by way of hypothecation on book debts under standard assets portfolio of the borrower eligible for Bank finance.
Term Loan - 28	**21.53**	65.99	Repayable in 18 Quarterly installments from 31 December 2020.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 29	**42.09**	63.16	Repayable in 19 Quarterly installments from 30 September 2021.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 30	**164.93**	225.00	Repayable in 20 Quarterly installments from 31 March 2022.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 31	**53.85**	84.62	Repayable in 13 Quarterly installments from 29 December 2022.	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Company out of the bank finance.
Term Loan - 32	**97.50**	127.50	Repayable in 20 Quarterly installments from 30 September 2022.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.

(₹ In Crores)

15 Borrowings (other than debt securities) (at amortised cost): *(Continued)*

15.1 Details of terms of repayment in respect of term loans: *(Continued)*

Term Loans from Banks *(Continued)*	**As at 31 March 2024**	As at 31 March 2023	**Terms of redemption/ repayment**	**Security**
Term Loan - 33	**133.33**	200.00	Repayable in 12 Quarterly installments from 30 June 2023.	Exclusive first charge on the specific loan portfolio of the Borrower by way of hypothecation on the loan installments receivables. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 34	**24.96**	41.66	Repayable in 36 monthly installments from 30 October 2022.	Exclusive charge on the specific standard book debts/loan receivables of company.
Term Loan - 35	**15.00**	25.00	Repayable in 12 Quarterly installments from 23 December 2022.	Exclusive first charge by way of hypothecation of receivables created out of bank finance.
Term Loan - 36	**54.55**	75.00	Repayable in 33 monthly installments from 31 July 2023.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 37	**19.07**	33.60	Repayable in 36 monthly installments from 7 June 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 38	**51.08**	83.55	Repayable in 36 monthly installments from 7 October 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 39	**34.72**	50.00	Repayable in 36 monthly installments from 7 May 2023.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 40	**62.50**	87.50	Repayable in 16 Quarterly installments from 31 December 2022.	Secured by exclusive charge on the book debt and receivables of the company
Term Loan - 41	**112.50**	142.50	Repayable in 20 Quarterly installments from 29 March 2023.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 42	**68.75**	93.75	Repayable in 16 Quarterly installments from 31 March 2023.	Secured by exclusive charge on the book debt and receivables of the company
Term Loan - 43	**120.00**	150.00	Repayable in 20 Quarterly installments from 31 May 2023.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 44	**41.64**	75.00	Repayable in 12 Quarterly installments from 29 September 2022.	First & Exclusive charge by way of hypothecation on the Borrower's specific loan receivables.

(₹ In Crores)

15 Borrowings (other than debt securities) (at amortised cost): *(Continued)*

15.1 Details of terms of repayment in respect of term loans: *(Continued)*

Term Loans from Banks *(Continued)*	**As at 31 March 2024**	As at 31 March 2023	**Terms of redemption/ repayment**	**Security**
Term Loan - 45 (refer note below)	**300.33**	380.00	Repayable in 20 Quarterly installments from 31 January 2023.	Secured by Hypothecation of portfolio of the Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Note : Out of the Above ₹ 300.33 crore outstanding as on 31 March 2024, ₹ 23.29 crore is in Indian Rupees and remaining amount of ₹ 277.04 crore is in foreign currency.				
Term Loan - 46	**25.00**	30.00	Repayable in 30 monthly installments from 6 November 2023.	Exclusive charge by way of hypothecation of the specific receivables/book debt of the company
Term Loan - 47	**16.00**	29.71	Repayable in 36 monthly installments from 29 July 2022.	Secured by a first and exclusive charge on specific book debt and future receivables of the Company created/to be created out of the loan availed .
Term Loan - 48	**11.66**	18.33	Repayable in 12 Quarterly installments from 31 March 2023.	Secured by exclusive charge on the book debt and receivables of the company.
Term Loan - 49	**14.17**	24.17	Repayable in 36 monthly installments from 25 September 2022.	Secured by first and exclusive charge on Book Debts/ Loan assets of the Company.
Term Loan - 50	**126.92**	-	Repayable in 13 Quarterly installments from 20 December 2023	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Company out of the bank finance.
Term Loan - 51	**23.08**	-	Repayable in 13 Quarterly installments from 16 March 2024 .	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Company out of the bank finance.
Term Loan - 52	**170.00**	-	Repayable in 20 Quarterly installments from 30 September 2023.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 53	**18.10**	-	Repayable in 36 monthly installments from 01 June 2023	First and Exclusive charge by Hypothecation of Book Debts
Term Loan - 54	**89.97**	-	Repayable in 20 Quarterly installments from 31 Decemmber 2023.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are financed/ to be financed by the company out of the proposed term loan to the Company.
Term Loan - 55	**22.91**	-	Repayable in 12 Quarterly Installments from 28 March, 2024	Exclusive charge on book debts by way of hypothecation on specific standard receivables of the company
Term Loan - 56	**50.00**	-	Repayable in 36 monthly installments from 28 April 2024.	Exclusive charge on the specific standard book debts/loan receivables of company.

(₹ In Crores)

15 Borrowings (other than debt securities) (at amortised cost): *(Continued)*

15.1 Details of terms of repayment in respect of term loans: *(Continued)*

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term Loans from Banks *(Continued)*				
Term Loan - 57	**44.00**	-	Repayable in 36 monthly installments from 7 May 2024.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 58	**84.86**	-	Repayable in 36 monthly installments from 7 February 2024.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 59	**82.86**	-	Repayable in 36 monthly installments from 7 October 2023.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 60	**135.00**	-	Repayable in 20 Quarterly installments from 30 November 2023	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 61	**67.50**	-	Repayable in 20 Quarterly installments from 28 December 2023	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 62	**71.25**	-	Repayable in 20 Quarterly installments from 05 February 2024	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 63	**37.50**	-	Repayable in 12 Quarterly installments from 30 September 2023.	First & Exclusive charge by way of hypothecation on the Borrower's specific loan receivables.
Term Loan - 64	**41.67**	-	Repayable in 12 Quarterly Installments from 31 October 2023	Hypothecation on the Specific unencunbered secured standard loan receivales and book debts of the company arising from loans and advances.
Term Loan - 65	**75.00**	-	Repayable in 36 monthly installments from 30 July 2023.	Secured by a first and exclusive charge on specific book debt and future receivables of the Company created/to be created out of the loan availed .
Term Loan - 66 (refer note below)	**451.52**	-	Repayable in 20 Quarterly installments from 25 December 2023.	Secured by Hypothecation of portfolio of the Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.

Note : Out of the Above ₹ 451.52 crore outstanding as on 31 March 2024, ₹ 151.52 crore is in Indian Rupees and remaining amount of ₹ 300 crore is in foreign currency.

(₹ In Crores)

15 Borrowings (other than debt securities) (at amortised cost): *(Continued)*

15.1 Details of terms of repayment in respect of term loans: *(Continued)*

	As at 31 March 2024	As at 31 March 2023	Terms of redemption/ repayment	Security
Term Loans from Banks *(Continued)*				
Term Loan - 67	**100.00**	-	Repayable in 36 monthly installments from 30 April 2024.	Secured by a first and exclusive charge on specific book debt and future receivables of the Company created/to be created out of the loan availed .
Term Loan - 68	**83.30**	-	Repayable in 12 Quarterly installments from 31 December 2023.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 69	**187.50**	-	Repayable in 16 Quarterly Installments from 31 march, 2024	Exclusive First charge by way of hypothecation over speicifc Standard receivables.
Total term loans from banks	**3,902.00**	3,001.62		

Note (i):
Interest rate ranges from 6.76% p.a. to 10.40% p.a. as at 31 March 2024.
Interest rate ranges from 8.65% p.a. to 10.35% p.a. as at 31 March 2023.

(₹ In Crores)

15 Borrowings (other than debt securities) (at amortised cost): *(Continued)*

15.1 Details of terms of repayment in respect of term loans: *(Continued)*

Term loans from others (Refer note ii)	**As at 31 March 2024**	As at 31 March 2023	**Terms of redemption/ repayment**	**Security**
Term Loans from a Financial Institution - 1	**-**	8.50	Repayable in 36 monthly installments from 31 January 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 2	**-**	5.33	Repayable in 36 monthly installments from 30 April 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 3	**25.00**	25.00	Bullet Repayment on 17 August 2026.	N.A.
Term Loans from a Financial Institution - 4	**8.33**	25.00	Repayable in 36 monthly installments from 31 October 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 5	**20.00**	33.33	Repayable in 12 Quarterly installments from 5 October 2022.	Secured by exclusive charge on the book debt and receivables of the company
Term Loans from a Financial Institution - 6	**37.25**	62.08	Repayable in 36 monthly installments from 5 October 2022.	Secured by exclusive first charge on the loan portfolio of the borrower by way of hypothecation on the loan installments receivables created from of the proceeds of the facility.
Term Loans from a Financial Institution - 7	**36.35**	50.00	Repayable in 11 Quarterly installments from 10 July 2023.	Secured by Exclusive first charge by way of hypothecation of book debts and receivables charged exclusive for the loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 8	**80.00**	120.00	Repayable in 20 Quarterly installments from 30 June 2021.	Exclusive charge by way of hypothecation of the specific receivables/book debts. Liquid collateral of 10% of the sanctioned amount.

(₹ In Crores)

15 Borrowings (other than debt securities) (at amortised cost): *(Continued)*

15.1 Details of terms of repayment in respect of term loans: *(Continued)*

	As at 31 March 2024	As at 31 March 2023	**Terms of redemption/ repayment**	**Security**
Term loans from others *(Continued)*				
Term Loans from a Financial Institution - 9	**75.00**	135.00	Repayable in 30 monthly installments from 10 January 2023.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 10	**75.70**	129.10	Repayable in 31 monthly installments from 10 February 2023.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 11	**53.53**	85.05	Repayable in 36 monthly installments from 10 October 2022.	Secured by hypothecation of specific book debts created out of the loan availed.
Term Loans from a Financial Institution - 12	**21.88**	-	Repayable in 8 Quarterly installments from 31 March 2024	Secured by exclusive charge on the book debt and receivables of the company.
Term Loans from a Financial Institution - 13	**66.67**	-	Repayable in 36 monthly installments from 5 October 2023.	Secured by exclusive first charge on the loan portfolio of the borrower by way of hypothecation on the loan installments receivables created from of the proceeds of the facility.
Term Loans from a Financial Institution - 14	**175.00**	-	Bullet Repayment on 11 December 2026.	Secured by Exclusive first charge by way of hypothecation of book debts and receivables charged exclusive for the loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 15	**72.72**	-	Repayable in 11 quarterly installments from 01 April, 2024	First and exclusive charge by way of Hypothecation on standard book debts
Term Loans from a Financial Institution - 16	**52.00**	-	Repayable in 33 Monthly installments from 31 May 2024	First and exclusive charge by way of Hypothecation on standard book debts
Term Loans from a Financial Institution - 17	**45.09**	-	Repayable in 36 Monthly installments from 05 December 2023	First and exclusive charge by way of Hypothecation over the standard loan receivables
Term Loans from a Financial Institution - 18	**79.51**	-	Repayable in 33 monthly installments from 10 March 2024.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 19	**100.00**	-	Repayable in 33 monthly installments from 10 June 2024.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 20	**118.00**	-	Repayable in 33 monthly installments from 10 June 2024.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Total term loans from others	**1,142.02**	678.40		

Note (ii):
Interest rate ranges from 7.50% p.a. to 11.90% p.a. as at 31 March 2024.
Interest rate ranges from 7.50% p.a. to 11.50% p.a. as at 31 March 2023.

(₹ In Crores)

16 Subordinated liabilities (at amortised cost): *(Continued)*

16.1 Details of terms of repayment in respect of subordinated liabilities:

	As at 31 March 2024	As at 31 March 2023	**Terms of redemption/ repayment**	**Security**
Subordinated liabilities				
50, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 100 lakhs each	**50.00**	50.00	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
500, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 10 lakhs each	**50.00**	50.00	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years	N.A.
250, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 10 lakhs each	**25.00**	25.00	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
3500, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 1 lakhs each	**35.00**	35.00	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years	N.A.
5000, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 1 lakhs each	**50.00**	50.00	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
5000, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 1 lakhs each	**50.00**	50.00	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
5000, 10.75% rated, listed, subordinated, unsecured, redeemable, taxable, transferable, non-convertible debentures of ₹ 1 lakhs each	**50.00**	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
Total subordinated liabilities	**310.00**	260.00		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
AS AT 31 MARCH 2024

(₹ In Crores)

		As at 31 March 2024	As at 31 March 2023
17	**Other financial liabilities**		
	Interest accrued but not due on borrowings	31.87	70.36
	Dues to the assignees towards collections from assigned receivables	178.97	211.29
	Advances received against loan agreements	2.10	1.62
	Unpaid dividend on equity shares (Refer note below)	0.02	0.02
	Dealer advances	7.12	5.13
	Lease liability	2.99	1.14
	Liabilities for expenses	8.13	1.43
	Other payable	22.05	14.66
	Total other financial liabilities	253.25	305.65

Note :
There are no amounts that are due and remain unpaid to Investor Education and Protection Fund as at the close of the year.

		As at 31 March 2024	As at 31 March 2023
18	**Provisions**		
	Provision for employee benefits (Refer note 40)		
	Compensated absences	0.27	0.16
	Provision for unspent CSR liability	9.82	9.32
	Total provisions	10.09	9.48
19	**Other non-financial liabilities**		
	Statutory remittances	4.63	3.24
	Financial guarantee liability	-	0.01
	Income received in advance	1.81	1.01
	Total other non-financial liabilities	6.44	4.26

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
AS AT 31 MARCH 2024

(₹ In Crores)

		As at 31 March 2024	As at 31 March 2023
20	**Equity share capital**		
	Authorized shares:		
20,00,00,000	Equity Shares of ₹ 10 each (As at 31 March 2023: 6,40,00,000 Equity Shares of ₹ 10 each)	200.00	64.00
-	0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31 March 2023: 2,20,00,000 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	-	22.00
-	13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31 March 2023: 2,20,00,000 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	-	22.00
-	9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each (As at 31 March 2023: 400 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each)	-	4.00
		200.00	112.00
	Issued, subscribed and fully paid-up shares:		
16,39,86,129	Equity Shares of ₹ 10 each fully paid-up (As at 31 March 2023: 5,46,62,043 Equity Shares of ₹ 10 each)	163.99	54.66
		163.99	54.66

Note :
1. During the current year, pursuant to the approval of shareholders at the Extra Ordinary General Meeting held on February 09, 2024, the Authorized Share Capital of the Company comprising of Rs. 112,00,00,000/- (Rupees One Hundred and Twelve Crores Only) divided into 6,40,00,000 (Six Crores and Forty Lakh) Equity Shares of Rs.10 (Rupees Ten Only) each, 400 (Four Hundred) - 9.75% Compulsorily Convertible Cumulative Preference Shares of Rs.1,00,000 (Rupees One Lakh Only) each, 2,20,00,000 (Two Crore Twenty Lakh) 0.01% Compulsorily Convertible Cumulative Preference Shares of Rs.10 (Rupees Ten Only) each and 2,20,00,000 (Two Crore Twenty Lakh) - 13.31% Compulsorily Convertible Cumulative Preference Shares of Rs.10 (Rupees Ten Only) each was reclassified into Rs. 112,00,00,000/- (Rupees One Hundred and Twelve Crores Only) divided into 11,20,00,000 (Eleven Crores and Twenty Lakh) Equity Shares of Rs.10 (Rupees Ten Only) each.

2. During the current year, pursuant to the approval of shareholders at the Extra Ordinary General Meeting held on February 09, 2024, the Authorised share capital of the Company has been increased from Rs. 112,00,00,000/- (Rupees One Hundred and Twelve Crores Only) divided into 11,20,00,000 (Eleven Crores and Twenty Lakh) Equity Shares of Rs. 10 (Rupees Ten Only) each to Rs. 200,00,00,000/- (Rupees Two Hundred Crores Only) divided into 20,00,00,000 (Twenty Crores) Equity Shares of Rs.10 (Rupees Ten Only) each.

20.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	**(₹ in Crores)**	No. of Shares	(₹ in Crores)
Equity Shares				
Outstanding at the beginning of the year	**5,46,62,043**	**54.66**	5,46,62,043	54.66
Add: Bonus shares issued during the year	**10,93,24,086**	**109.32**	-	-
Outstanding at the end of the year	**16,39,86,129**	**163.99**	5,46,62,043	54.66

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*

AS AT 31 MARCH 2024

(₹ In Crores)

20 Equity share capital *(Continued)*

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

Class of shares / Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	Number of shares held	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity shares				
Shweta Kamlesh Gandhi	4,90,15,350	29.89%	1,63,38,450	29.89%
Mukesh C. Gandhi (Refer note below)	4,84,70,442	29.56%	1,61,56,814	29.56%
Kamlesh C. Gandhi	1,90,21,524	11.60%	63,40,508	11.60%
Vistra ITCL I Ltd Business Excellence Trust III India Business	1,21,33,737	7.40%	40,44,579	7.40%

Note: Mr. Mukesh C. Gandhi has passed away on 19 January 2021.

20.3 The Company has neither allotted any share pursuant to contracts without payment being received in cash nor has it bought back any shares during the preceding period of 5 financial years.

20.4 Terms / rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

20.5 Details of shares held by promoters (including promoter group) of the Company:

Promoter and promoter group name	Shares held by promoters at 31 March 2024		Shares held by promoters at 31 March 2023		% Change during the current year (23-24) #
	No. of Shares	**% of total shares**	No. of Shares	% of total shares	
Equity shares					
Shweta Kamlesh Gandhi	**4,90,15,350**	**29.89%**	1,63,38,450	29.89%	200.00%
Mukesh C. Gandhi (Refer note below)	**4,84,70,442**	**29.56%**	1,61,56,814	29.56%	200.00%
Kamlesh C. Gandhi	**1,90,21,524**	**11.60%**	63,40,508	11.60%	200.00%
Prarthana Marketing Private Limited	**39,52,671**	**2.41%**	13,17,557	2.41%	200.00%
Anamaya Capital Llp	**2,99,982**	**0.18%**	99,994	0.18%	200.00%
Dhvanil K. Gandhi	**1,05,831**	**0.06%**	35,277	0.06%	200.00%
Dhriti K. Gandhi	**36,162**	**0.02%**	12,054	0.02%	200.00%

Note: Mr. Mukesh C. Gandhi has passed away on 19 January 2021.

During the current year, pursuant to the approval of shareholders at the Extra Ordinary General Meeting held on February 09, 2024, the Company has issued 10,93,24,086 (Ten Crore Ninety Three Lakh Twenty Four Thousand and Eighty Six) fully paid up Equity Shares of Rs. 10/- each as Bonus Shares in the ratio of 2:1 (2 Bonus shares for every 1 equity shares held on February 22, 2024) by utilizing Securities Premium Account. These Equity shares have been alloted on February 24, 2024.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
AS AT 31 MARCH 2024

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
21 Other equity (Refer note 21.1)		
Reserve u/s. 45-IC of RBI Act, 1934		
Outstanding at the beginning of the year	**252.10**	211.91
Additions during the year	**49.55**	40.19
Outstanding at the end of the year	**301.65**	252.10
Securities premium		
Outstanding at the beginning of the year	**426.87**	426.87
Additions during the year	**-**	-
Deductions during the year (On issue of bonus shares)	**(109.32)**	-
Outstanding at the end of the year	**317.55**	426.87
Retained earnings		
Outstanding at the beginning of the year	**674.61**	533.21
Profit for the year	**247.75**	200.96
Item of other comprehensive income recognised directly in retained earnings		
On defined benefit plan	**(0.39)**	0.04
	921.97	734.21
Appropriations:		
Transfer to reserve u/s. 45-IC of RBI Act,1934	**(49.55)**	(40.19)
Final dividend on equity shares (Refer note 21.2)	**(10.11)**	(9.57)
Interim dividend on equity shares (Refer note 21.2)	**(16.40)**	(9.84)
Total appropriations	**(76.06)**	(59.60)
Retained earnings	**845.91**	674.61
Other comprehensive income		
Outstanding at the beginning of the year	**97.49**	113.94
Loans and advances fair valued through other comprehensive Income	**21.57**	(26.05)
Impairment on loans and advances through OCI	**26.23**	3.04
Income tax relating to items that will be reclassified to profit or loss	**(5.43)**	6.56
Other comprehensive income for the year, net of tax	**139.86**	97.49
Total other equity	**1,604.97**	1,451.07

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
AS AT 31 MARCH 2024

(₹ In Crores)

21 Other equity *(Continued)*

21.1 Nature and purpose of reserve

1 Reserve u/s. 45-IC of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934")
Reserve u/s. 45-IC of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

2 Securities premium
Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 of the Act.

3 Retained earnings
Retained earnings is the accumulated available profit of the Company carried forward from earlier years. These reserve are free reserves which can be utilised for any purpose as may be required.

The Company recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings with separate disclosure, which comprises of:
i) actuarial gains and losses;
ii) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
iii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

4 Other comprehensive income

On equity investments
The Company has elected to recognise changes in the fair value of investments in equity securities (other than investment in subsidiary) in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

On loans
The Company has elected to recognise changes in the fair value of loans and advances in other comprehensive income. These changes are accumulated within the FVOCI - loans and advances reserve within equity. The Company transfers amounts from this reserve to the statement of profit and loss when the loans and advances are sold. Further, impairment loss allowances on the loans are recognised in OCI.

21.2 Equity dividend paid and proposed

	31 March 2024	31 March 2023
Declared and paid during the year (Pre Bonus)		
Dividends on equity shares:		
Final dividend for 31 March 2023: ₹ 1.85 per share (31 March 2022: ₹ 1.75 per share)	**10.11**	9.57
Interim dividend for 31 March 2024: ₹ 3 per share (31 March 2023 : ₹ 1.80 per share)	**16.40**	9.84
Total dividends paid	**26.51**	19.41

	31 March 2024	31 March 2023
Proposed for approval at Annual General Meeting (not recognised as a liability)		
Dividend on equity shares:		
Final dividend for 31 March 2024: ₹ 0.51 per share (31 March 2023: ₹ 1.85 per share)	**8.36**	10.11

Note : During the F.Y 2023-24 Company has paid the interim dividend of ₹ 3 per share - pre bonus - (₹ 1 ex-bonus). Additionally, the Board has proposed the final dividend @ 5.10% i.e. ₹ 0.51 per share subject to the approval of the Members in the ensuing Annual General Meeting.

(₹ In Crores)

22 Interest income

	Year ended 31 March 2024				Year ended 31 March 2023			
	On Financial assets measured at FVOCI	**On Financial assets measured at Amortised Cost**	**On Financial Assets classified at fair value through profit or loss**	**Total**	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	On Financial Assets classified at fair value through profit or loss	Total
Interest on loans	872.93	11.92	-	884.85	682.01	5.53	-	687.54
Interest income from investments	-	76.80	-	76.80	-	50.37	1.35	51.72
Interest on deposits with banks	-	55.08	-	55.08	-	37.84	-	37.84
Other interest income	5.55	-	-	5.55	3.69	16.54	-	20.23
Total	878.48	143.80	-	1,022.28	685.70	110.28	1.35	797.33

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

		Year ended 31 March 2024	Year ended 31 March 2023
23	**Net gain on fair value changes**		
	Net gain on financial instruments at fair value through profit or loss - investments	12.57	21.49
	Fair value changes:		
	- Realised	10.09	18.75
	- Unrealised	2.48	2.74
	Total	12.57	21.49
24	**Other income**		
	Rental income	0.10	0.10
	Net gain/(loss) on derecognition of property, plant and equipment	-	0.10
	Dividend income	1.26	1.12
	Net gain on sale of investments measured at amortized cost	4.84	1.35
	Gain on derecognition of leased asset	0.02	-
	Gain on foreign currency transactions	0.06	-
	Income from non-financing activity	1.14	0.33
	Total	7.42	3.00
25	**Finance cost (On financial liabilities measured at amortised cost)**		
	Interest on debt securities	52.29	51.76
	Interest on borrowings	502.38	348.21
	Interest on subordinated liabilities	29.55	14.70
	Other interest expense	0.01	35.84
	Other borrowing cost	29.74	24.22
	Lease liability interest obligation	0.19	0.09
	Total	614.16	474.82
26	**Impairment on financial assets**		
	Loans		
	- Expected credit loss (On financial instruments measured at FVOCI)	26.23	3.04
	- Expected credit loss (On financial instruments measured at amortised cost)	(0.25)	0.22
	- Write off (net of recoveries)	48.13	42.65
	- Loss on repossessed assets	15.50	7.40
	Investments		
	- Expected credit loss (On financial instruments measured at amortised cost)	(0.06)	(0.31)
	Total	89.55	53.00

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

		Year ended 31 March 2024	Year ended 31 March 2023
27	**Employee benefits expense**		
	Salaries and wages	**81.83**	57.74
	Contribution to provident fund and other funds (Refer note 40(a))	**2.46**	1.87
	Gratuity expense (Refer note 40(b))	**0.65**	0.66
	Staff welfare expenses	**2.11**	2.22
	Total	**87.05**	62.49
28	**Depreciation, amortization and impairment**		
	Depreciation on property, plant and equipment	**2.72**	1.90
	Amortisation of intangible assets	**0.52**	0.23
	Depreciation on Right-of-use asset	**0.57**	0.27
	Total	**3.81**	2.40
29	**Other expenses**		
	Rent	**3.97**	3.25
	Rates and taxes	**0.22**	0.19
	Stationery and printing	**1.28**	0.90
	Telephone	**0.75**	0.60
	Electricity	**1.35**	0.97
	Postage and courier	**1.35**	0.97
	Insurance	**1.15**	0.89
	Conveyance	**1.75**	1.25
	Travelling	**3.68**	2.90
	Repairs and maintenance :		
	Building	**0.31**	0.58
	Others	**0.99**	1.15
	Professional fees	**9.35**	6.50
	Payment to auditors (Refer note below)	**0.57**	0.46
	Directors' sitting fees	**0.37**	0.10
	Legal expenses	**2.19**	1.86
	Bank charges	**2.85**	1.46
	Advertisement expenses	**1.63**	0.99
	Sales promotion expenses	**0.35**	0.44
	Recovery contract charges	**0.06**	0.11
	Corporate social responsibility expenditure (Refer note 33)	**4.46**	4.26
	Credit guarantee fees	**6.76**	2.13
	Miscellaneous expenses	**4.39**	2.48
	Total	**49.78**	34.44
	Note: Payment to auditors		
	As auditor:		
	Statutory audit	**0.24**	0.20
	Limited review of quarterly results	**0.31**	0.26
	Other services	**0.03**	*
		0.58	0.46

* Represents amount less than ₹ 50,000

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

30 Tax expenses

The components of income tax expense for the years ended 31 March 2024 and 31 March 2023 are:

	Year ended 31 March 2024	Year ended 31 March 2023
Current tax	80.89	65.10
Short / (Excess) provision for tax relating to prior years	(0.17)	(2.47)
Deferred tax	2.95	1.11
Total tax charge	83.67	63.74
Current tax	80.72	62.63
Deferred tax	2.95	1.11

30.1 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2024 and 31 March 2023 is, as follows:

	Year ended 31 March 2024	Year ended 31 March 2023
Accounting profit before tax	331.42	264.70
Applicable tax rate	25.17%	25.17%
Computed tax expense	83.42	66.62
Tax effect of :		
Exempted income	(0.32)	(0.30)
Non deductible items	1.12	1.24
Short / (Excess) provision for tax relating to prior years	(0.17)	(2.47)
Others	(0.38)	(1.35)
Tax expenses recognised in the statement of profit and loss	83.67	63.74
Effective tax rate	25.25%	24.08%

30.2 Deferred tax

	As at 31 March 2024	As at 31 March 2023
Deferred tax asset / liability (net)		
The movement on the deferred tax account is as follows:		
At the start of the year DTA / (DTL) (net)	18.22	12.79
Credit / (charge) for loans and advances through OCI	(5.43)	6.56
Credit / (charge) for remeasurement of the defined benefit liabilities	0.13	(0.02)
Credit / (charge) to the statement of profit and loss	(2.95)	(1.11)
At the end of year DTA / (DTL) (net)	9.97	18.22

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

30 Tax expenses *(Continued)*

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

Component of deferred tax asset / (liability)	**As at 31 March 2023**	**Statement of profit and loss**	**OCI**	**As at 31 March 2024**
Deferred tax asset / (liability) in relation to:				
Difference between written down value of fixed assets as per books of accounts and income tax	(0.51)	(0.12)	-	(0.63)
Deferred tax on fair value of investments	(0.02)	(0.62)	-	(0.64)
Impact of fair value of assets	5.50	0.00	(5.43)	0.07
Income taxable on realised basis	(8.68)	(3.95)	-	(12.63)
Deferred tax on prepaid finance charges	(4.09)	(5.18)	-	(9.27)
Impairment on financial assets	26.10	6.52	-	32.62
Recognition of lease liability and right to use asset	0.02	0.02	-	0.04
Expenses allowable on payment basis	(0.10)	0.38	0.13	0.41
Total	**18.22**	**(2.95)**	**(5.30)**	**9.97**

Component of deferred tax asset / (liability)	**As at 31 March 2022**	**Statement of profit and loss**	**OCI**	**As at 31 March 2023**
Deferred tax asset / (liability) in relation to:				
Difference between written down value of fixed assets as per books of accounts and income tax	(0.44)	(0.07)	-	(0.51)
Deferred tax on fair value of investments	(0.02)	-	-	(0.02)
Impact of fair value of assets	(1.06)	-	6.56	5.50
Income taxable on realised basis	(10.82)	2.14	-	(8.68)
Deferred tax on prepaid finance charges	(0.29)	(3.80)	-	(4.09)
Impairment on financial assets	25.35	0.75	-	26.10
Recognition of lease liability and right to use asset	0.01	0.01	-	0.02
Expenses allowable on payment basis	0.06	(0.14)	(0.02)	(0.10)
Total	**12.79**	**(1.11)**	**6.54**	**18.22**

30.3

Current tax liabilities	**As at 31 March 2024**	As at 31 March 2023
Provision for tax [net of advance tax of ₹ 76.59 crores (31 March 2023: ₹ 63.24 crores)]	**4.29**	1.86

30.4

Income tax assets	**As at 31 March 2024**	As at 31 March 2023
Income tax assets [net of provision for tax of ₹ 2.52 crores (31 March 2023: ₹ 2.52 crores)]	**2.52**	2.52

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

	Year ended 31 March 2024	Year ended 31 March 2023
31 Earnings per share		
(A) Basic earnings per share		
Net profit for the year attributable to equity shareholders (basic)	**247.75**	200.96
Weighted average number of equity shares of ₹ 10 each (Refer note below)	**16,39,86,129**	16,39,86,129
Basic earnings per share of face value of ₹ 10 each (in ₹)	**15.11**	12.25
(B) Diluted earnings per share		
Net profit for the year attributable to equity shareholders (diluted)	**247.75**	200.96
Weighted average number of equity shares of ₹ 10 each (Refer note below)	**16,39,86,129**	16,39,86,129
Diluted earnings per share of face value of ₹ 10 each (in ₹)	**15.11**	12.25

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

(₹ In Crores)

32 Contingent liabilities and commitments (to the extent not provided for)

	As at 31 March 2024	As at 31 March 2023
(A) Contingent liabilities		
I) In respect of disputed income-tax matters : (Refer note i)	**0.12**	0.12
II) Guarantees given on behalf of subsidiary company: (Refer note ii)		
To National Housing Bank ("NHB")		
Amount of guarantees ₹ 5 crores (31 March 2023: ₹ 5 crores)		
Amount of loan outstanding	**0.46**	0.79
(B) Commitments		
I) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Property, plant & equipment and Capital work in progress	**0.12**	1.39
II) Loan commitments for sanctioned but not disbursed amount	**-**	-

Notes:
i) After adjusting the amount of refund claimed by the company amounting Rs. 0.33 Crore.
ii) Guarantees have been given by the Company to NHB on behalf of the subsidiary company for the loan taken and accordingly, the same has been shown as contingent liability.

33 Corporate social responsibility ("CSR") expenses:

The average profit before tax of the Company for the last three financial years was ₹ 223.09 crores, basis which the Company was required to spend ₹ 4.46 crores towards CSR activities for the current financial year (31 March 2023: ₹ 4.26 crores).

a) Amount spent during the year on:

Particulars	**31 March 2024**			31 March 2023		
	Amount Spent	**Amount Unpaid/ provision**	**Total**	Amount Spent	Amount Unpaid/ provision	Total
Construction / acquisition of any asset	**-**	**-**	**-**	-	-	-
On purpose other than (i) above	**0.37**	**4.09**	**4.46**	0.28	3.98	4.26

b) The Company has not made any transaction with related parties in relation to CSR expenditure as per Ind AS 24.

c) In case of Section 135(6): Details of on-going projects

F.Y.	Opening balance		Amount required to be spent during the year	Amount spent		Closing Balance	
	With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
2023-24	**-**	**9.32**	**4.46**	**0.37**	**3.60**	**4.09**	**5.72**
2022-23	-	6.91	4.26	0.28	1.57	3.98	5.34
2021-22	-	3.84	4.41	0.42	0.92	3.99	2.92
2020-21	Nil	N.A.	4.18	0.34	-	3.84	-

Note: Unspent CSR amount of ₹ 3.98 crores for FY 2022-23 was deposited in unspent CSR bank account on 27 April 2023. Unspent amount of ₹ 4.09 crores available with the Company is transferred to an unspent CSR account on 29 April 2024.

(d) Reason for shortfall: The Company has on-going projects and it is spending the said amount as per pre-approved on-going projects. For more details, refer annexure of Director's report on CSR.

(e) Nature of CSR activities: Promoting education, eradicating hunger, poverty & malnutrition, promoting health care and such other activities. For more details, refer annexure of Director's report on CSR.

34 Segment reporting:

Operating segment are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

35 Related party disclosures:

(a) Related party disclosures as required by Ind AS 24 - Related Party Disclosures.

List of related parties and relationships:

Sr. No.	Nature of relationship	
1	Subsidiary	MAS Rural Housing & Mortgage Finance Limited
		MASFIN Insurance Broking Private Limited
2	Key management personnel ("KMP")	Mr. Kamlesh C. Gandhi (Chairman and managing director)
	(where there are transactions)	Mrs. Darshana S. Pandya (Director and chief executive officer)
		Mr. Balabhaskaran Nair (Independent director) (retired w.e.f 31 March 2024)
		Mr. Umesh Shah (Independent director)
		Mr. Chetanbhai Shah (Independent director) (retired w.e.f 31 March 2024)
		Mr. Narayanan Sadanandan (appointed w.e.f 21 June 2023)
		Mrs. Daksha Shah (Independent director)
3	Other related parties	Prarthna Marketing Private Limited
	(where there are transactions)	Anamaya Capital LLP
		Mr. Kamlesh C. Gandhi (As Executor of will of Late Mr. Mukesh C. Gandhi, relative of KMP)
		Mrs. Shweta K. Gandhi (relative of KMP)
		Mr. Dhvanil K. Gandhi (relative of KMP)
		Mr. Saumil D. Pandya (relative of KMP)
		Ms. Dhriti K. Gandhi (relative of KMP)
		Umesh Rajanikant Shah HUF (relative of KMP)
		Pauravi Umesh Shah (relative of KMP)

Transactions with related parties are as follows:

	Year ended 31 March 2024			
	Subsidiary	**Key management personnel**	**Other related parties**	**Total**
Rent income	**0.10**	**-**	**-**	**0.10**
Net recovery charges received	**0.01**	**-**	**-**	**0.01**
Expenditure reimbursed	**1.04**	**-**	**-**	**1.04**
Remittances of collection received on behalf of	**-**	**-**	**-**	**-**
Cross Charges Payment for professional services	**0.13**	**-**	**-**	**0.13**
Remuneration (including bonus) (Net of Cross Charges)	**-**	**7.19**	**1.22**	**8.41**
Dividend received	**1.26**	**-**	**-**	**1.26**
Dividend paid	**-**	**3.09**	**16.48**	**19.57**
Investment	**15.00**	**-**	**-**	**15.00**
Sitting fees	**-**	**0.34**	**-**	**0.34**

	Year ended 31 March 2023			
	Subsidiary	Key management personnel	Other related parties	Total
Rent income	0.10	-	-	0.10
Net recovery charges received	0.02	-	-	0.02
Expenditure reimbursed	*	-	-	-
Remittances of collection received on behalf of	0.10	-	-	0.10
Cross Charges Payment for professional services	0.13	-	-	0.13
Remuneration (including bonus) (Net of Cross Charges)	-	5.74	0.95	6.69
Dividend received	1.12	-	-	1.12
Dividend paid	-	2.26	12.06	14.32
Investment	0.35	-	-	0.35
Sitting fees	-	0.09	-	0.09

* Represents amount less than ₹ 50,000

Balances outstanding from related parties are as follows:

	As at 31 March 2024			
	Subsidiary	**Key management personnel**	**Other related parties**	**Total**
Bonus payable	**-**	**0.39**	**0.03**	**0.42**
Investment	**61.55**	**-**	**-**	**61.55**
Guarantees outstanding	**0.46**	**-**	**-**	**0.46**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

35 Related party disclosures: *(Continued)*

(a) Related party disclosures as required by Ind AS 24 - Related Party Disclosures. *(Continued)*

	As at 31 March 2023			
	Subsidiary	Key management personnel	Other related parties	Total
Bonus payable	-	0.31	0.03	0.34
Investment	46.55	-	-	46.55
Guarantees outstanding	0.79	-	-	0.79

Financial guarantee commission income amounts to less than ₹ 50,000 during the year (31 March 2023: ₹ 0.01 Crore) on account of fair valuation of corporate financial guarantee given to bank on behalf of subsidiary.

All transactions with these related parties are priced on an arm’s length basis. None of the balances are secured.

Key managerial personnel who are under the employment of the Company are entitled to post employment benefits and other employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements.

Compensation to key management personnel are as follows:

	Year ended 31 March 2024	Year ended 31 March 2023
Short-term employee benefits	**7.19**	5.74
Post-employment benefits	**0.02**	0.02
Other long term employment benefits	**0.01**	(0.01)
	7.22	5.75

The remuneration of key management personnel are determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

36 Offsetting

Following table represents the recognised financial assets that are offset, or subject to enforceable master netting arrangements and other similar arrangements but not offset, as at 31 March 2024 and 31 March 2023. The column 'net amount' shows the impact of the Company's balance sheet if all the set-off rights were exercised.

	Effect of offsetting on the balance sheet			**Related amount not offset**	
	Gross amounts	**Gross amount offset in balance sheet (refer note 1)**	**Net amount presented in balance sheet**	**Financial instrument collateral (refer note 2)**	**Net amount**
31 March 2024					
Loans and advances	7,277.40	12.57	7,264.83	-	7,264.83
31 March 2023					
Loans and advances	5,919.64	9.48	5,910.16	-	5,910.16

Note:
1. ₹ 12.57 crores (31 March 2023: ₹ 9.48 crores) represents advances received against loan agreements.
2. Represents security deposits received from borrowers.

37 Events after the reporting period

Ind AS 10 ‘Events after the Reporting Period’, requires an entity to evaluate information available after the balance sheet date to determine if such information constitutes an adjusting event, which would require an adjustment to the financial statements, or a non-adjusting event, which would only require disclosure. There have been no events after the reporting date that require disclosure in these financial statements.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

38 Revenue from contracts with customers

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to the statement of profit and loss:

	Year ended 31 March 2024	Year ended 31 March 2023
Type of income		
Fees and commission income	**65.33**	49.98
Total revenue from contracts with customers	**65.33**	49.98
Geographical markets		
India	**65.33**	49.98
Outside India	**-**	-
Total revenue from contracts with customers	**65.33**	49.98
Timing of revenue recognition		
Services transferred at a point in time	**65.33**	49.98
Services transferred over time	**-**	-
Total revenue from contracts with customers	**65.33**	49.98

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

39 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

	As at 31 March 2024			As at 31 March 2023		
	Within 12 months	**After 12 months**	**Total**	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	178.02	-	**178.02**	237.86	-	237.86
Bank balance other than cash and cash equivalents	640.84	23.43	**664.27**	57.78	475.99	533.77
Trade receivables	6.52	-	**6.52**	4.27	-	4.27
Loans	4,387.81	2,877.02	**7,264.83**	3,574.16	2,336.00	5,910.16
Investments	509.21	278.50	**787.71**	478.41	347.71	826.12
Other financial assets	54.59	21.21	**75.80**	46.38	13.86	60.24
Non-financial assets						
Income tax assets (net)	-	2.52	**2.52**	-	2.52	2.52
Deferred tax assets (net)	-	9.97	**9.97**	-	18.22	18.22
Property, plant and equipment	-	18.63	**18.63**	-	13.95	13.95
Capital work-in-progress	-	69.80	**69.80**	-	57.66	57.66
Right-of-use asset	0.78	2.04	**2.82**	0.31	0.75	1.06
Intangible assets under development	-	0.24	**0.24**	-	0.33	0.33
Other intangible assets	-	1.01	**1.01**	-	1.03	1.03
Other non-financial assets	27.06	0.04	**27.10**	10.79	-	10.79
Total assets	**5,804.83**	**3,304.41**	**9,109.24**	4,409.96	3,268.02	7,677.98

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

39 Maturity analysis of assets and liabilities: *(Continued)*

	As at 31 March 2024			As at 31 March 2023		
	Within 12 months	**After 12 months**	**Total**	Within 12 months	After 12 months	Total
LIABILITIES						
Financial liabilities						
Trade payables	15.74	-	**15.74**	11.64	-	11.64
Other payables	1.14	-	**1.14**	1.84	-	1.84
Debt securities	105.71	521.15	**626.86**	522.26	105.00	627.26
Borrowings (other than debt securities)	3,065.32	3,055.04	**6,120.36**	2,624.76	2,332.80	4,957.56
Subordinated liabilities	-	302.11	**302.11**	-	252.70	252.70
Other financial liabilities	249.11	4.14	**253.25**	301.63	4.02	305.65
Non-financial liabilities						
Current tax liabilities (net)	4.29	-	**4.29**	1.86	-	1.86
Provisions	9.88	0.21	**10.09**	9.36	0.12	9.48
Other non-financial liabilities	6.44	-	**6.44**	4.26	-	4.26
Total liability	**3,457.62**	**3,882.66**	**7,340.28**	3,477.60	2,694.65	6,172.25
Net	**2,347.21**	**(578.25)**	**1,768.96**	932.36	573.37	1,505.73

(₹ In Crores)

40 Employee benefit plan

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefits are as under:

(a) Defined contribution plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Company's contribution to provident fund aggregating ₹ 2.17 crores (31 March 2023: ₹ 1.61 crores) and employee state insurance scheme aggregating ₹ 0.11 crores (31 March 2023: ₹ 0.12 crores) has been recognised in the statement of profit and loss under the head employee benefits expense.

(b) Defined benefit plan:

Gratuity

Financial assets not measured at fair value

The Company operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

40 Employee benefit plan *(Continued)*

(b) Defined benefit plans: *(Continued)*

The status of gratuity plan as required under Ind AS 19 is as under:

(₹ In Crores)

	As at 31 March 2024	As at 31 March 2023
i. Reconciliation of opening and closing balances of defined benefit obligation		
Present value of defined benefit obligations at the beginning of the year	**3.94**	3.42
Current service cost	**0.71**	0.68
Interest cost	**0.26**	0.23
Benefits paid	**(0.13)**	(0.20)
Re-measurement (or Actuarial) (gain) / loss arising from:		
Change in demographic assumptions	**(0.10)**	(0.14)
Change in financial assumptions	**0.03**	(0.06)
Experience adjustments	**0.65**	0.01
Present value of defined benefit obligations at the end of the year	**5.36**	3.94
ii. Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at the beginning of the year	**4.48**	3.34
Interest income	**0.33**	0.25
Return on plan assets excluding amounts included in interest income	**0.06**	(0.13)
Contributions by the Company	**1.85**	1.22
Benefits paid	**(0.13)**	(0.20)
Fair value of plan assets at the end of the year	**6.59**	4.48
iii. Reconciliation of the present value of defined benefit obligation and fair value of plan assets		
Present value of defined benefit obligations at the end of the year	**5.36**	3.94
Fair value of plan assets at the end of the year	**6.59**	4.48
Net asset / (liability) recognized in the balance sheet as at the end of the year	**1.23**	0.54

iv. Composition of plan assets
100% of plan assets are administered by LIC.

	Year ended 31 March 2024	Year ended 31 March 2023
v. Expense recognised during the Year		
Current service cost	**0.71**	0.68
Interest cost	**(0.06)**	(0.02)
Expenses recognised in the statement of profit and loss	**0.65**	0.66
vi. Other comprehensive income		
Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	**0.03**	(0.06)
Due to change in demographic assumption	**(0.10)**	(0.14)
Due to experience adjustments	**0.65**	0.01
Return on plan assets excluding amounts included in interest income	**(0.06)**	0.13
Components of defined benefit costs recognised in other comprehensive income	**0.52**	(0.06)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

40 Employee benefit plan *(Continued)*

(b) Defined benefit plans: *(Continued)*

	As at 31 March 2024	As at 31 March 2023
vii. Principal actuarial assumptions		
Discount rate (per annum)	7.15%	7.30%
Rate of return on plan assets (p.a.)	7.15%	7.30%
Annual increase in salary cost	8.00%	8.00%
Withdrawal rates per annum		
25 and below	35.00%	30.00%
26 to 35	30.00%	25.00%
36 to 45	25.00%	20.00%
46 to 55	20.00%	15.00%
56 and above	20.00%	15.00%

The discount rate is based on the prevailing market yields of Government of India's bond as at the balance sheet date for the estimated term of the obligations.

viii. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	Year ended 31 March 2024	Year ended 31 March 2023
Defined benefit obligation (Base)	**5.36**	3.94

	Year ended 31 March 2024		Year ended 31 March 2023	
	Decrease	**Increase**	Decrease	Increase
Discount rate (- / + 0.5%)	**5.46**	**5.26**	4.03	3.85
(% change compared to base due to sensitivity	**1.89%**	**-1.82%**	2.21%	-2.41%
Salary growth rate (- / + 0.5%)	**5.27**	**5.45**	3.86	4.01
(% change compared to base due to sensitivity)	**-1.60%**	**1.62%**	-2.11%	1.86%
Withdrawal rate (W.R.) (W.R. x 90% / W.R. x 110%)	**5.42**	**5.30**	3.96	3.91
(% change compared to base due to sensitivity)	**1.11%**	**-1.03%**	0.51%	-0.78%

ix. Asset liability matching strategies

The Company contributes to the insurance fund based on estimated liability of next financial year end. The projected liability statements is obtained from the actuarial valuer.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

40 Employee benefit plan *(Continued)*

(b) Defined benefit plans: *(Continued)*

x. Effect of plan on the Company's future cash flows

a) Funding arrangements and funding policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Maturity profile of defined benefit obligation

The average outstanding term of the obligations (years) as at 31st March 2024 is 4.10 years.(31st March 2023 : 5.11 years)

	Cash flows (₹) as at	
Expected cash flows over the next (valued on undiscounted basis):	**31-Mar-24**	**31-Mar-23**
1st Following Year	**1.19**	0.71
2nd Following year	**0.98**	0.61
3rd Following Year	**0.82**	0.56
4th Following Year	**0.70**	0.49
5th Following Year	**0.69**	0.44
Sum of years 6 to 10	**1.95**	1.71

The future accrual is not considered in arriving at the above cash-flows.

The expected contribution for the next year is ₹ 0.90 crores.

(c) Other long term employee benefits

	As at 31 March 2024	As at 31 March 2023
Discount Rate	7.15%	7.30%
Salary Growth Rate	8.00%	8.00%
Mortality Rates base	Indian Assured Lives mortality (2012-14)	Indian Assured Lives mortality (2012-14)

The Company has not funded its compensated absences liability and the same continues to remain as unfunded as at March 31, 2023.

The liability for compensated absences is ₹ 0.27 crores (31 March 2023: ₹ 0.16 crores).

Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the provident fund Act and the gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry of Labour and Employment. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

(₹ In Crores)

41 Financial instrument and fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

This note describes the fair value measurement of both financial and non-financial instruments.

A. Measurement of fair values

i) Financial instruments - fair value

The fair value of financial instruments as referred to in note (B) below have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

ii) Transfers between levels 1 and 2

There has been no transfer in between level 1 and level 2.

iii) Valuation techniques

Loans

The Company has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last month of the year end which is an unobservable input and therefore these has been considered to be fair valued using level 3 inputs.

Investments measured at FVTPL

Fair values of market linked debentures and mutual funds have been determined under level 1 using quoted market prices(unadjusted) of the underlying instruments. Fair value of investment in alternate investment funds have been determined under level 2 using observable input. For fair value of investment in OCPS of subsidiary, the Company has used incremental borrowing rate and applied discounted cash flow model and accordingly measured under level 3.

B. Accounting classifications and fair values

The carrying amount and fair value of financial instruments including their levels in the fair value hierarchy presented below:

As at 31 March 2024	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	7,144.04	-	-	-	7,144.04	7,144.04
Investments measured at FVTPL	-	-	59.45	6.14	53.31	-	59.45
Derivative financial instruments	-	-	1.91	1.91	-	-	1.91
	-	**7,144.04**	**61.36**				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	178.02	-	-	178.02	-	-	178.02
Bank balance other than cash and cash equivalents	664.27	-	-	664.27	-	-	664.27
Trade receivables	6.52	-	-	-	-	6.52	6.52
Loans measured at amortised cost	120.79	-	-	-	-	121.07	121.07
Investment measured at amortised cost	666.71	-	-	-	-	666.89	666.89
Other financial assets	73.89	-	-	-	-	73.79	73.79
	1,710.20	**-**	**-**				
Financial liabilities not measured at fair value[1]							
Trade payables	15.74	-	-	-	-	15.74	15.74
Other payables	1.14	-	-	-	-	1.14	1.14
Debt securities	626.86	-	-	-	-	643.84	643.84
Borrowings (other than debt securities)	6,120.36	-	-	-	-	6,147.95	6,147.95
Subordinated liabilities	302.11	-	-	-	-	310.00	310.00
Other financial liabilities	253.25	-	-	-	-	253.25	253.25
	7,319.46	**-**	**-**				

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

41 Financial instrument and fair value measurement *(Continued)*

B. Accounting classifications and fair values *(Continued)*

As at 31 March 2023	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	5,828.31	-	-	-	5,828.31	5,828.31
Investments measured at FVTPL	-	-	220.43	181.46	38.97	-	220.43
	-	**5,828.31**	**220.43**				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	237.86	-	-	237.86	-	-	237.86
Bank balance other than cash and cash equivalents	533.77	-	-	533.77	-	-	533.77
Trade receivables	4.27	-	-	-	-	4.27	4.27
Loans measured at amortised cost	81.85	-	-	-	-	82.38	82.38
Investment measured at amortised cost	559.14	-	-	-	-	559.38	559.38
Other financial assets	60.24	-	-	-	-	60.19	60.19
	1,477.13	**-**	**-**				
Financial liabilities not measured at fair value[1]							
Trade payables	11.64	-	-	-	-	11.64	11.64
Other payables	1.84	-	-	-	-	1.84	1.84
Debt securities	627.26	-	-	-	-	634.96	634.96
Borrowings (other than debt securities)	4,957.56	-	-	-	-	4,983.40	4,983.40
Subordinated liabilities	252.70	-	-	-	-	260.00	260.00
Other financial liabilities	305.65	-	-	-	-	305.65	305.65
	6,156.65	**-**	**-**				

[1] The Company has determined that the carrying values of cash and cash equivalents, bank balances (with the residual maturity up to 12 months), trade payables, short term debts and borrowings, cash credit and other current liabilities are a reasonable approximation of their fair value as these are short term in nature.

Reconciliation of level 3 fair value measurement is as follows:

	Year ended 31 March 2024	Year ended 31 March 2023
Loans #		
Balance at the beginning of the year	**5,869.68**	4,556.16
Addition during the year	5,708.31	4,646.20
Amount derecognised / repaid during the year	(4,341.09)	(3,263.98)
Amount written off	(48.13)	(42.65)
Gains/(losses) recognised in other comprehensive income	21.57	(26.05)
Balance at the end of the year	**7,210.34**	5,869.68

The above classification also includes balance of spread receivable on assigned portfolio. (Refer note 10)

Sensitivity analysis to fair value

	Amount, net of tax	
	Increase	**Decrease**
31 March 2024		
Loans		
Interest rates (50 bps movement)	(16.12)	16.19
31 March 2023		
Loans		
Interest rates (50 bps movement)	(12.37)	12.42

(₹ In Crores)

42 Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the regulator, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

42.1 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

42.2 Regulatory capital

	As at 31 March 2024	**As at 31 March 2023**
Tier 1 Capital	**1,515.89**	1,329.70
Tier 2 Capital	**277.21**	285.34
Total Capital (Numerator)	**1,793.10**	1,615.05
Risk weightage assets (Denominator)	**7,454.95**	6,396.60
Risk weighted assets		
Tier 1 Capital Ratio (%)	**20.33%**	20.79%
Tier 2 Capital Ratio (%)	**3.72%**	4.46%
Total Capital Ratio (%)	**24.05%**	25.25%

Tier 1 capital consists of shareholders' equity and retained earnings excluding unrealised gain but including unrealised loss. Tier 2 capital consists of ECL on stage 1 and subordinated debt (subject to prescribed discount rates and not exceeding 50% of Tier 1).

(₹ In Crores)

43 Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets mainly includes loan and advances, cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

43.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Company's loans and investments.

The carrying amounts of financial assets represent the maximum credit risk exposure.

(a) ***Loans and advances***

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before sanctioning any loan. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information, the loan-to-value ratio etc.

Analysis of risk concentration

The following table shows the risk concentration of the Company's loans.

	Carrying Amount	
	As at 31 March 2024	**As at 31 March 2023**
Retail assets loans:	**4,039.93**	**3,026.28**
Two wheeler loans	348.02	317.60
Micro enterprise loans	1,396.38	1,210.59
Salaried personal loans	313.13	247.94
Small and medium enterprise loans	1,606.62	1,080.11
Commercial vehicle loans	375.78	170.04
Retail Assets Channel loans	**3,291.49**	**2,925.78**
Total	**7,331.41**	**5,952.06**

Narrative Description of Collateral

Collateral primarily include vehicles purchased by retail loan customers and machinery & property in case of SME customers. The secured exposure are secured wholly or partly by hypothecation of assets and undertaking to create a security.

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loans are categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments.

(i) Staging:

As per the provision of Ind AS 109, all financial instruments are allocated to stage 1 on initial recognition. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes due by more than 90 days on its contractual payments.

For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifespan of the instrument.

(₹ In Crores)

43 Financial risk management objectives and policies *(Continued)*

43.1 Credit risk *(Continued)*

(a) *Loans and advances (Continued)*

(i) *Staging: (Continued)*

As per Ind AS 109, the Company assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. The Company has staged the assets based on the days past dues criteria and other market factors which significantly impacts the loan portfolio.

Company's internal grades and staging criteria for loans are as follows:

Days past dues status	Stage	Internal grades	Provisions
Current	Stage 1	High Quality assets, negligible credit risk	12 months provision
1-30 Days	Stage 1	High Quality assets, negligible credit risk	12 months provision
31-60 Days	Stage 2	Quality assets, low credit risk	Lifetime provision
61-90 Days	Stage 2	Standard assets, moderate credit risk	Lifetime provision
91-180 Days	Stage 3	Sub-standard assets, relatively high credit risk	Lifetime provision
>180 Days	Stage 3	Low quality assets, very high credit risk	Lifetime provision

(ii) Grouping:

As per Ind AS 109, Company is required to group the portfolio based on the shared risk characteristics. The Company has assessed the risk and its impact on the various portfolios and has divided the portfolio into following groups:

a. Two wheeler loans
b. Micro enterprise loans
c. Salaried personal loans
d. Small and medium enterprise loans
e. Commercial vehicle loans
f. Retail asset channel loans

(iii) ECL:

ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low. ECL is calculated based on the following components:

a. Probability of default ("PD")
b. Loss given default ("LGD")
c. Exposure at default ("EAD")
d. Discount factor ("D")

For RAC loan portfolio, the Company has developed internal rating based approach for the purpose of ECL. The credit rating framework of the Company consists of various parameters based on which RAC loan portfolio is evaluated and credit rating is assigned accordingly. The credit rating matrix developed by the Company is validated in accordance with its ECL policy.

The Company has developed its PD matrix based on the external benchmarking of external reports, external ratings and Basel norms. This PD matrix is calibrated with its historical data and major events on regular time interval in accordance with its ECL policy.

Probability of default:

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from internal data of the Company calibrated with forward looking macroeconomic factors.

For computation of probability of default ("PD"), Vasicek Single Factor Model was used to forecast the PD term structure over lifetime of loans. As per Vasicek model, given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. The Company has worked out PD based on the last five years historical data.

The PDs derived from the Vasicek model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs are converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the Current year.

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.

The probability of default was calculated for 3 scenarios: upside (11%), downside (21%) and base (68%). This weightage has been decided on best practices and expert judgement. Marginal conditional probability was calculated for all 3 possible scenarios and one conditional PD was arrived as conditional weighted probability.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

43 Financial risk management objectives and policies *(Continued)*

43.1 Credit risk *(Continued)*

(a) *Loans and advances (Continued)*

(iii) ECL: *(Continued)*

Loss given default:

LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

Various approaches are available to compute the LGD. The Company has considered workout LGD approach. The following steps are performed to calculate the LGD:

1) Analysis of historical credit impaired accounts at cohort level.
2) The computation consists of four components, which are:
   a) Outstanding balance (POS)
   b) Recovery amount (discounted yearly) by effective interest rate.
   c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using effective interest rate.
   d) Collateral (security) amount.

The formula for the computation is as below:

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total outstanding balance)
% LGD = 1 – recovery rate

For RAC loan portfolio, the LGD has been considered based on Basel-II Framework for all the level of credit rating portfolio.

Exposure at default:

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. The Company has modelled EAD based on the contractual and behavioural cash flows till the lifetime of the loans considering the expected assignment of loans.

The Company has considered expected cash flows for all the loans at DPD bucket level for each of the segments, which was used for computation of ECL. The exposure at default is calculated for each product and for various DPD status after considering future expected assignment which is not at risk. Moreover, the EAD comprised of principal component, accrued interest and also the future interest for the outstanding exposure of retail loans. Further, the EAD for stage 3 retail loans are the outstanding exposures at the time loan is classified as Stage 3 for the first time.

Discounting:

As per Ind AS 109, ECL on retail loans is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

ECL computation:

Conditional ECL at DPD pool level was computed with the following method:

Conditional retail ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt) * discount factor (yt)

Conditional RAC ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt)

For RAC loan portfolio, the Company has calculated ECL based on borrower wise assessment of internal credit rating as per the framework of the Company, while for retail loan portfolio, the same has been calculated on collective basis.

The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of ECL provided for across the stages is summarised below:

	As at 31 March 2024	As at 31 March 2023
Stage 1	**0.42%**	0.53%
Stage 2	**22.74%**	17.76%
Stage 3	**38.92%**	40.20%
Amount of expected credit loss provided for	**129.44**	103.46

The loss rates are based on actual credit loss experience over past 5 years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company’s view of economic conditions over the expected lives of the loan receivables.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

43 Financial risk management objectives and policies *(Continued)*

43.1 Credit risk *(Continued)*

(a) *Loans and advances (Continued)*

(iv) Management overlay

The Company holds a management and macro-economic overlay of ₹ 18.79 crores as at 31 March 2024 (31 March 2023: ₹ 20.03 crores).

(v) Modification of financial assets

The Company has modified the terms of certain loans provided to customers in accordance with RBI notification on MSME restructuring dated 6 August 2020 and 5 May 2021. Such restructuring benefits are provided to distressed customers who are impacted by COVID-19 pandemic.

Such restructuring benefits include extended payment term arrangements, moratorium and changes in interest rates. The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset (refer note 3.5). The Company monitors the subsequent performance of modified assets. The gross carrying amount of such assets held as at 31 March 2024 is ₹ 0.47 crores (31 March 2023: ₹ 2.73 crores). Overall provision for expected credit loss against restructured loan exposure amounts to ₹ 0.13 crores as at 31 March 2024 (31 March 2023: ₹ 1.06 crores). The Company continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets.

(b) *Cash and cash equivalent and bank deposits*

Credit risk on cash and cash equivalent and bank deposits is limited as the Company generally invests in term deposits with banks which are subject to an insignificant risk of change in value.

43.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company manages its liquidity by unutilised cash credit facility, term loans and direct assignment of loans.

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

The total cash credit limit available to the Company is ₹ 1690 Crore spread across 14 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

RBI has mandated minimum liquidity coverage ratio (LCR) of 50% to be maintained by December 2021, which is to be gradually increased to 100% by December 2024. The Company has LCR of 547.22 % as of 31 March 2024 as against the LCR of 50% mandated by RBI.

The Management expects to continue to maintain around 20% to 25% of assets under management as off book through direct assignment transactions. It is with door to door maturity and without recourse to the Company. This further strengthens the liability management.

The table below summarises the maturity profile of the undiscounted cash flow of the Company’s financial liabilities:

	1 day to 30 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
As at 31 March 2024									
Debt securities	2.47	2.40	11.16	34.63	173.58	470.96	53.75	-	748.95
Borrowings (Other than debt securities)	116.88	120.84	349.81	627.07	2,224.90	2,887.13	521.26	-	6,847.88
Subordinated liabilities	2.78	2.78	2.78	8.39	16.56	66.65	301.90	51.46	453.30
Payables	15.75	-	-	1.13	-	-	-	-	16.88
Lease liability	0.07	0.08	0.08	0.23	0.46	1.70	0.98	-	3.59
Other financial liabilities	204.55	-	-	0.12	43.78	1.82	-	-	250.26

(₹ In Crores)

43 Financial risk management objectives and policies *(Continued)*

43.2 Liquidity risk *(Continued)*

As at 31 March 2023	1 day to 30 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
Debt securities	0.26	6.52	0.21	24.59	600.24	106.39	-	-	738.21
Borrowings (Other than debt securities)	87.85	94.49	235.30	417.47	2,092.69	2,168.90	464.19	-	5,560.89
Subordinated liabilities	2.09	2.33	2.34	7.04	13.97	55.90	150.15	169.00	402.82
Payables	2.86	2.86	6.53	0.63	0.61	-	-	-	13.48
Lease liability	0.03	0.03	0.03	0.09	0.19	0.69	0.29	-	1.35
Other financial liabilities	236.06	6.12	5.26	0.08	53.84	3.15	-	-	304.51

43.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investment and variable interest rate borrowings and lending.

The sensitivity analysis have been carried out based on the exposure to interest rates for lending and borrowings carried at variable rate and investments made by the Company.

	Year ended 31 March 2024		Year ended 31 March 2023	
Change in interest rates	**50 bps increase**	**50 bps decrease**	50 bps increase	50 bps decrease
Investments	**50.95**	**50.95**	176.78	176.78
Impact on profit before tax for the year	**0.25**	**(0.25)**	0.88	(0.88)
Variable rate lending	**3,291.49**	**3,291.49**	2,925.78	2,925.78
Impact on profit before tax for the year	**16.46**	**(16.46)**	14.63	(14.63)
Variable rate borrowings	**5,633.48**	**5,633.48**	5,445.71	5,445.71
Impact on profit before tax for the year	**(28.17)**	**28.17**	(27.23)	27.23

B. Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. The Company's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Company has hedged its foreign currency risk on its foreign currency borrowings as on March 31, 2024 by entering into forward contracts with the intention of covering the entire term of foreign currency exposure. The counterparties for such hedge transactions are banks.

The Company's exposure on account of Foreign Currency Borrowings at the end of the reporting period expressed in Indian Rupees are as follows:

	Foreign currency	**As at 31 March 2024**	**As at 31 March 2023**
Term loan from Bank in Foreign Currency	**USD**	**577.04**	**-**

Since the foreign currency exposure is completely hedged by equivalent derivative instrument, there will not be any significant impact on sensitivity analysis due to the possible change in the exchange rates where all other variables are held constant. On the date of maturity of the derivative instrument, considering the hedging for the entire term of the foreign currency exposure, the sensitivity of profit and loss to changes in the exchange rates will be Nil.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

44 Lease disclosure

Where the Company is the lessee

The Company has entered into agreements for taking its office premises under leave and license arrangements. These agreements are for tenures between 11 months and 5 years and majority of the agreements are renewable by mutual consent on mutually agreeable terms, lease rentals have an escalation ranging between 5% to 15%. Leases for which the lease term is less than 12 months have been accounted as short term leases.

Contractual cash maturities of lease liabilities on an undiscounted basis	**As at 31 March 2024**	As at 31 March 2023
Not later than one year	0.91	0.37
Later than one year and not later than five years	2.69	0.99
Later than five years	-	-
Total undiscounted lease liabilities	**3.59**	1.35
Lease liabilities included in the balance sheet		
Total lease liabilities	**2.99**	1.14

Amount recognised in the statement of profit and loss account	**Year ended 31 March 2024**	Year ended 31 March 2023
Interest on lease liabilities	**0.19**	0.09
Depreciation charge for the year	**0.57**	0.27
Expenses relating to short term leases	**3.97**	3.25

Amount recognised in statement of cash flow	**Year ended 31 March 2024**	Year ended 31 March 2023
Cash outflow towards lease liability	(0.45)	(0.22)

For addition and carrying amount of right to use asset for 31 March 2024 and 31 March 2023, refer note 11(d).

Title deeds of all immovable properties of the Company are held in name of the Company. Further all the lease agreements are duly executed in favour of the Company for properties where the Company is the lessee.

45 Transfer of financial assets

45.1 Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

	As at 31 March 2024	As at 31 March 2023
Securitisation		
Carrying amount of transferred assets	**-**	**-**
Carrying amount of associated liabilities (Borrowings - other than debt securities)	**-**	**-**
Fair value of assets (A)	**-**	**-**
Fair value of associated liabilities (B)	**-**	**-**
Net position at Fair Value (A-B)	**-**	**-**

(₹ In Crores)

45 Transfer of financial assets *(Continued)*

45.2 Transferred financial assets that are derecognised in their entirety

The Company has assigned loans by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of exposure net of MRR to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :

	As at 31 March 2024	As at 31 March 2023
Direct assignment		
Carrying amount of de-recognised financial asset	1,927.33	1,186.60
Carrying amount of retained financial asset	207.96	158.82

45.3 Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

46 Additional disclosures:

46.1 No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2024 and 31 March 2023.

46.2 The Company is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2024 and 31 March 2023.

46.3 The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2024 and 31 March 2023.

46.4 All the charges or satisfaction, as applicable are registered with ROC within the statutory period.

46.5 The Company has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds are held by the Company in the form of deposits or in current accounts till the time the utilisation is made subsequently.

46.6 There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2024 and 31 March 2023, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March 2024 and 31 March 2023.

46.7 As a part of normal lending business, the Company grants loans and advances after exercising proper due diligence.

Other than the transactions described above,

(a) No funds have been advanced or loaned or invested by the Company to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the Company (Ultimate Beneficiaries);

(b) No funds have been received by the Company from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

46.8 The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2024 and 31 March 2023.

46.9 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended 31 March 2024 and 31 March 2023.

46.10 The Company has not entered into any scheme of arrangement.

46.11 The company has used accounting software for maintaining its books of account for the financial year ended 31 March 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software except that, audit trail feature was not enabled at database level for accounting software to log any direct data changes. Further, there has been no instance of the audit trail feature being tempered with in respect of such accounting software where such feature is enabled.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

47 Disclosures required in terms of Annexure XXII of the Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated 19 October 2023 (updated as on 21 March 2024) are mentioned as below:

47.1 Capital

	As at 31 March 2024	As at 31 March 2023
i) CRAR (%)	**24.05%**	25.25%
ii) CRAR - Tier I capital (%)	**20.33%**	20.79%
iii) CRAR - Tier II capital (%)	**3.72%**	4.46%
iv) Amount of subordinated debt raised as Tier-II capital	**248.00**	255.00
v) Amount raised by issue of perpetual debt instruments	-	-

47.2 Investments

	As at 31 March 2024	As at 31 March 2023
1. Value of investments		
(i) Gross value of investments		
(a) In India	**787.89**	826.36
(b) Outside India	**-**	-
(ii) Provisions for depreciation		
(a) In India	**0.18**	0.24
(b) Outside India	**-**	-
(iii) Net value of investments		
(a) In India	**787.71**	826.12
(b) Outside India	**-**	-
2. Movement of provisions held towards depreciation on investments.		
(i) Opening balance	**0.24**	0.55
(ii) Add : Provisions made during the year	**0.17**	0.21
(iii) Less : Write-off / write-back of excess provisions during the year	**0.24**	0.52
(iv) Closing balance	**0.18**	0.24

47.3 Derivatives

(A) Forward Rate Agreement / Interest Rate Swap

	As at 31 March 2024	As at 31 March 2023
(i) The notional principal of swap agreements	-	-
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii) Collateral required by the NBFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swap	-	-
(v) The fair value of the swap book	-	-

(B) Exchange Traded Interest Rate (IR) Derivatives :

The Company has not traded in exchange traded interest rate derivative during the current and previous year.

(C) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosure

The Company has a Board approved policy in dealing with derivative transactions.The Company undertakes derivative transactions for hedging its foreign currency exposures to mitigate the foreign currency risk. During the year, the company has hedged its foreign currency borrowings through foreign exchange forward contracts.

The foreign currency transactions and derivative transactions are accounted in accordance with IND AS as detailed in the accounting policy Note 3.22

Quantitative Disclosures

	As at 31 March 2024		As at 31 March 2023	
	Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
(i) Derivatives (Notional principal amount)				
For Hedging	574.86	-	-	-
(ii) Marked to market positions (Net)				
a) Asset (+)	1.91	-	-	-
b) Liability (-)	-	-	-	-
(iii) Credit exposure	-	-	-	-
(iv) Unhedged exposures	-	-	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

47.4 Asset liability management maturity pattern of certain items of assets and liabilities

	Over 1 day to 7 days	Over 8 day to 14 days	Over 15 day to 30 days	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
As at 31 March 2024											
Bank Fixed Deposits	-	25.02	159.22	-	243.63	1.14	281.05	21.91	1.51	-	733.48
Advances	203.89	82.30	232.76	462.73	569.96	1,131.92	1,704.26	2,464.82	311.67	100.53	7,264.83
Investments	12.12	11.22	51.57	34.11	44.78	112.34	243.07	216.53	0.43	61.55	787.71
Borrowings (Refer note below)	24.36	19.25	38.66	83.27	320.20	527.87	2,157.42	2,892.14	937.94	48.22	7,049.33
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2023											
Bank Fixed Deposits	70.06	-	0.83	150.03	-	0.01	1.45	475.99	-	-	698.37
Advances	81.46	67.75	272.28	370.60	447.80	872.39	1,461.88	2,059.52	254.76	21.73	5,910.16
Investments	0.54	9.64	38.57	44.58	40.89	137.99	206.20	300.06	13.09	34.57	826.12
Borrowings	16.98	11.96	30.61	71.39	205.97	343.49	2,466.62	2,010.50	524.91	155.09	5,837.52
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

Note: The company has converted a portion of long term Indian Rupee borrowing into a short term foreign curency (FC) loan. This FC loan will either get roll over or be again converted into INR term loan till the maturity of the original loan. The actual repayment of this loan will be made as per the original repayment terms as per the original Indian Rupee Long term Borrowing. Accordingly, the maturity pattern in this table is considered as per the applicable tenure of the original INR Borrowing. The amount of such Foreign currency loan outstanding as at 31 March 2024 is Rs. 577.04 Crore.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

47.5 Exposure to Real Estate Sector: Refer note 51 (A) (1) for details

47.6 Exposure to Capital Market: Refer note 51 (A) (2) for details

47.7 Details of financing of parent company products
Not applicable

47.8 Details of Single Borrower Limit ("SGL") / Group Borrower Limit ("GBL") exceeded by the NBFC
i) Loans and advances, excluding advance funding but including off-balance sheet exposures to any single party in excess of 15 per cent of owned fund of the NBFC:
Nil
ii) Loans and advances to (excluding advance funding but including debentures/bonds and off-balance sheet exposures) and investment in the shares of single party in excess of 25 per cent of the owned fund of the NBFC:
Nil

47.9 Unsecured advances
a) Refer note 8(B)(ii) to the standalone financial statements.
b) The Company has not granted any advances against intangible securities (31 March 2023: Nil).

47.10 Registration obtained from other financial sector regulators
The Company is registered with RBI and has all its operations in India, it has not obtained registration from any other financial sector regulators during the year.

47.11 Disclosure of penalties imposed by RBI and other regulators
During the year ended 31 March 2024, no penalties have been imposed by RBI and other regulators (31 March 2023: Nil).

47.12 Related party transactions
Refer note 35 to the standalone financial statements.

47.13 Ratings assigned by credit rating agencies and migration of ratings during the year

By Acuite Ratings & Research Limited:

INSTRUMENT	AMOUNT	CURRENT RATING	PREVIOUS RATING
Long term bank facilities	6,000.00	ACUITE AA- (Stable)	No migration of rating
Non Convertible Debentures (NCD)	200.00	ACUITE AA- (Stable)	-
Commercial paper issue	300.00	ACUITE A1+	No migration of rating

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

47.13 Ratings assigned by credit rating agencies and migration of ratings during the year (Continued)

By Care Ratings Limited:

INSTRUMENT	AMOUNT	CURRENT RATING	PREVIOUS RATING
Long term bank facilities	8,000.00	CARE AA- (Stable)	CARE A+ (Positive)
Commercial Papers issue	250.00	CARE A1+	No migration of rating
Non Convertible Debentures	400.00	CARE AA- (Stable)	CARE A+ (Positive)
Non Convertible Debentures	250.00	CARE AA- (Stable)	CARE A+ (Positive)
Market linked debenture	75.00	CARE PP-MLD AA- (Stable)	CARE PP-MLD A+ (Positive)
Market linked debenture	100.00	CARE PP-MLD AA- (Stable)	CARE PP-MLD A+ (Positive)
Market linked debenture	125.00	CARE PP-MLD AA- (Stable)	CARE PP-MLD A+ (Positive)
Subordinate debt	200.00	CARE AA- (Stable)	CARE A+ (Positive)
Subordinate debt	100.00	CARE AA- (Stable)	CARE A+ (Positive)
Subordinate debt	100.00	CARE AA- (Stable)	CARE A+ (Positive)

47.14 Remuneration of directors
Refer note 35 to the standalone financial statements.

47.15 Management Discussion and Analysis
The annual report has a detailed chapter on Management Discussion and Analysis.

47.16 Net profit or loss for the period, prior period items and change in accounting policies
The Company does not have any prior period items and change in accounting policies during the current year.

47.17 Revenue recognition
Refer note 3.1 to the standalone financial statements.

47.18 Ind AS 110 - consolidated financial statements (CFS)
The Company has prepared Consolidated Financial Statements in accordance with the requirements of Ind AS 110 - Consolidated Financial Statements.

47.19 Provisions and contingencies
The information on all provisions and contingencies is as under:

Break up of 'provisions and contingencies' shown under the head expenditure in the statement of profit and loss	**As at 31 March 2024**	As at 31 March 2023
Provision for depreciation on investment	(0.06)	(0.31)
Provision towards non performing assets (Stage 3 loan assets)	20.82	8.65
Provision made towards income tax	80.72	62.63
Provision towards standard assets (Stage 1 and 2 loan assets)	5.15	(5.39)

47.20 Draw down from reserves

	As at 31 March 2024	As at 31 March 2023
Draw down from reserves	-	-

47.21 Concentration of deposits (for deposit taking NBFCs)
Not Applicable

47.22 Concentration of advances

	As at 31 March 2024	As at 31 March 2023
Total advances to twenty largest borrowers	1,198.70	1,446.59
Percentage of advances to twenty largest borrowers to total advances of the NBFC	16.50%	24.48%

47.23 Concentration of exposures

	As at 31 March 2024	As at 31 March 2023
Total exposure to twenty largest borrowers / customers	1,219.82	1,537.14
Percentage of exposures to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers	16.48%	25.51%

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

47.24 Concentration of NPAs

	As at 31 March 2024	As at 31 March 2023
Total exposure to top four NPA accounts	**17.70**	10.95

47.25 Sector-wise NPAs: Refer note 52 for details

47.26 Movement of NPAs

	As at 31 March 2024	As at 31 March 2023
(i) Net NPAs to net advances (%)	1.50%	1.36%
(ii) Movement of NPAs (gross)		
(a) Opening balance	132.70	104.89
(b) Additions during the year	165.24	114.22
(c) Reductions during the year	107.36	86.41
(d) Closing balance	190.58	132.70
(iii) Movement of net NPAs		
(a) Opening balance	79.35	60.19
(b) Additions during the year	104.57	70.31
(c) Reductions during the year	67.51	51.15
(d) Closing balance	116.41	79.35
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	53.35	44.70
(b) Provisions made during the year	60.67	43.91
(c) Write-off / write-back of excess provisions	39.85	35.26
(d) Closing balance	74.17	53.35

47.27 Overseas assets (for those with joint ventures and subsidiaries abroad)
Nil

47.28 Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)
Nil

47.29 Disclosure of customers complaints: Refer note 51 for details

(₹ In Crores)

48 Disclosures relating to securitisation and transfer of loan exposure

The information of securitisation and transfer of loan exposure by the Company as required by RBI circular RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 and RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021 (Updated as on December 28, 2023) is as under:

(a) For Securitisation Transaction by originator (non-STC transaction)

Sr. No.	Particulars	As at 31 March 2024	As at 31 March 2023
1	No of SPEs holding assets for securitisation transactions originated by the originator	-	-
2	Total amount of securitised assets as per books of the SPEs	-	-
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-
5	Sale consideration received for the securitised assets;	-	-
	Gain/loss on sale on account of securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
	Over collateralisation	-	-
	Excess Interest spread	-	-
	Cash collateral	-	-
7	Performance of facility provided		
	Over collateralisation		
	(a) Amount paid	-	-
	(b) Repayment received	-	10.58
	(c) Outstanding amount	-	-
	Excess Interest spread		
	(a) Amount paid	-	-
	(b) Repayment received	-	2.86
	(c) Outstanding amount	-	-
	Cash collateral		
	(a) Amount paid	-	-
	(b) Repayment received	-	4.99
	(c) Outstanding amount	-	-
8	Average default rate of portfolios observed in the past.		
	(a) loans to NBFCs	-	-
9	Amount and number of additional/top up loan given on same underlying asset.	-	-
10	Investor complaints		
	(a) Directly/Indirectly received and;	-	-
	(b) Complaints outstanding	-	-

(b) For Securitisation Transaction by originator (STC transaction) - Not applicable

(₹ In Crores)

48 Disclosures relating to securitisation and transfer of loan exposure *(Continued)*

(c) Details of loans not in default transferred through assignment

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Aggregate principal outstanding of loans transferred (₹ in crores)	2,242.21	1,674.41
Weighted average residual maturity (in months)	23	24
Weighted average holding period (in months)	5	5
Average retention of beneficial economic interest (MRR) (%)	10%	13%
Average coverage of tangible security (%)	50%	49%
Rating wise distribution of loans transferred	Unrated	Unrated

(d) Details of loans not in default acquired through assignment

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Aggregate principal outstanding of loans acquired (₹ in crores)	322.75	167.94
Weighted average residual maturity (in months)	24	22
Weighted average holding period (in months)	9	9
Average retention of beneficial economic interest (MRR) by originator (%)	10%	10%
Average coverage of tangible security (%)	36%	2%
Rating wise distribution of loans acquired	Unrated	Unrated

(e) Details of non-performing financial assets purchased / sold
The Company has not purchased or sold non-performing financial assets during the year (previous year Nil).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

49 Disclosures required in terms of Annexure VI and Annexure XXI of the Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated 19 October 2023 (updated as on 21 March 2024) on Guidelines on Liquidity Risk Management Framework and Liquidity Coverage Ratio (LCR) are mentioned as below:

49.1 Funding concentration based on significant counterparty[1] (both deposits and borrowings)

	As at 31 March 2024	As at 31 March 2023
Number of significant counterparties	**25**	20
Amount	**6,027.56**	4,503.94
Percentage of funding concentration to total deposits	**Not Applicable**	Not Applicable
Percentage of funding concentration to total liabiities[2]	**82%**	73%

[1]Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No. 102/ 03.10.001/ 2019-20 dated November 4, 2019 on 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies'.

[2]Total liabilities represents total liabilities as per balance sheet.

49.2 Top 20 large deposits

Not Applicable to the Company as it does not accept public deposits.

49.3 Top 10 borrowings

	As at 31 March 2024	As at 31 March 2023
Total amount of top 10 borrowings	**4,239.76**	3,487.53
Percentage of amount of top 10 borrowings to total borrowings	**60%**	59%

49.4 Funding concentration based on significant instrument/product[3]

Name of instrument/product	**As at 31 March 2024**	**Percentage of total liabilities**	As at 31 March 2023	Percentage of total liabilities
Term Loans	5,044.02	69%	3,680.02	60%
Cash credit / Overdraft / Working capital demand loan	1,114.50	15%	1,304.43	21%
Market linked Debenture	100.00	1%	600.00	10%
Subordinate-debentures	310.00	4%	260.00	4%
Non convertible debentures	531.25	7%	31.25	1%

[3]Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies'.

49.5 Stock ratio

		As at 31 March 2024	As at 31 March 2023
(i)	Commercial paper as a percentage of total public funds[4]	Not applicable	Not applicable
(ii)	Commercial paper as a percentage of total liabilities	Not applicable	Not applicable
(iii)	Commercial paper as a percentage of total assets	Not applicable	Not applicable
(iv)	Non convertible debentures (original maturity of less than one year) as a percentage of total public funds	Not applicable	Not applicable
(v)	Non convertible debentures (original maturity of less than one year) as a percentage of total liabilities	Not applicable	Not applicable
(vi)	Non convertible debentures(original maturity of less than one year) as a percentage of total assets	Not applicable	Not applicable
(vii)	Other short term liabilities as a percentage of total public funds	48%	59%
(viii)	Other short term liabilities as a percentage of total liabilities	47%	56%
(ix)	Other short term liabilities as a percentage of total assets	38%	45%

[4]Public funds as defined in Master Direction - Non-Banking Financial Company -Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

49.6 Institutional set-up for liquidity risk management

Refer note 43.2 of the standalone financials statements.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

49 Disclosures required in terms of Annexure VI and Annexure XXI of the Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated 19 October 2023 (updated as on 21 March 2024) on Guidelines on Liquidity Risk Management Framework and Liquidity Coverage Ratio (LCR) are mentioned as below: *(Continued)*

Quarterly liquidity coverage ratio for the year ended 31 March 2024

	Particulars	Quarter ended 30 June 2023		Quarter ended 30 September 2023		Quarter ended 31 December 2023		Quarter ended 31 March 2024	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets								
1	Total High Quality Liquid Assets (HQLA)	481.39	481.39	434.53	434.53	407.32	407.32	560.51	560.51
	Cash Outflows								
2	Deposits (for deposit taking companies)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-
4	Secured wholesale funding	100.59	115.68	155.03	178.28	273.42	314.43	155.09	178.35
5	Additional requirements, of which	-	-	-	-	-	-	-	-
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	203.71	234.27	182.96	210.41	189.24	217.62	201.19	231.37
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**Total cash outflows**	**304.31**	**349.95**	**337.99**	**388.69**	**462.65**	**532.05**	**356.27**	**409.71**
	Cash inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	445.32	333.99	417.11	312.83	506.73	380.05	544.21	408.16
11	Other cash inflows	270.65	202.99	322.29	241.72	277.40	208.05	155.43	116.57
12	**Total cash inflows**	**715.97**	**536.98**	**739.40**	**554.55**	**784.13**	**588.10**	**699.64**	**524.73**
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13	Total HQLA		481.39		434.53		407.32		560.51
14	Total net cash outflows		87.49		97.17		133.01		102.43
15	Liquidity coverage ratio (%)		550.23%		447.18%		306.23%		547.22%

(₹ In Crores)

49 Disclosures required in terms of Annexure VI and Annexure XXI of the Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated 19 October 2023 (updated as on 21 March 2024) on Guidelines on Liquidity Risk Management Framework and Liquidity Coverage Ratio (LCR) are mentioned as below: ***(Continued)***

Components of High Quality Liquid Assets (HQLA)

	Particulars	Quarter ended 30 June 2023		Quarter ended 30 September 2023		Quarter ended 31 December 2023		Quarter ended 31 March 2024	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	Assets to be included as HQLA without any haircut	481.39	481.39	434.53	434.53	407.32	407.32	560.51	560.51
2	Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-
3	Assets to be considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-
4	Approved securities held as per the provisions of section 45 IB of RBI Act	-	-	-	-	-	-	-	-
	Total HQLA	**481.39**	**481.39**	**434.53**	**434.53**	**407.32**	**407.32**	**560.51**	**560.51**

Quarterly liquidity coverage ratio for the year ended 31 March 2023

	Particulars	Quarter ended 30 June 2022		Quarter ended 30 September 2022		Quarter ended 31 December 2022		Quarter ended 31 March 2023	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets								
1	Total High Quality Liquid Assets (HQLA)	598.82	598.82	430.50	430.50	431.84	431.84	488.51	488.51
	Cash Outflows								
2	Deposits (for deposit taking companies)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3	Unsecured wholesale funding	13.33	15.33	-	-	-	-	-	-
4	Secured wholesale funding	103.46	118.97	87.44	100.56	127.46	146.58	146.64	168.64
5	Additional requirements, of which	-	-	-	-	-	-	-	-
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	62.84	72.26	68.28	78.52	122.89	141.32	187.40	215.51
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**Total cash outflows**	**179.63**	**206.57**	**155.72**	**179.08**	**250.35**	**287.90**	**334.04**	**384.15**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

49 Disclosures required in terms of Annexure VI and Annexure XXI of the Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated 19 October 2023 (updated as on 21 March 2024) on Guidelines on Liquidity Risk Management Framework and Liquidity Coverage Ratio (LCR) are mentioned as below: *(Continued)*

Quarterly liquidity coverage ratio for the year ended 31 March 2023 *(Continued)*

	Particulars	Quarter ended 30 June 2022		Quarter ended 30 September 2022		Quarter ended 31 December 2022		Quarter ended 31 March 2023	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	Cash inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	350.98	263.24	407.57	305.68	452.75	339.57	444.06	333.04
11	Other cash inflows	184.05	138.04	434.13	325.59	247.34	185.51	301.39	226.04
12	**Total cash inflows**	**535.03**	**401.27**	**841.70**	**631.27**	**700.10**	**525.07**	**745.45**	**559.09**
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13	Total HQLA		598.82		430.50		431.84		488.51
14	Total net cash outflows		51.64		44.77		71.98		96.04
15	Liquidity coverage ratio (%)		1159.55%		961.61%		599.97%		508.67%

Components of High Quality Liquid Assets (HQLA)

	Particulars	Quarter ended 30 June 2022		Quarter ended 30 September 2022		Quarter ended 31 December 2022		Quarter ended 31 March 2023	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	Assets to be included as HQLA without any haircut	598.82	598.82	430.50	430.50	431.84	431.84	488.51	488.51
2	Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-
3	Assets to be considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-
4	Approved securities held as per the provisions of section 45 IB of RBI Act	-	-	-	-	-	-	-	-
	Total HQLA	**598.82**	**598.82**	**430.50**	**430.50**	**431.84**	**431.84**	**488.51**	**488.51**

(₹ In Crores)

49 Disclosures required in terms of Annexure VI and Annexure XXI of the Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated 19 October 2023 (updated as on 21 March 2024) on Guidelines on Liquidity Risk Management Framework and Liquidity Coverage Ratio (LCR) are mentioned as below: *(Continued)*

The LCR is one of the key parameters closely monitored by RBI to enable a more resilient financial sector. The objective of the LCR is to promote an environment wherein balance sheet carry a strong liquidity for short term cash flow requirements. To ensure strong liquidity NBFCs are required to maintain adequate pool of unencumbered High-Quality Liquid Assets (HQLA) which can be easily converted into cash to meet their stressed liquidity needs for 30 calendar days. The LCR is expected to improve the ability of financial sector to absorb the shocks arising from financial and/or economic stress, thus reducing the risk of spill over from financial sector to real economy.

The Liquidity Risk Management of the Company is managed by the Asset Liability Committee (ALCO) under the governance of Board approved Liquidity Risk Framework and Asset Liability Management policy. The LCR levels for the balance sheet date is derived by arriving the stressed expected cash inflow and outflow for the next calendar month. To compute stressed cash outflow, all expected and contracted cash outflows are considered by applying a stress of 15%. Similarly, inflows for the Company is arrived at by considering all expected and contracted inflows by applying a haircut of 25%.

HQLA primarily includes cash on hand, bank balances in current accounts and free fixed deposit against which overdraft facility has been availed off net of availed overdraft.

The LCR is computed by dividing the stock of HQLA by its total net cash outflows over one-month stress period. LCR guidelines requires NBFCs to maintain minimum LCR of 60% and 50% as on 31 March 2023 and 31 March 2022 respectively which is gradually required to be increased to 100% by 1 December 2024.

(₹ In Crores)

50 Disclosure in accordance with RBI notification no. RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated 6 August 2020 and RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated 5 May 2021 are as follows:

Type of Restructuring Under CDR Mechanism and Under SME Debt Restructuring Mechanism	As at 31 March 2024	As at 31 March 2023
No. of accounts restructured*	**1**	175
Amount**	**0.45**	2.63

* Cumulative no. of accounts restructured having outstanding as on date

** Including MRR portion on assigned loans

Disclosure of restructured accounts as required by the NBFC Master Directions issued by RBI:

For the year ended 31 March 2024

Type of Restructuring - others+		Asset classification				
		Standard	**Sub-Standard**	**Doubtful**	**Loss**	**Total**
Restructured Accounts as on April 1 of the FY (opening figures)	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	0.10	-	-	0.10
	Provision thereon #	-	0.03	-	-	0.03
Fresh restructuring during the year	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon #	-	-	-	-	-
Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon #	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon #	-	-	-	-	-
Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon #	-	-	-	-	-
Write-offs / Settlements / Recoveries of restructured accounts during the FY	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	(0.09)	-	-	(0.09)
	Provision thereon #	-	(0.03)	-	-	(0.03)
Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	0.02	-	-	0.02
	Provision thereon #	-	*	-	-	*

* Represent amount less than 50,000

(₹ In Crores)

Disclosure of restructured accounts as required by the NBFC Master Directions issued by RBI:

For the year ended 31 March 2023

Type of Restructuring - others+		Asset classification				
		Standard	Sub-Standard	Doubtful	Loss	Total
Restructured Accounts as on April 1 of the FY (opening figures)	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	0.25	-	-	0.25
	Provision thereon #	-	0.05	-	-	0.05
Fresh restructuring during the year	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon #	-	-	-	-	-
Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon #	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon #	-	-	-	-	-
Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon #	-	-	-	-	-
Write-offs / Settlements / Recoveries of restructured accounts during the FY	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	(0.15)	-	-	(0.15)
	Provision thereon #	-	(0.02)	-	-	(0.02)
Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	0.10	-	-	0.10
	Provision thereon #	-	0.03	-	-	0.03

+ Since the disclosure of restructured advance account pertains to section 'Others', the first two sections, namely, 'Under CDR Mechanism' and 'Under SME Debt Restructuring Mechanism' as per format prescribed in the guidelines are not included above.
# Provisions considered as per ECL.

(₹ In Crores)

51 Disclosures required in terms of Annexure VII of the Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated 19 October 2023 (updated as on 21 March 2024) on Disclosures in Financial Statements- Notes to Accounts of NBFCs are mentioned as below:

A) Exposure

1) Exposure to real estate sector

Category	**As at 31 March 2024**	As at 31 March 2023
i) Direct exposure		
a) Residential Mortgages –	-	-
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.		
b) Commercial Real Estate –	**11.49**	**21.30**
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.		
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
i. Residential	-	-
ii. Commercial Real Estate	-	-
ii) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	**185.05**	**107.50**
Total Exposure to Real Estate Sector	**196.54**	**128.80**

2) Exposure to capital market

Particulars	**As at 31 March 2024**	As at 31 March 2023
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt *	**6.14**	4.68
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) Bridge loans to companies against expected equity flows / issues	-	-
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix) Financing to stockbrokers for margin trading	-	-
x) All exposures to Alternative Investment Funds:		
(i) Category I	-	-
(ii) Category II	**2.36**	**38.97**
(iii) Category III	-	-
Total exposure to capital market	**8.50**	**43.65**

* Excluding investment in unlisted subsidiaries

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

A) Exposure *(continued)*

3) Sectoral exposure

Sectors	As at 31 March 2024			As at 31 March 2023		
	Total Exposure*	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure*	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	1,000.48	36.58	3.66%	674.82	18.11	2.68%
2. Industry						
i Manufacturare	422.36	9.18	2.17%	270.25	8.54	3.16%
Total of Industry	422.36	9.18	2.17%	270.25	8.54	3.16%
3. Services						
i Transport Operators	498.20	28.76	5.77%	228.18	13.45	5.89%
ii Retail Trade	2,578.00	86.48	3.35%	2,117.48	82.85	3.91%
iii NBFCs	3,274.70	10.09	0.31%	2,964.39	10.31	0.35%
Others	843.52	31.98	3.79%	655.85	30.78	4.69%
Total of Services	7,194.43	157.30	2.19%	5,965.89	137.38	2.30%
4. Personal Loans						
Others	626.27	24.24	3.87%	421.62	9.90	2.35%
Total of Personal Loans	626.27	24.24	3.87%	421.62	9.90	2.35%

* Includes on balance sheet and off-balance sheet exposure
* The above classification also includes balance of spread receivable on assigned portfolio. (Refer note 10)

4) Intra-group exposures

	As at 31 March 2024	As at 31 March 2023
Total amount of intra-group exposures	61.55	46.55
Total amount of top 20 intra-group exposures	61.55	46.55
Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	0.83%	0.77%

5) Unhedged foreign currency exposure

	As at 31 March 2024	**As at 31 March 2023**
Unhedged foreign currency exposure	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

B) Related Party Disclosure

Sr. No.	Nature of relationship (where there are transactions)	
1	Subsidiary	MAS Rural Housing & Mortgage Finance Limited
		MASFIN Insurance Broking Private Limited
2	Directors	Mr. Kamlesh C. Gandhi (Chairman and managing director)
		Mrs. Darshana S. Pandya (Director and chief executive officer)
		Mr. Balabhaskaran Nair (Independent director) (retired w.e.f 31 March 2024)
		Mr. Umesh Shah (Independent director)
		Mr. Chetanbhai Shah (Independent director) (retired w.e.f 31 March 2024)
		Mr. Narayanan Sadanandan (appointed w.e.f 21 June 2023)
		Mrs. Daksha Shah (Independent director)
3	Key management personnel ("KMP")	Mr. Ankit Jain (Chief financial officer)
		Miss. Riddhi Bhayani (Compliance Officer)
4	Relatives of Directors	Mrs. Shweta K. Gandhi (relative of Director)
		Mr. Kamlesh C. Gandhi (As Executor of will of Late Mr. Mukesh C. Gandhi, relative of KMP)
		Mr. Dhvanil K. Gandhi (relative of Director)
		Mr. Saumil D. Pandya (relative of Director)
		Ms. Dhriti K. Gandhi (relative of Director)
		Pauravi Umesh Shah (relative of Director)
5	Other related parties	Prarthna Marketing Private Limited (Entity related to Director)
		Anamaya Capital LLP (Entity related to Director)
		Umesh Rajanikant Shah HUF (Entity related to Director)

Related Party	Items	Outstanding at the year end / transaction during the year	
		As at 31 March 2024	As at 31 March 2023
Subsidiaries	Borrowings	**-**	-
	Deposits	**-**	-
	Placement of deposits	**-**	-
	Advances	**-**	-
	Investments (Maximum during the year 31st March 2024 :61.55 and 31st March 2023 :46.55)	**61.55**	46.55
	Purchase of fixed/other assets	**-**	-
	Sale of fixed/other assets	**-**	-
	Interest paid	**-**	-
	Interest received	**-**	-
	Dividend paid	**-**	-
	Expenditure reimbursed	**1.04**	*
	Others	**1.50**	1.48
		64.09	48.03
Key Management Personnel	Borrowings	**-**	-
	Deposits	**-**	-
	Placement of deposits	**-**	-
	Advances	**-**	-
	Investments	**-**	-
	Purchase of fixed/other assets	**-**	-
	Sale of fixed/other assets	**-**	-
	Interest paid	**-**	-
	Interest received	**-**	-
	Remuneration (including bonus)	**0.59**	**0.50**
	Dividend paid	*	*
	Others	**-**	-
		0.59	0.50

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

B) Related Party Disclosure *(Continued)*

Related Party	Items	Outstanding at the year end / transaction during the year	
		As at 31 March 2024	As at 31 March 2023
Directors	Borrowings	-	-
	Deposits	-	-
	Placement of deposits	-	-
	Advances	-	-
	Investments	-	-
	Purchase of fixed/other assets	-	-
	Sale of fixed/other assets	-	-
	Interest paid	-	-
	Interest received	-	-
	Remuneration (including bonus) (Net of Cross Charges)	**7.19**	5.74
	Dividend paid	**3.09**	2.26
	Sitting fees	**0.34**	0.09
	Others	-	-
		10.62	8.09
Relatives of Director	Borrowings	-	-
	Deposits	-	-
	Placement of deposits	-	-
	Advances	-	-
	Investments	-	-
	Purchase of fixed/other assets	-	-
	Sale of fixed/other assets	-	-
	Interest paid	-	-
	Interest received	-	-
	Remuneration (including bonus)	**1.22**	0.95
	Dividend paid	**15.79**	11.56
	Others	-	-
		17.01	12.51
Others Related Parties	Borrowings	-	-
	Deposits	-	-
	Placement of deposits	-	-
	Advances	-	-
	Investments	-	-
	Purchase of fixed/other assets	-	-
	Sale of fixed/other assets	-	-
	Interest paid	-	-
	Interest received	-	-
	Dividend paid	**0.69**	0.50
	Others	-	-
		0.69	0.50
Total of above	Borrowings	-	-
	Deposits	-	-
	Placement of deposits	-	-
	Advances	-	-
	Investments (Maximum during the year 31st March 2024 :61.55 and 31st March 2023 :46.55)	**61.55**	46.55
	Purchase of fixed/other assets	-	-
	Sale of fixed/other assets	-	-
	Interest paid	-	-
	Interest received	-	-
	Remuneration (including bonus)	**9.00**	7.19
	Dividend paid	**19.57**	14.32
	Sitting fees	**0.34**	0.09
	Expenditure reimbursed	**1.04**	*
	Others	**1.50**	1.48
		93.00	69.63

* Represents amount less than ₹ 50,000

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

C) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr No	Particulars	As at 31 March 2024	As at 31 March 2023
	Complaints received by the NBFC from its customers (refer note below)		
1.	Number of complaints pending at beginning of the year	14	2
2.	Number of complaints received during the year	2,729	1,193
3.	Number of complaints disposed during the year	2,735	1,181
3.1	Of which, number of complaints rejected by the NBFC	-	-
4.	Number of complaints pending at the end of the year	8	14
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	76	34
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	76	34
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	Nil	Nil
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	Nil	Nil
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

Note: This includes total complaint received by NBFC from customers (including Partner's) directly and from the office of Ombudsman.

C) Disclosure of complaints *(Continued)*

2) Grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ (decrease) in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
As at 31 March 2024					
Bureau Updation Issue	3	526	129%	4	-
Collection Calls	3	1,698	286%	-	-
Disb / Payment related	-	162	23%	1	-
EMI and Tenure	4	62	(76%)	1	1
Loan Documents related	2	2	(93%)	-	-
Loan Related	1	14	(67%)	-	-
Loan Settlement	-	56	600%	-	-
Transparency and disclosures	-	3	(40%)	-	-
Product Related	1	84	190%	2	2
Others	-	122	481%	-	-
Total	**14**	**2,729**	**129%**	**8**	**3**
As at 31 March 2023					
Bureau Updation Issue	-	230	721%	3	-
Collection Calls	-	440	5400%	3	1
Disb / Payment related	-	132	560%	-	-
EMI and Tenure	1	255	8400%	4	-
Loan Documents related	-	30	1400%	2	2
Loan Related	1	43	72%	1	1
Loan Settlement	-	8	(43%)	-	-
Transparency and disclosures	-	5	100%	-	-
Product Related	-	29	100%	1	1
Others	-	21	110%	-	-
Total	**2**	**1,193**	**985%**	**14**	**5**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

52 Disclosures required in terms of Annexure VIII of the Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated 19 October 2023 (updated as on 21 March 2024) on Schedule to the Balance Sheet of an NBFC are mentioned as below:

Liabilities side :

52.1 Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid

	Year ended 31 March 2024	
	Amount outstanding	**Amount overdue**
(a) Debentures : Secured	645.67	-
: Unsecured	310.34	-
(other than falling within the meaning of Public deposits*)		
(b) Deferred credits	-	-
(c) Term loans	1,156.68	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial paper	-	-
(f) Other loans:		
From banks	1,116.95	-
*Please see note 1 below		

52.2 Break-up of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid)

(a) In the form of unsecured debentures	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c) Other public deposits	-	-
*Please see note 1 below		

Assets side:

52.3 Break-up of loans and advances including bills receivables (other than those included In (4) below)	**Amount outstanding**
(a) Secured	4,961.85
(b) Unsecured	2,303.26

52.4 Break up of leased assets and stock on hire and other assets counting towards asset financing activities	**Amount outstanding**
(i) Lease assets including lease rentals under sundry debtors:	
(a) Financial lease	NA
(b) Operating lease	NA
(ii) Stock on hire including hire charges under sundry debtors :	
(a) Assets on hire	NA
(b) Repossessed assets	NA
(iii) Other loans counting towards asset financing activities	
(a) Loans where assets have been repossessed	8.16
(b) Loans other than (a) above	NA

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

52.5 Break-up of investments :

		Amount outstanding
Current investments :		
1 Quoted :		
(i) Shares :	(a) Equity	-
	(b) Preference	-
(ii) Debentures and bonds		92.29
(iii) Units of mutual funds		-
(iv) Government securities		-
(v) Others (please specify)		-
2 Unquoted :		
(i) Shares :	(a) Equity	-
	(b) Preference	-
(ii) Debentures and bonds		37.32
(iii) Units of mutual funds		-
(iv) Government securities		-
(v) Others (Alternate investment fund and pass through certificates)		379.60
Long term investments :		
1 Quoted :		
(i) Shares :	(a) Equity	-
	(b) Preference	-
(ii) Debentures and bonds		61.18
(iii) Units of mutual funds		6.14
(iv) Government securities		-
(v) Others (Alternate investment fund and pass through certificates)		130.57
2 Unquoted :		
(i) Shares :	(a) Equity	35.09
	(b) Preference	20.00
(ii) Debentures and bonds		19.24
(iii) Units of mutual funds		-
(iv) Government securities		-
(v) Others (refer note 9)		6.46

52.6 Borrower group-wise classification of assets financed as in 52.3 and 52.4 above:

Please see Note 2 below

	Amount outstanding		
	Amount net of provisions		
Category	**Secured**	**Unsecured**	**Total**
1. Related parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	4,912.81	2,222.86	7,135.67
Total	4,912.81	2,222.86	7,135.67

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

Please see note 3 below

Category	**Market value / break up or fair value or NAV**	**Book value (net of provisions)**
1. Related parties **		
(a) Subsidiaries (refer note below)	75.48	61.55
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	726.16	726.16
Total	**801.64**	**787.71**

** As per Ind AS issued by Ministry Of Corporate Affairs (refer note 3 below)

Note: Subsidiary company being unlisted, value is derived based upon the net asset value as shown in the subsidiary company balance sheet as on 31 March 2024.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

52.8 Other information

	Amount outstanding
(i) Gross non-performing assets	
(a) Related parties	-
(b) Other than related parties	190.58
(ii) Net non-performing assets	
(a) Related parties	-
(b) Other than related parties	116.41
(iii) Assets acquired in satisfaction of debt	-

Notes:

1. As defined in point xxvii of paragraph 3 of Chapter - II of these Directions.
2. Provisioning norms shall be applicable as prescribed in these Directions.
3. All Ind AS issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term (amortised cost in the case of Ind AS) or current (at fair value in the case of Ind AS) in (5) above.

53 Disclosures required in terms of Annexure II of the Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated 19 October 2023 (updated as on 21 March 2024) on Implementation of Indian Accounting Standards by NBFC are mentioned as below:

As at 31 March 2024

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Performing assets						
Standard	Stage 1	7,026.21	29.21	6,997.00	27.85	1.36
	Stage 2	114.62	26.06	88.56	0.45	25.61
Subtotal		**7,140.83**	**55.26**	**7,085.57**	**28.30**	**26.96**
Non-performing assets ("NPA")						
Substandard	Stage 3	190.58	74.17	116.41	19.45	54.72
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**-**	**-**	**-**	**-**	**-**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**190.58**	**74.17**	**116.41**	**19.45**	**54.72**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning ("IRACP") norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Total	Stage 1	7,026.21	29.21	6,997.00	27.85	1.36
	Stage 2	114.62	26.06	88.56	0.45	25.61
	Stage 3	190.58	74.17	116.41	19.45	54.72
Grand total		**7,331.41**	**129.44**	**7,201.97**	**47.75**	**81.69**

(₹ In Crores)

53 Disclosures required in terms of Annexure II of the Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated 19 October 2023 (updated as on 21 March 2024) on Implementation of Indian Accounting Standards by NBFC are mentioned as below: *(Continued)*

As at 31 March 2023

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Performing assets						
Standard	Stage 1	5,708.05	30.34	5,677.71	22.78	7.56
	Stage 2	111.31	19.77	91.54	0.44	19.33
Subtotal		**5,819.36**	**50.11**	**5,769.25**	**23.22**	**26.89**
Non-performing assets ("NPA")						
Substandard	Stage 3	132.70	53.35	79.35	13.82	39.53
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**-**	**-**	**-**	**-**	**-**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**132.70**	**53.35**	**79.35**	**13.82**	**39.53**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning ("IRACP") norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Total	Stage 1	5,708.05	30.34	5,677.71	22.78	7.56
	Stage 2	111.31	19.77	91.54	0.44	19.33
	Stage 3	132.70	53.35	79.35	13.82	39.53
Grand total		**5,952.06**	**103.46**	**5,848.60**	**37.04**	**66.42**

* Computed on the value as per the IRACP norms.

The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard assets provisioning), as at 31 March 2024 and 31 March 2023 and accordingly, no amount is required to be transferred to impairment reserve.

The disclosure requirement of the policy for sales out of amortised cost business model portfolios of the Company is not applicable to the Company.

54 The disclosures as required by the Master Direction - Monitoring of frauds in NBFCs issued by RBI dated 29 September 2016

There was 10 instance of fraud by customer amounting to ₹ 0.87 crores reported during the year ended 31 March 2024. (Previous year 31 March 2023 17 instances : ₹ 1.89).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 31 MARCH 2024

(₹ In Crores)

55 The Company has complied with the RBI circular dated 12 November 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications'. On 15 February 2022, RBI allowed deferment till 30 September 2022 of Para 10 of this circular pertaining to upgrade of Non performing accounts. However, the Company has not opted for this deferment.

56 **Disclosures required in terms of Annexure XI of the Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated 19 October 2023 (updated as on 21 March 2024) on Loans to Directors, Senior Officers and Relatives of Directors by NBFC are mentioned as below:**

Loans to Directors, Senior Officers and relatives of Directors

Particulars	**As at 31 March 2024**	**As at 31 March 2023**
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	0.01

57 Figures of previous year has been regrouped / reclassified, wherever necessary, to correspond with the figures of the current year.

In terms of our report of even date attached

For **Mukesh M. Shah & Co**
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
24 April 2024

Ahmedabad
24 April 2024

Independent Auditors' Report

To the Members of MAS Financial Services Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying Standalone financial statements of MAS Financial Services Limited ('the Company'), which comprise the standalone Balance Sheet as at March 31, 2023, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of cash flows and the standalone Statement of Changes in Equity for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information ("the Standalone Financial Statements").

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

BASIS FOR OPINION

We conducted our audit of the Standalone financial statements in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

EMPHASIS OF MATTER

Attention is invited to Note 32 to the Statement regarding the change in accounting policy in respect of Gain / loss on derecognition of loans upon assignment and related disclosures in accordance with the applicable requirements of Ind AS.

Our opinion on the standalone financial statements is not modified in respect of the above matters.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Impairment of Loans** Charge: INR 3.26 Crores for the year ended 31st March, 2023 Provision: INR 103.46 Crores as at 31st March, 2023 Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: • Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.	**Principal Audit Procedures** Procedures performed by us have been enumerated herein below: We performed end to end process walkthroughs to identify the key systems, applications and controls used in ECL processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key systems used in ECL process. Key aspects of our controls testing involved following: • Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models. • Testing the 'Governance Framework' controls over validation, implementation and model monitoring in line with Reserve Bank of India guidance.

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>Auditor's Response</th></tr>
<tr><td></td><td>

Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach.
Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment.
Qualitative adjustments – Adjustments to the model-driven ECL results are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. They represent approximately 19.36% of ECL balances as at 31 March 2023. These adjustments are inherently uncertain and significant management judgement is involved considering internal assessment of emerging forward looking economic factors and related uncertainties. The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the standalone financial statements, we have considered this as a key audit matter.

Disclosures:
The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.
</td><td>

Testing the design and operating effectiveness of the key controls over the application of the staging criteria.
Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights.
Testing management's controls over authorisation and calculation of post model adjustments and management overlays.
Testing management's controls on compliance with Ind AS 109 disclosures related to ECL.
Testing key controls operating over the information technology system in relation to loan impairment including system access and system change management, program development and computer operations.

Test of Details:
Key aspects of our testing included:

Sample testing over key inputs, data and assumptions impacting ECL calculations to assess completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied.
Model calculations testing through re-performance, where possible.
Test of details of post model adjustments, considering the size and complexity of management overlays, to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data.
Assessing disclosures - We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining ECL. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear.

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<tr><td>2</td><td>
Information Technology
IT Systems and controls
The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.

IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the* applications and data.

Due to the pervasive nature of role of information technology systems in financial reporting, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.
</td><td>
In course of audit, our focus was on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. We performed a range of audit procedures, which included:

Review of the report of IS Audit carried during the year by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting.
Our other processes include:

selectively recomputing interest calculations and maturity dates;
Selectively re-evaluating masters updation, interface with resultant reports;
Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system)

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Sr. No.	Key Audit Matter	Auditor's Response
		o Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission o Other areas that were independently assessed included password policies, system configurations, system interface controls, controls over changes to applications and databases.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's Annual Report, but does not include the standalone financial statements and our audit reports thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind-AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books. The backup of the books of account and other books and papers maintained in electronic mode, has been maintained on a daily basis on servers physically located in India during the year.

c) The standalone Balance Sheet, the standalone Statement of Profit and Loss including Other Comprehensive Income, the standalone Cash Flow Statement and standalone Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

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

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

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

i. The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its Standalone financial statements.

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

iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund by the Company.

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

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

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations given under (a) and (b) above, contain any material mis-statement.

v. As stated in Note no. 21.2 of the standalone financial statements

(a) The final dividend proposed in the previous year, declared and paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.

(b) The interim dividend declared and paid by the company during the year and until the date of this report is in compliance with section 123 of the Companies Act, 2013.

(c) The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members in the ensuing Annual General Meeting. The amount of proposed dividend is in accordance with section 123 of the Companies Act, 2013.

vi. As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for maintaining books of account in accounting software having a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, is applicable to the company only with effect from the financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Chandresh S. Shah
Partner
Membership No.: 042132
UDIN: 23042132BGVIVV4408

Place: Ahmedabad
Date: May 10, 2023

"Annexure A" to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2023.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

1. (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

   B. The Company has maintained proper records showing full particulars of intangible assets.

   (b) The Company has a program of physical verification of its Property, Plant and Equipment so as to cover all the items of Property, Plant and Equipment in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of the immovable properties taken on lease and disclosed under "Right of use asset" in the financial statements, the lease agreements are in the name of the Company, where the Company is lessee in the agreement.

   (d) According to the information and explanations given to us and the records examined by us and based on the examination, the Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

   (e) According to the information and explanations given to us and the records examined by us and based on the examination, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Refer Note 47 to the standalone financial statements.

2. (a) The Company is a non-banking finance company ('NBFC') and does not hold any inventories. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable.

   (b) During the year, the company has availed sanctioned working capital limit in excess of Rs. 5 Crores from banks on the basis of security of current assets. Based on our examination of the records of the company, the quarterly returns/ statements filed by the company with the said bank are materially in agreement with the books of accounts maintained by the company.

3. (a) Since the Company's principal business is to give loans. Accordingly, the reporting under clause 3(iii)(a) of the Order is not applicable to it.

   (b) In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.

   (c) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its borrowers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 8.1 to the Standalone Financial Statements for summarised details of such loans/ advances which are not repaid by borrowers as per stipulations. According to the information and explanations given to us, reasonable steps are taken by the Company for recovery thereof.

   (d) The company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and /or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 8.1 to the Standalone Financial Statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations. According to the information and explanations given to us, reasonable steps are taken by the Company for recovery thereof.

(e) Since the Company's principal business is to give loans, the reporting under clause 3(iii)(e) of the Order are not applicable to it.

(f) Based on our audit procedures and the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

4. According to the information and explanations given to us and on the basis of examination of the records, the Company has not granted any loans, made investments or provided guarantees in contravention of the provisions of Section 185 of the Act and has complied with the applicable provisions of Section 186 (1) of the Act.

5. The Company has not accepted any deposits within the meaning of the provisions of section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed thereunder. Further, according to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal, in this regard.

6. The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act for any of the services rendered by the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

7. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been generally regular in depositing undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Custom, Duty of Excise, Value added Tax, Cess and any other material statutory dues.

(b) There were no material undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Custom, Duty of Excise, Value added Tax, Cess and any other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax which have not been deposited as on March 31, 2023 on account of disputes are given below:

Sr. No.	Name of Statute	Nature of Dues	Amount [₹ in Crores]	Period to which the amount relates	Forum where dispute is pending
1	Income tax Act, 1961	Income Tax	0.12 [*]	AY 2017-2018	Deputy Commission of Income Tax (A)

[*] after adjusting the amount of refund claimed by the company amounting Rs. 0.33 Crore.

8. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

9. According to the information and explanations given to us and on the basis of our examination of the books of account, we report that

(a) The Company has not defaulted in repayment of loans or borrowings or interest thereon from any financial institution, banks, government or due to debenture holders during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) The Company has utilised the money obtained by way of term loans from banks and other financial institutions during the year for the purposes for which they were obtained. Unutilised funds are held by the Company in the form of deposits or in current accounts till the time of subsequent utilisation.

(d) The funds raised on short term basis have not been utilized for the long-term purpose.

(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiary company.

10. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the company.

11. (a) To the best of our knowledge and according to the information and explanations given to us, there

are 17 instances of fraud by customers relating to availment of loans by falsifying the records and documents. The total amount of such frauds amounts to Rs. 1.89 Crore.

(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.

(c) According to the information and explanations given by management/Audit Committee, there were no whistle blower complaints received by the Company during the year.

12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

13. According to the information and explanations given to us and based on our examination of the records of the Company, the company is in compliance with section 177 and 188 of the Act, where applicable, for all the transactions with the related parties and details of such transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.

14. (a) In our opinion and based on our examination, the Company is required to strengthen the internal audit function by expanding the scope and coverage to include Risk Based Internal Audit to commensurate the internal audit system with the size and nature of its business. Accordingly, the company has appointed an independent firm to conduct such audit.

(b) We have considered, during the course of our audit, the reports of the internal auditor issued till date for the period under audit in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company and hence provisions of section 192 of the Act are not applicable to the company.

16. According to the information and explanations given to us and based on the examination of the records of the Company, we report that

(a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained the required registration.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company ('CIC') as defined under the Regulations by the Reserve Bank of India.

(d) As per information provided in course of our audit, the group to which the Company belongs does not have CIC.

17. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. (a) According to the information and explanations given to us, there are no unspent amount in respect of other than ongoing projects that are required to be transferred to a fund specified in Schedule VII to the Act.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has transferred the amount remaining unspent in respect of ongoing projects, to a Special Account till the date of our report in compliance with provision of sub section (6) of section 135 of the Act. Relevant disclosures are made in Note 34 (c) of the Standalone financial statement of the Company.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Chandresh S. Shah
Partner
Membership No.: 042132
UDIN: 23042132BGVIVV4408

Place: Ahmedabad
Date: May 10, 2023

"Annexure B" to the Auditors' Report

Report on the Internal Financial Control clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of MAS Financial Service Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

MANAGEMENT RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Chandresh S. Shah
Partner
Membership No.: 042132
UDIN: 23042132BGVIVV4408

Place: Ahmedabad
Date: May 10, 2023

Standalone Balance Sheet

as at 31 March 2023

(₹ in Crores)

	Note no.	As at 31 March 2023	As at 31 March 2022 (Restated refer note 32)	As at 1 April 2021 (Restated refer note 32)
ASSETS				
Financial assets				
Cash and cash equivalents	5	237.86	270.58	965.06
Bank balance other than cash and cash equivalents	6	533.77	560.23	31.80
Trade receivables	7	4.27	1.00	2.21
Loans	8	5,910.16	4,553.80	3,805.14
Investments	9	826.12	538.06	235.03
Other financial assets	10	60.24	52.62	47.65
Total financial assets		**7,572.42**	**5,976.29**	**5,086.89**
Non-financial assets				
Income tax assets (net)	30	2.52	6.23	5.92
Deferred tax assets (net)	30	18.22	12.79	10.26
Property, plant and equipment	11(a)	13.95	12.39	10.81
Capital work-in-progress	11(c)	57.66	52.04	50.03
Right-of-use asset	11(d)	1.06	0.53	0.38
Intangible assets under development	11(e)	0.33	0.04	-
Other intangible assets	11(b)	1.03	0.22	0.09
Other non-financial assets	12	9.33	3.68	2.32
Total non-financial assets		**104.10**	**87.92**	**79.81**
Total assets		**7,676.52**	**6,064.21**	**5,166.70**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables	13			
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		0.13	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		11.51	14.12	6.56
(II) Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1.84	1.55	1.01
Debt securities	14	627.26	362.03	314.12
Borrowings (other than debt securities)	15	4,957.56	3,732.73	2,919.75
Subordinated liabilities	16	252.70	137.22	59.97
Other financial liabilities	17	305.65	457.59	632.53
Total financial liabilities		**6,156.65**	**4,705.24**	**3,933.94**
Non-financial liabilities				
Current tax liabilities (net)	30	1.86	2.25	11.77
Provisions	18	9.48	7.16	3.96
Other non-financial liabilities	19	2.80	8.97	12.06
Total non-financial liabilities		**14.14**	**18.38**	**27.79**
Total liabilities		**6,170.79**	**4,723.62**	**3,961.73**
EQUITY				
Equity share capital	20	54.66	54.66	54.66
Other equity	21	1,451.07	1,285.93	1,150.31
Total equity		**1,505.73**	**1,340.59**	**1,204.97**
Total liabilities and equity		**7,676.52**	**6,064.21**	**5,166.70**

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)
Ahmedabad
10 May 2023

Ankit Jain
(Chief Financial Officer)

Ahmedabad
10 May 2023

Standalone Statement of Profit and Loss

for the year ended 31 March 2023

(₹ in Crores)

		Note no.	Year ended 31 March 2023	Year ended 31 March 2022 (Restated refer note 32)
I.	**Revenue from operations**			
	Interest income	22	806.57	561.11
	Gain on assignment of financial assets (Refer note 32)		68.04	63.87
	Fees and commission income		49.99	20.30
	Net gain on fair value changes	23	21.49	10.29
	Total revenue from operations		**946.09**	**655.57**
	Other income	24	3.00	1.51
	Total income		**949.09**	**657.08**
II.	**Expenses**			
	Finance costs	25	474.82	319.54
	Fees and commission expense		57.24	23.09
	Impairment on financial assets	26	53.00	34.10
	Employee benefits expenses	27	62.49	42.23
	Depreciation, amortization and impairment	28	2.40	1.78
	Others expenses	29	34.44	25.04
	Total expenses		**684.39**	**445.78**
	Profit before exceptional items and tax (I - II)		264.70	211.30
	Exceptional items		-	-
III.	**Profit before tax**		**264.70**	**211.30**
IV.	**Tax expense:**			
	Current tax	30	65.10	54.23
	Short / (excess) provision for tax relating to prior years	30	(2.47)	(0.50)
	Net current tax expense		**62.63**	**53.73**
	Deferred tax expense / (credit)	30	1.11	0.02
	Net tax expense		**63.74**	**53.75**
V.	**Profit for the year (III - IV)**		**200.96**	**157.55**
VI.	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss:			
	Re-measurement of the defined benefit liabilities		0.06	(0.11)
	Income tax impact on above		(0.02)	0.03
	Total (A)		**0.04**	**(0.08)**
	(B) Items that will be reclassified to profit or loss:			
	Loans and advances through other comprehensive Income		(26.05)	(10.01)
	Income tax impact on above		6.56	2.52
	Total (B)		**(19.49)**	**(7.49)**
	Other comprehensive income (A+B)		(19.45)	(7.57)
VII.	**Total comprehensive income (V + VI)**		**181.51**	**149.98**
VIII.	**Earnings per equity share (of ₹ 10 each):**	**31**		
	Basic (₹)		36.76	28.82
	Diluted (₹)		36.76	28.82

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
10 May 2023

Ahmedabad
10 May 2023

Standalone Statement of Changes in Equity

for the year ended 31 march 2023

(A) EQUITY SHARE CAPITAL

(₹ in Crores)

Equity Share of ₹ 10 each issued, subscribed and fully paid	
Balance at 1 April 2021	54.66
Changes in Equity Share Capital due to prior period errors	-
Restated balance at 1 April 2021	**54.66**
Changes in equity share capital during the year	-
Balance at 31 March 2022	**54.66**
Changes in Equity Share Capital due to prior period errors	-
Restated balance at 31 March 2022	**54.66**
Changes in equity share capital during the year	-
Balance at 31 March 2023	**54.66**

(B) OTHER EQUITY

(₹ in Crores)

	Reserves and surplus			Other comprehensive income		Total
	Reserve u/s. 45-IC of the RBI Act, 1934	Securities premium	Retained earnings	Equity instruments through OCI	Loans and advances through OCI	
Balance at 31 March 2021	**173.92**	**426.87**	**396.36**	*	**120.76**	**1,117.91**
Impact due to changes in accounting policy	6.48	-	25.92	-	-	32.40
Restated balance at 1 April 2021 (Refer note 32)	**180.40**	**426.87**	**422.28**	*	**120.76**	**1,150.31**
Profit for the year	-	-	157.55	-	-	157.55
Re-measurement of defined benefit plans (net of taxes)	-	-	(0.08)	-	-	(0.08)
Other comprehensive income (net of taxes)	-	-	-	-	(6.82)	(6.82)
Final dividend on equity shares	-	-	(8.20)	-	-	(8.20)
Interim dividend on equity shares	-	-	(6.83)	-	-	(6.83)
Transfer to reserve u/s. 45-IC of the RBI Act, 1934	31.51	-	(31.51)	-	-	-
Restated balance at 31 March 2022 (Refer note 32)	**211.91**	**426.87**	**533.21**	*	**113.94**	**1,285.93**
Profit for the year	-	-	200.96	-	-	200.96
Re-measurement of defined benefit plans (net of taxes)	-	-	0.04	-	-	0.04
Other comprehensive income (net of taxes)	-	-	-	-	(16.45)	(16.45)
Final dividend on equity shares	-	-	(9.57)	-	-	(9.57)
Interim dividend on equity shares	-	-	(9.84)	-	-	(9.84)
Transfer to reserve u/s. 45-IC of the RBI Act, 1934	40.19	-	(40.19)	-	-	-
Balance at 31 March 2023	**252.10**	**426.87**	**674.61**	*	**97.49**	**1,451.07**

* Represents amount less than ₹ 50,000

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)
Ahmedabad
10 May 2023

Ankit Jain
(Chief Financial Officer)

Ahmedabad
10 May 2023

Standalone Statement of Cash Flows

for the year ended 31 March 2023

(₹ in Crores)

		Year ended 31 March 2023		Year ended 31 March 2022 (Restated refer note 32)
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net profit before tax		264.70		211.30
	Adjustments for :				
	Depreciation and amortisation	2.40		1.78	
	Finance cost	474.82		319.54	
	Impairment on financial assets	53.00		34.10	
	(Profit) / loss on sale of property, plant and equipment	(0.10)		-	
	Interest income	(806.57)		(561.11)	
	Gain on assignment of financial assets	(68.04)		(63.87)	
	Net gain on fair value changes	(2.74)		(3.12)	
	Net gain on sale of investments measured at amortized cost	(1.35)		-	
	Financial guarantee commission income	(0.01)		(0.01)	
	Dividend income	(1.12)		(0.66)	
	Gain on derecognition of leased assets (31 March 2022: ₹ 7,364)	-		-	
			(349.71)		(273.35)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**(85.01)**		**(62.05)**
	Changes in working capital:				
	Adjustments for (increase)/decrease in operating assets:				
	Loans	(1,340.37)		(716.44)	
	Trade receivables	(3.26)		1.21	
	Advances received against loan agreements	(6.38)		8.00	
	Bank balance other than cash and cash equivalents	0.57		(0.55)	
	Other financial asset	(7.44)		(4.69)	
	Other non-financial asset	(13.02)		(3.91)	
	Adjustments for increase/(decrease) in operating liabilities:				
	Trade payable and other payable	(2.19)		8.10	
	Other financial liabilities	(172.94)		(178.91)	
	Other non-financial liabilities	(6.17)		(3.07)	
	Provisions (also refer note 34)	2.01	(1,549.19)	3.72	(886.54)
	CASH GENERATED FROM / (USED IN) OPERATIONS		**(1,634.20)**		**(948.59)**
	Interest income received	701.70		516.43	
	Dividend received	1.12		0.66	
	Interest income on Investment measured at amortised cost	48.61		10.56	
	Finance cost paid	(463.37)	288.06	(335.59)	192.06
			(1,346.14)		**(756.53)**
	Income tax paid (net)		(59.31)		(63.55)
	NET CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)		**(1,405.45)**		**(820.08)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Acquisition of property, plant and equipments and intangible assets, including capital advances	(10.51)		(5.22)	
	Proceeds from sale of property, plant and equipments and intangible assets	0.24		-	
	Change in Earmarked balances with banks and other free deposit	25.89		(527.87)	
	Interest income from bank deposits	37.84		23.91	
	Purchase of investments	(2,824.51)		(1,192.11)	
	Redemption of investments	2,541.16		892.29	
	Net gain on sale of investments measured at amortized cost	1.35		-	
	NET CASH FLOW GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)		**(228.54)**		**(809.00)**

Standalone Statement of Cash Flows (contd.)

for the year ended 31 March 2023

		Year ended 31 March 2023		Year ended 31 March 2022 (Restated refer note 32)	
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from debt securities and borrowings	3,073.48		1,949.22	
	Repayments of debt securities and borrowings	(1,236.21)		(1,048.77)	
	Net increase / (decrease) in working capital borrowings	(216.37)		49.60	
	Repayment of lease liabilities	(0.22)		(0.42)	
	Dividends paid	(19.41)		(15.03)	
	NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)		**1,601.27**		**934.60**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**(32.72)**		**(694.48)**
	Cash and cash equivalents at the beginning of the year		270.58		965.06
	Cash and cash equivalents at the end of the year (refer note 1 below)		**237.86**		**270.58**

Notes:

(₹ In Crores)

		As at 31 March 2023	As at 31 March 2022
1.	Cash and bank balances at the end of the year comprises:		
	(a) Cash on hand	0.14	0.10
	(b) Balances with banks	67.64	233.52
	Total	**67.78**	**233.62**
	(c) Bank deposits with original maturity of 3 months or less	170.08	36.96
	Cash and cash equivalents as per the balance sheet	**237.86**	**270.58**

2. The above cash flow statement has been prepared under the “indirect method” as set out in the Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.

3. The Company as at 31 March 2023 has undrawn borrowing facilities amounting to ₹ 1290.78 Crores that may be available for future operating activities and to settle capital commitments.

4. Change in liabilities arising from financing activities

	31 March 2022	Cash flows	Non-cash changes*	31 March 2023
Debt securities	362.03	266.25	(1.02)	627.26
Borrowings (other than debt securities)	3,732.73	1,234.65	(9.82)	4,957.56
Subordinated liabilities	137.22	120.00	(4.52)	252.70
Total liabilities from financing activities	**4,231.98**	**1,620.90**	**(15.36)**	**5,837.52**

	1 April 2021	Cash flows	Non-cash changes*	31 March 2022
Debt securities	314.12	50.00	(2.09)	362.03
Borrowings (other than debt securities)	2,919.75	820.06	(7.08)	3,732.73
Subordinated liabilities	59.97	80.00	(2.75)	137.22
Total liabilities from financing activities	**3,293.84**	**950.06**	**(11.92)**	**4,231.98**

* Non-cash changes represents the effect of amortization of transaction cost.

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm’s Registration No: 106625W

For and on behalf of the Board of Directors of MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
10 May 2023

Ahmedabad
10 May 2023

1. CORPORATE INFORMATION

MAS Financial Services Limited (the “Company”) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. It is registered as a systematically important non deposit taking non-banking finance Company (“NBFC”) with Reserve Bank of India (“RBI”). The Company is engaged in the business of providing Micro Enterprise loans (“MEL”), Small and Medium Enterprise loans (“SME”), Two Wheeler loans (“TW”), Commercial Vehicle loans (“CV”) and loans to NBFCs - to create the underlying assets of MEL, SME, TW and CV. Its shares are listed on two recognised stock exchanges in India i.e. BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”).

The Company’s registered office is at 6, Ground Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad-380009, Gujarat, India.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These standalone financial statements of the Company have been prepared in accordance with the Indian Accounting standards (“Ind AS”) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (“the Act”), and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC).CC.PD. No.109/22. 10.106/2019-20 dated 13 March 2020.

Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash Flows”.

2.2 Basis of measurement

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain financial instruments which are measured at fair values as required by relevant Ind AS.

2.3 Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Company operates (the “functional currency”). Amounts in the standalone financial statements are presented in crores rounded off to two decimal places as permitted by Schedule III to the Act, except when otherwise indicated.

2.4 Use of estimates, judgements and assumptions

The preparation of the standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised prospectively.

Judgements

In the process of applying the Company’s accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Business model assessment

Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest (“SPPI”) test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company’s continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value refer note 3.8 and note 42.

ii) Effective interest rate ("EIR") method

The Company's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

e) Management overlay is used in circumstances where management in its objective review and internal assessment of emerging forward looking economic factors and related uncertainties.

iv) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business. When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates. For further details on provisions and other contingencies refer note 3.17.

v) Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recovered for uncertain tax positions. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

vi) Defined Benefit Plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the standalone financial statements are prudent and reasonable.

2.5 Presentation of the standalone financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in note 40.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

i) The normal course of business

ii) The event of default

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of interest income

A. EIR method

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

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

The Company calculates interest income by applying EIR to the gross carrying amount of financial assets other than credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as stage 3, the Company calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

3.2 Financial instrument - initial recognition

A. Date of recognition

All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments (Refer note 3.3(A)). Financial instruments are initially measured at their fair value (as defined in Note 3.8), transaction costs are added to or subtracted from this amount, except in the case of financial assets and financial liabilities recorded at FVTPL.

C. Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

i) Amortised cost

ii) FVOCI

iii) FVTPL

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

d) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

SPPI test

As a second step of its classification process, the Company assesses the contractual terms of financial asset to identify whether they meet SPPI test

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

i) *Financial assets carried at amortised cost*

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) *Financial assets measured at FVOCI*

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) *Financial assets at FVTPL*

A financial asset which is not classified in any of the above categories are measured at FVTPL.

iv) *Equity investment in subsidiaries*

The Company has accounted for its equity investments in subsidiaries at cost.

B. Financial liability

i) *Initial recognition and measurement*

All financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) *Subsequent measurement*

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

3.4 Reclassification of financial assets

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the circumstances in which the Company changes in its business model for managing those financial assets.

3.5 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

B. Derecognition of financial assets other than due to substantial modification

i) *Financial assets*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss. It is a change in accounting policy which has been implemented with retrospective effect and being presented from the begining of the earliest period i.e. 1 April 2021. Refer note 32 for details.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109.

As per the guidelines of RBI, the Company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement (“MRR”). Therefore, it continue to recognise the portion retained by it as MRR.

ii) *Financial liability*

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

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets together with loan commitments other than those measured at FVTPL.

Expected credit losses are measured through a loss allowance at an amount equal to:

i.) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii.) Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

Both LTECLs and 12 months ECLs are calculated on collective basis for retail loans.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant increase in credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. Borrowers are also classified under stage 3 bucket under instances like fraud identification and legal proceeding. Further, stage 3 loan accounts are identified at customer level (i.e. a Stage 1 or 2 customer having other loans which are in Stage 3). The Company records an allowance for life time ECL.

There is a curing period with Stage 3 loan, where even if the DPD days are reduced by 90 days the same will not be upgraded to Stage 1 until the loan is 0 DPD.

Loan commitments:

When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

B. Calculation of ECLs

For retail loans

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

PD Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, expected drawdowns on committed facilities and accrued interest. Further, the EAD for stage 3 retail loan is the outstanding exposure at the time loan is classified as Stage 3 for the first time.

LGD LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total outstanding) % LGD = 1 – recovery rate

For retail asset channel ("RAC") loan portfolio

For RAC loan portfolio, the Company has developed internal rating based approach for the purpose of ECL. The credit rating framework of the Company consists of various parameters based on which RAC loan portfolio is evaluated and credit rating is assigned.

The Company has developed its PD matrix based on the benchmarking of various external reports, ratings and Basel norms. This PD matrix is calibrated with its historical data and major events at a regular time interval in accordance with its ECL policy.

The LGD has been considered based on Basel-II Framework for all the level of RAC credit rating portfolio.

The Company calculates PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated EADs are reviewed. While at every year end, LGDs and PDs are reviewed and changes in the forward looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%. Credit impairment loans are determined at borrower level.

Loan commitments

When estimating ECL for undrawn loan commitments, the Company estimates the amount sanctioned that will be disbursed after the reporting date. The ECL is then calculated using PD and LGD.

Management overlay is used to adjust the ECL allowance in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios. Emerging local or global macroeconomic, micro economic or political events, and natural disasters that are not incorporated into the current parameters, risk ratings, or forward looking information are examples of such circumstances. The use of management overlay may impact the amount of ECL recognized.

Significant increase in credit risk

The Company monitors all financial assets, including loan commitments issued that are subject to impairment requirements, to assess whether there has been a significant increase in credit risk since initial recognition. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience that is available without undue cost or effort. However, when a financial asset becomes 30 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is classified in Stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL. Further, a stage 2 customer having other loans which are in stage 1 are considered to have significant increase in credit risk.

Definition of default

The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL.

Financial assets in default represent those that are at least 90 DPD in respect of principal or interest and/or where the assets are otherwise considered to be unlikely to pay, including those that are credit-impaired.

C. Loans and advances measured at FVOCI

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the statement of profit and loss upon derecognition of the assets.

D. Forward looking information

In its ECL models, the Company relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time. For this purpose, the Company has used the data source of Economist Intelligence Unit.

3.7 Write-offs

The gross carrying amount of a financial asset is written off when the chances of recoveries are remote. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in Statement of profit and loss.

3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;

- Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and

- Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

3.9 (I) Recognition of other income

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115 :

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

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

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

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

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

A. Dividend income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

B. Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

C. Other interest income

Other interest income is recognised on a time proportionate basis.

D. Fees and commission income

Fees and commission income such as stamp and document charges, guarantee commission, service income, due diligence & evaluation charges and portfolio monitoring fees etc. are recognised on point in time basis.

3.9 (II) Recognition of other expense

A. Finance cost

Finance costs are the interest and other costs that the Company incurs in connection with the borrowing of funds. Interest expenses are computed based on effective interest rate method.

Finance costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other finance costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.11 Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the Company and the cost of the item can be measured reliably.

Depreciation is calculated using the straight line method to write down the cost of property, plant and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act. Land is not depreciated. All assets individually costing less than Rs. 5,000 are fully depreciated in the year of purchase.

The estimated useful lives are, as follows:

i) Buildings - 60 years

ii) Office equipments - 3 to 10 years

iii) Furniture and fixtures - 10 years

iv) Vehicles - 8 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date. Capital work-in-progress is stated at cost, net of impairment loss, if any.

3.12 Intangible assets

The Company's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives (three years) using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'.

3.13 Impairment of non financial assets - property, plant and equipments and intangible assets

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

3.14 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less

Lease payments associated with short term leases or low value leases are recognised as an expense on a straight-line basis over the lease term.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

3.15 Corporate guarantees

Corporate guarantees are initially recognised in the standalone financial statements (within "other non-financial liabilities") at fair value, being the notional commission. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss. The notional commission is recognised in the statement of profit and loss under the head fees and commission income on a straight line basis over the life of the guarantee.

3.16 Retirement and other employee benefits

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Company to the Life insurance corporation of India who administers the fund of the Company.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

3.17 Provisions, contingent liabilities and contingent assets

A. Provisions

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

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised not disclosed in the financial statements.

3.18 Taxes

A. Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or equity.

B. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet

3.19 Earnings per share

Basic earnings per share ("EPS") is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.20 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when the it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

3.21 Repossessed asset

In the normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle the outstanding debt.

3.22 Security deposit

The security deposits received from the customers are in the nature of financial liabilities as defined under Ind AS – 32. The Company uses weighted average rate of borrowing as discount rate to arrives at fair valuation of security deposit. After initial recognition, the Company recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1, Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

Ind AS 12, Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

5. CASH AND CASH EQUIVALENTS

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Cash on hand	0.14	0.10	0.06
Balances with banks:			
In current / cash credit accounts	67.64	233.52	489.76
Bank deposits with original maturity of 3 months or less (refer note 1 below)	170.08	36.96	475.24
Total cash and cash equivalents	**237.86**	**270.58**	**965.06**

Notes:

1. Represents bank deposits against overdraft facility as at 31 March 2022.

6. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
In current accounts (refer note 1 below)	0.12	0.08	0.14
Earmarked balances with banks:			
Unclaimed dividend bank balances (refer note 2 below)	0.02	0.63	0.02
Unspent CSR bank balances	5.34	2.92	-
In fixed deposit accounts:			
Deposits given as security against borrowings and other commitments	22.74	27.46	21.63
Bank deposits with original maturity of more than 3 months (refer note 3 below)	505.55	529.14	10.01
Total bank balance other than cash and cash equivalents	**533.77**	**560.23**	**31.80**

Notes:

1. Balance represents balance with banks in earmarked account i.e. "collection and pay-out account".
2. Balance amounting to ₹ 0.61 crores was transferred to lien free "current account" after 31 March 2022 as it was available for free use.
3. Represents bank deposits against overdraft facility.

7. TRADE RECEIVABLES

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Trade receivables considered good-secured	-	-	-
Trade receivables considered good-unsecured	4.27	1.00	2.21
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables - credit impaired	-	-	-
Total trade receivables	**4.27**	**1.00**	**2.21**

Notes:

1. Impairment allowance recognised on trade receivables is ₹ Nil (Previous years: ₹ Nil).
2. There is no due by directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member.

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

Trade Receivables ageing schedule as at 31 March 2023

(₹ In Crores)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	4.00	0.15	0.12	-	-	4.27
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Trade Receivables ageing schedule as at 31 March 2022

(₹ In Crores)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	0.11	0.46	0.44	-	-	1.00
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Trade Receivables ageing schedule as at 1 April 2021

(₹ In Crores)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	2.21	-	-	-	-	2.21
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

8. LOANS

(₹ In Crores)

			As at 31 March 2023			As at 31 March 2022			As at 1 April 2021		
			At amortised cost	At fair value through OCI	Total	At amortised cost	At fair value through OCI	Total	At amortised cost	At fair value through OCI	Total
(A)	(I)	Bills Receivables	82.38	-	82.38	40.89	-	40.89	-	-	-
	(II)	Term loans	-	5,828.31	5,828.31	-	4,513.22	4,513.22	-	3,805.14	3,805.14
	Total (A)-Gross		**82.38**	**5,828.31**	**5,910.69**	**40.89**	**4,513.22**	**4,554.11**	**-**	**3,805.14**	**3,805.14**
	Less: Impairment loss allowance		(0.53)	-	(0.53)	(0.31)	-	(0.31)	-	-	-
	Total (A)-Net		**81.85**	**5,828.31**	**5,910.16**	**40.58**	**4,513.22**	**4,553.80**	**-**	**3,805.14**	**3,805.14**
(B)	(i)	Secured by tangible assets	82.38	4,300.77	4,383.15	40.89	3,280.92	3,321.81	-	2,730.25	2,730.25
	(ii)	Unsecured	-	1,527.54	1,527.54	-	1,232.31	1,232.31	-	1,074.88	1,074.88
	Total (B)-Gross		**82.38**	**5,828.31**	**5,910.69**	**40.89**	**4,513.23**	**4,554.12**	**-**	**3,805.13**	**3,805.13**
	Less: Impairment loss allowance		(0.53)	-	(0.53)	(0.31)	-	(0.31)	-	-	-
	Total (B)-Net		**81.85**	**5,828.31**	**5,910.16**	**40.58**	**4,513.23**	**4,553.81**	**-**	**3,805.13**	**3,805.13**
(C)	(I)	Loans in India									
		(i) Public sector	-	-	-	-	-	-	-	-	-
		(ii) Private sector	82.38	5,828.31	5,910.69	40.89	4,513.22	4,554.11	-	3,805.14	3,805.14
	Total (C)-Gross		**82.38**	**5,828.31**	**5,910.69**	**40.89**	**4,513.22**	**4,554.11**	**-**	**3,805.14**	**3,805.14**
	Less: Impairment loss allowance		(0.53)	-	(0.53)	(0.31)	-	(0.31)	-	-	-
	Total (C) (I) -Net		**81.85**	**5,828.31**	**5,910.16**	**40.58**	**4,513.22**	**4,553.80**	**-**	**3,805.14**	**3,805.14**
(C)	(II)	Loans outside India	-	-	-	-	-	-	-	-	-
	Less: Impairment loss allowance		-	-	-	-	-	-	-	-	-
	Total (C) (II)- Net		-	-	-	-	-	-	-	-	-
	Total C(I) and C(II)		**81.85**	**5,828.31**	**5,910.16**	**40.58**	**4,513.22**	**4,553.80**	**-**	**3,805.14**	**3,805.14**

Loans or advances in the nature of loans are granted to promoters, directors, KMPs, and the related parties, either serverally or jointly with any other person

Particulars	As at 31 March 2023	% to the total Loans and Advances in the nature of loans	As at 31 March 2022	% to the total Loans and Advances in the nature of loans	As at 1 April 2021	% to the total Loans and Advances in the nature of loans
Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Directors	Nil	Nil	Nil	Nil	Nil	Nil
KMPs	Nil	Nil	Nil	Nil	Nil	Nil
Related parties	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

1. There are no loans outstanding to Companies in which directors are interested.
2. The impairment on loans measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss.

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

8.1 An analysis of changes in the gross carrying amount of loans is given below#

(₹ In Crores)

	31 March 2023				31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**4,401.63**	**90.53**	**104.89**	**4,597.05**	**3,704.76**	**79.26**	**64.43**	**3,848.45**
Changes in opening credit exposures (net of repayment and excluding write off)	(3,193.32)	(31.31)	(39.35)	(3,263.98)	(2,661.14)	(21.85)	(23.25)	(2,706.24)
New assets originated (net of repayment)**	4,574.47	66.89	20.28	4,661.64	3,444.45	22.67	17.83	3,484.95
Transfers from Stage 1	(84.61)	33.04	51.57	-	(87.71)	35.72	51.99	-
Transfers from Stage 2	9.67	(47.84)	38.17	-	0.99	(25.25)	24.26	-
Transfers from Stage 3	0.38	-	(0.38)	-	0.28	*	(0.28)	-
Amounts written off	(0.17)	*	(42.48)	(42.65)	*	(0.02)	(30.09)	(30.11)
Gross carrying amount closing balance	**5,708.05**	**111.31**	**132.70**	**5,952.06**	**4,401.63**	**90.53**	**104.89**	**4,597.05**

The above classification also includes balance of spread receivable on assigned portfolio. (Refer note 10)

* Represents amount less than ₹ 50,000

** New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end.

In accordance with the board approved moratorium policy read with RBI guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Company had granted moratorium up to six months on the payment of installments which became due between 1 March 2020 and 31 August 2020 to all eligible borrowers.

The Honourable Supreme Court of India in a public interest litigation (Gajendra Sharma vs. Union of India & Anr), vide an interim order dated 3 September 2020 ('interim order'), has directed that no additional borrower accounts shall be classified as impaired ('non-performing assets' or 'NPA') which were not declared NPA till 31 August 2020, till further orders. Based on the said interim order, the Company had not classified any standard account as of 31 August 2020 as NPA after 31 August 2020. The Company has classified those accounts as stage 3 and provisioned accordingly for financial reporting purposes.

The interim order granted to not declare accounts as NPA stood vacated on 23 March 2021 vide the judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors, and other connected matters, in accordance with the instructions in paragraph 5 of the RBI circular no. RB1/2021-22/17DOR. STR.REC.4/21.04.048/2021-22 dated 7 April 2021 issued in this connection, the Company had continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms and as per ECL model under Ind AS financial statements for the year ended 31 March 2021 and 31 March 2022.

8.2 Reconciliation of ECL balance is given below

(₹ In Crores)

	31 March 2023				31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**45.20**	**10.29**	**44.70**	**100.20**	**58.40**	**15.94**	**24.88**	**99.22**
Changes in opening credit exposures (net of repayment and excluding write off)	(11.69)	5.86	(10.21)	(16.04)	(21.87)	(2.47)	(1.50)	(25.84)
New assets originated (net of repayment)	24.71	12.93	6.75	44.39	33.88	2.10	9.27	45.24
Transfers from Stage 1	(27.92)	5.62	22.30	-	(25.22)	5.18	20.03	-
Transfers from Stage 2	0.05	(14.91)	14.86	-	0.02	(10.40)	10.38	-
Transfers from Stage 3	0.00	-	(0.00)	-	0.00	-	(0.00)	-
Amounts written off	(0.00)	(0.04)	(25.05)	(25.09)	(0.00)	(0.07)	(18.35)	(18.42)
ECL allowance - closing balance	**30.34**	**19.77**	**53.35**	**103.46**	**45.20**	**10.29**	**44.70**	**100.20**

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

The contractual amount outstanding on loans that have been written off during the year, but were still subject to enforcement activity is ₹ 42.65 crores at 31 March 2023 (31 March 2022: ₹ 30.11 crores).

The increase in ECL was driven by an increase in the gross amount of the portfolio, movements between stages as a result of increase in credit risk, change in probability of default, macro economic factors and management overlays due to estimated macro-economic factors. The extent to which macro-economic factors will impact current estimates of ECL is uncertain at this point of time. The Company has conducted a qualitative assessment and has considered forecasted macro economic factors and a higher probability of default to factor on impairment allowances. For further details, refer note 44.

8.3 Credit quality of loan assets

The table below shows the gross carrying amount of loans based on the Company's internal grades and year-end stage classification of loans. The amounts presented are gross of impairment allowances. Details of the Company's internal grades are explained in note 44.1.

(₹ In Crores)

	31 March 2023				31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal grades								
Performing								
High quality assets	5,708.05	-	-	5,708.05	4,401.63	-	-	4,401.63
Quality assets	-	79.23	-	79.23	-	45.83	-	45.83
Standard assets	-	32.08	-	32.08	-	44.70	-	44.70
Non- performing								
Sub standard assets	-	-	44.99	44.99	-	-	50.88	50.88
Low quality assets	-	-	87.71	87.71	-	-	54.01	54.01
Total	**5,708.05**	**111.31**	**132.70**	**5,952.06**	**4,401.63**	**90.53**	**104.89**	**4,597.05**

9. INVESTMENTS

(₹ In Crores)

	As at 31 March 2023				As at 31 March 2022				As at 1 April 2021			
	At amortised cost	At fair value through P&L	Others	Total	At amortised cost	At fair value through P&L	Others	Total	At amortised cost	At fair value through P&L	Others	Total
Investments in												
Alternative investment funds	-	38.97	-	38.97	-	35.57	-	35.57	-	20.30	-	20.30
Pass through certificates under securitization transactions	527.76	-	-	527.76	141.26	-	-	141.26	65.64	-	-	65.64
Market linked debentures	-	176.78	-	176.78	-	262.97	-	262.97	-	115.67	-	115.67
Non - convertible debentures	31.62	-	-	31.62	49.32	-	-	49.32	-	-	-	-
Mutual fund units	-	4.68	-	4.68	-	4.63	-	4.63	-	-	-	-
Subsidiary #	-	-	46.55	46.55	-	22.65	22.21	44.86	-	11.24	22.21	33.45
Total – Gross (A)	**559.38**	**220.43**	**46.55**	**826.36**	**190.58**	**325.82**	**22.21**	**538.61**	65.64	147.21	22.21	235.06
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	559.38	220.43	46.55	826.36	190.58	325.82	22.21	538.61	65.64	147.21	22.21	235.06
Total (B)	**559.38**	**220.43**	**46.55**	**826.36**	**190.58**	**325.82**	**22.21**	**538.61**	65.64	147.21	22.21	235.06
Less: Allowance for Impairment Loss (C)	(0.24)	-	-	(0.24)	(0.55)	-	-	(0.55)	(0.03)	-	-	(0.03)
Total – Net D= (A)-(C)	**559.14**	**220.43**	**46.55**	**826.12**	**190.03**	**325.82**	**22.21**	**538.06**	65.61	147.21	22.21	235.03

Investments in subsidiaries

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Investment in equity shares of subsidiaries	20.09	19.75	19.75
Investment in optionally convertible preference shares of subsidiary [*]	20.00	-	-
Investment in debt component of optionally convertible preference shares of subsidiary	-	13.11	6.33
Deemed investment in optionally convertible preference shares of subsidiary	4.00	9.53	4.92
Investment in subsidiary on account of:			
Corporate financial guarantee given to bank on behalf of subsidiary	2.39	2.39	2.39
Issuance of equity shares to the employees of subsidiary at discount	0.07	0.07	0.07
Total	**46.55**	**44.85**	**33.46**

[*] During the year, the terms of optionally convertible preference shares (OCPS) of subsidiary have been changed and the conversion ratio of OCPS into Equity shares of subsidiary have been fixed. Accordingly, the same has been considered as

"Equity investment in subsidiary" and is measured at cost.

10. OTHER FINANCIAL ASSETS

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Security deposits	1.02	0.87	0.69
Spread receivable on assigned portfolio	41.37	42.94	43.31
Interest accrued but not due on investments	2.43	0.67	0.02
Advances to dealers	7.63	8.14	-
Ex-gratia interest amount under GOI scheme (net of ECL)	-	-	3.63
Other Recievable	7.79	-	-
Total other financial assets	**60.24**	**52.62**	**47.65**

11. PROPERTY, PLANT AND EQUIPMENTS AND INTANGIBLE ASSETS

(₹ In Crores)

	Property, plant and equipment (a)					Intangible assets (b)	
Nature of assets	**Buildings**	**Office equipment**	**Furniture and fixtures**	**Vehicles**	**Total**	**Software**	**Total**
Cost							
At 1 April 2021	**6.68**	**3.29**	**2.81**	**1.64**	**14.41**	**0.41**	**0.41**
Additions	-	1.16	0.55	1.22	2.93	0.19	0.19
Disposals	-	-	-	-	-	-	-
At 31 March 2022	**6.68**	**4.45**	**3.36**	**2.86**	**17.34**	**0.60**	**0.60**
Additions	-	1.44	1.20	0.95	3.59	1.04	1.04
Disposals	-	-	-	0.42	0.42	-	-
At 31 March 2023	**6.68**	**5.89**	**4.56**	**3.39**	**20.51**	**1.64**	**1.64**
Depreciation/Amortisation							
At 1 April 2021	**0.43**	**1.57**	**0.79**	**0.81**	**3.60**	**0.32**	**0.32**
Depreciation/amortization charge	0.11	0.65	0.29	0.30	1.35	0.06	0.06
Disposal	-	-	-	-	-	-	-
At 31 March 2022	**0.54**	**2.22**	**1.08**	**1.11**	**4.95**	**0.38**	**0.38**
Depreciation/amortization charge	0.11	0.87	0.50	0.41	1.89	0.23	0.23
Disposal	-	-	-	0.28	0.28	-	-
At 31 March 2023	**0.65**	**3.09**	**1.58**	**1.24**	**6.56**	**0.61**	**0.61**
Net block value:							
At 1 April 2021	6.25	1.72	2.02	0.83	10.81	0.09	0.09
At 31 March 2022	6.14	2.23	2.28	1.75	12.39	0.22	0.22
At 31 March 2023	**6.03**	**2.80**	**2.98**	**2.15**	**13.95**	**1.03**	**1.03**

Note: No revaluation of any class of asset is carried out during the year.

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

(c) Capital work in progress

Capital work in progress includes borrowing costs related to development of building amounted to ₹ 1.24 crores (31 March 2022: ₹ 1.46 crores and 1 April 2021: ₹ 1.81 crores). Finance costs are capitalised using rates based on specific borrowing rate i.e. 8.91% for the year ended 31 March 2023.

Capital work-in-progress	
At 1 April 2021	**50.03**
Additions	2.01
Disposals	-
At 31 March 2022	**52.04**
Additions	5.62
Disposals	-
At 31 March 2023	**57.66**

Capital work in progress aging schedule

(₹ In Crores)

Capital work in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023					
Projects in progress	5.72	1.91	1.81	48.21	57.66
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2022					
Projects in progress	2.02	1.81	2.57	45.64	52.04
Projects temporarily suspended	-	-	-	-	-
As at 1 April 2021					
Projects in progress	1.81	2.57	0.34	45.31	50.03
Projects temporarily suspended	-	-	-	-	-

Capital work in progress completion schedule for projects where completion is overdue

(₹ In Crores)

Capital work in progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023					
MAS headquarters	-	-	-	57.66	57.66
As at 31 March 2022					
MAS headquarters	-	-	-	51.94	51.94
As at 1 April 2021					
MAS headquarters	-	-	-	50.03	50.03

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

(d) Right-of-use asset

The details of the right-of-use asset held by the Company is as follows:

(₹ In Crores)

Office Premises	
At 1 April 2021	1.96
Additions	0.53
Disposals	0.01
At 31 March 2022	**2.48**
Additions	0.80
Disposals	-
At 31 March 2023	**3.28**
Depreciation	
At 1 April 2021	**1.58**
Additions	0.37
Disposals	-
At 31 March 2022	**1.95**
Additions	0.27
Disposals	-
At 31 March 2023	**2.22**
Net Block Value:	
At 1 April 2021	0.38
At 31 March 2022	0.53
At 31 March 2023	**1.06**

(e) Intangible assets under development

Intangible assets under development	
At 1 April 2021	**-**
Additions	0.04
Disposals	-
At 31 March 2022	**0.04**
Additions	0.33
Disposals	0.04
At 31 March 2023	**0.33**

Intangible assets under development aging schedule

(₹ In Crores)

	Amount in intangible assets under development for a period of				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
As at 31 March 2023					
Projects in progress	0.33	-	-	-	0.33
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2022					
Projects in progress	0.04	-	-	-	0.04
Projects temporarily suspended	-	-	-	-	-
As at 1 April 2021					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

12. OTHER NON-FINANCIAL ASSETS

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Prepaid expenses	4.44	1.36	0.08
Advances to employees	0.11	0.14	0.16
Re-possessed assets	3.54	1.78	1.78
Capital advances	0.02	0.05	-
Gratuity fund [Refer note 41(b)]	0.54	-	-
Other advances	0.68	0.35	0.30
Total	**9.33**	**3.68**	**2.32**

13. PAYABLES

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
(a) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	0.13	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	11.51	14.12	6.56
(b) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1.84	1.55	1.01
Total	**13.48**	**15.67**	**7.57**

Trade Payables aging schedule

(₹ In Crores)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023					
(i) MSME	0.13	-	-	-	0.13
(ii) Others	11.50	-	0.01	-	11.51
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
As at 31 March 2022					
(i) MSME	-	-	-	-	-
(ii) Others	12.10	1.79	0.22	0.01	14.12
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
As at 1 April 2021					
(i) MSME	-	-	-	-	-
(ii) Others	6.28	0.27	-	0.01	6.56
(iii) Disputed dues – MSME	.	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

Micro, Small and Medium Enterprises:

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:

		As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
(a)	Dues remaining unpaid to any supplier at the year end			
	- Principal	0.13	-	-
	- Interest on above	-	-	-
(b)	Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year			
	- Principal paid beyond the appointed date	-	-	-
	- Interest paid in terms of Section 16 of the MSMED Act	-	-	-
(c)	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-	-
(d)	Amount of interest accrued and remaining unpaid	-	-	-
(e)	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-	-

14. DEBT SECURITIES (AT AMORTISED COST) (REFER NOTE 14.1)

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Secured non-convertible debentures	31.25	-	250.00
Secured Market Linked debenture	600.00	365.00	65.00
Less: Unamortised borrowing costs	(3.99)	(2.97)	(0.88)
Total	**627.26**	**362.03**	**314.12**
Debt securities in India	627.26	362.03	314.12
Debt securities outside India	-	-	-
Total	**627.26**	**362.03**	**314.12**

14.1 Details of terms of redemption/repayment in respect of debt securities:

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Debentures					
500 rated, listed, redeemable, senior, secured, non-convertible debentures of ₹ 10,00,000 each	31.25	-	-	Coupon Rate: Benchmark+173 bps Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the t enorTenor : 2 years	Secured by a first ranking exclusive Hypothecation charge over Assets
1000, 9.00% Rated, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures Of ₹ 10,00,000 each	-	-	100.00	Coupon Rate: 9% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 years and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
500, 9.00% Rated, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures Of ₹ 10,00,000 each	-	-	50.00	Coupon Rate: 9% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 years and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
1000, 9.00% Rated, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures Of ₹ 10,00,000 each	-	-	100.00	Coupon Rate: 9% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 years and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	-	65.00	65.00	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	100.00	100.00	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 6 Month	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	100.00	100.00	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 1 day	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	100.00	100.00	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 2 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	100.00	-	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 Year and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	100.00	-	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 Year and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	100.00	-	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Year and 2 days	Secured by a first ranking exclusive Hypothecation charge over Assets
Total debentures	**631.25**	**365.00**	**315.00**		

15. BORROWINGS (OTHER THAN DEBT SECURITIES) (AT AMORTISED COST)

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
(a) Term loans (refer note 15.1)			
(i) from banks	3,001.62	1,830.86	1,107.53
(ii) from other parties (financial institutions)	678.40	348.11	351.02
(b) Loans repayable on demand from banks-cash credit/overdraft (Refer note below)	0.01	255.87	343.24
(c) Short term loans from banks (Refer note below)	1,304.43	1,264.94	1,127.96
(d) Borrowing under securitisation	-	50.03	-
Less: Unamortised borrowing costs	(26.90)	(17.08)	(10.00)
Total	**4,957.56**	**3,732.73**	**2,919.75**
Secured	4,957.56	3,707.90	2,894.96
Unsecured	-	24.83	24.79
Total	**4,957.56**	**3,732.73**	**2,919.75**
Borrowings in India	4,957.56	3,732.73	2,919.75
Borrowings outside India	-	-	-
Total	**4,957.56**	**3,732.73**	**2,919.75**

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

Note:

For Cash credit / Overdraft and short term loans

(a) Cash credit / short term loans from banks are secured by hypothecation of movable assets of the Company and goods covered under hypothecation ("HP") agreements / Loan cum HP agreements and book debts, receivables, loans and advances and entire portfolio outstanding (except specific portfolio generated from various term loans sanctioned by various banks/financial institutions on an exclusive basis) and equitable mortgage/negative lien by deposit of title deeds on some of the Company's immovable properties, as collateral security. The loans are also guaranteed by Mr. Kamlesh Chimanlal Gandhi, Mrs. Shweta Kamlesh Gandhi and Legal heirs of Late Mr. Mukesh Chimanlal Gandhi. Overdraft loans are secured against fixed deposits placed.

(b) Interest rate range

Interest rate ranges from 7.45 % p.a. to 11.55 % p.a. as at 31 March 2023.

Interest rate ranges from 2.90% p.a. to 11.00% p.a. as at 31 March 2022.

Interest rate ranges from 7.65% p.a. to 12.00% p.a. as at 1 April 2021.

The Company has not defaulted in repayment of borrowings and interest.

The Company has borrowings from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts of the Company.

The carrying amount of financial assets which is hypothecated against all secured borrowing inclusive of margin requirement ranging from 1.10 times to 1.25 times is amounting to ₹ 6291.38 crores (31 March 2022: ₹ 4,562.37 crores, 1 April 2021: ₹ 3,825.80 crores).

15.1 Details of terms of repayment in respect of term loans:

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term loans from banks (Refer note i)					
Term Loan - 1	8.00	16.00	24.00	Repayable in 12 Quarterly installments from 30 June 2021	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 2	58.33	91.67	-	Repayable in 12 Quarterly installments from 31 March 2022	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 3	-	-	0.01	Repayable in 20 Quarterly installments from 30 September 2016.	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 4	43.95	63.99	80.00	Repayable in 20 Quarterly installments from 30 June 2021.	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 5	105.00	135.00	-	Repayable in 20 Quarterly installments from 05 November 2021.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 5	133.33	200.00	-	Repayable in 12 Quarterly installments from 30 June 2022.	Exclusive first charge on the specific loan portfolio of the Borrower by way of hypothecation on the loan installments receivables. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loan - 7	83.33	35.00	-	Repayable in 36 monthly installments from 01 May 2022.	First Exclusive hypothecation charge on book debts created out of Bank Loan.
Term Loan - 8	70.03	94.98	-	Repayable in 20 Quarterly installments from 31 March 2022.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are financed/ to be financed by the company out of the proposed term loan to the Company.
Term Loan - 9	27.27	54.55	75.00	Repayable in 33 monthly installments from 30 July 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 10	36.36	50.00	-	Repayable in 33 monthly installments from 30 July 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 11	-	-	6.26	Repayable in 36 monthly installments from 7 August 2018.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 12	-	-	7.79	Repayable in 36 monthly installments from 7 September 2018.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 13	12.24	15.81	19.14	Repayable in 96 monthly installments from 7 April 2018.	First and exclusive charge on land, property and commercial property under construction.
Term Loan - 14	-	7.29	19.58	Repayable in 36 monthly installments from 7 November 2019.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 15	-	2.69	5.23	Repayable in 36 monthly installments from 7 April 2020.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 16	-	10.77	20.90	Repayable in 36 monthly installments from 7 April 2020.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 17	-	4.49	8.71	Repayable in 36 monthly installments from 7 April 2020.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 18	2.58	5.00	7.50	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 19	10.32	20.00	30.00	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 20	4.30	8.33	12.50	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 21	3.40	5.83	-	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 22	13.60	23.33	-	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 23	5.67	9.72	-	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 24	4.45	6.88	-	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loan - 25	17.80	27.50	-	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 26	7.42	11.46	-	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 27	-	-	2.08	Repayable in 36 monthly installments from 31 July 2018.	First and exclusive charge by way of hypothecation on the Company's book debts and loan installments receivables.
Term Loan - 28	13.33	26.67	40.00	Repayable in 36 monthly installments from 30 April 2021.	Secured by a first and exclusive charge on specific book debt and future receivables of the Company created/to be created out of the loan availed .
Term Loan - 29	-	-	45.83	Repayable in 36 monthly installments from 30 April 2019.	First exclusive charge of present and future book debts and receivables of the Company.
Term Loan - 30	-	-	25.36	Repayable in 11 Quarterly installments from 30 September 2019.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 31	-	18.25	72.73	Repayable in 11 Quarterly installments from 30 December 2020.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 32	50.11	77.85	100.00	Repayable in 18 Quarterly installments from 30 December 2021.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 33	77.78	100.00	-	Repayable in 18 Quarterly installments from 24 September 2022.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 34	40.00	50.00	-	Repayable in 10 Quarterly installments from 14 December 2022.	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 35	24.98	41.66	-	Repayable in 12 Quarterly installments from 16 December 2021.	Exclusive charge by way of Hypothecation of book debt/receivables arising out of bank financial assets of the borrower.
Term Loan - 36	-	-	1.67	Repayable in 36 monthly installments from 1 August 2018.	Exclusive charge by way of hypothecation of the specific receivables/book debts.
Term Loan - 37	-	4.17	12.50	Repayable in 12 Quarterly installments from 30 November 2019.	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Company out of the bank finance.
Term Loan - 38	-	7.50	37.50	Repayable in 8 Quarterly installments from 30 September 2020.	Exclusive charge by way of hypothecation of on standard receivables of the Borrower

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loan - 39	-	7.35	48.80	Repayable in 12 Quarterly installments from 31 March 2020.	Exclusive charge by way of hypothecation of such of the book debts, which are financed/ to be financed by the Company out of the bank financed to the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loan - 40	6.50	26.00	52.00	Repayable in 16 Quarterly installments from 30 September 2019.	Secured by Hypothecation of portfolio of the Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loan - 41	25.50	76.50	127.50	Repayable in 16 Quarterly installments from 29 February 2020.	Secured by Hypothecation of portfolio of the Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loan - 42	10.00	15.00	20.00	Repayable in 16 Quarterly installments from 26 June 2021.	Exclusive charge by way of hypothecation on book debts under standard assets portfolio of the borrower eligible for Bank finance.
Term Loan - 43	65.99	110.44	154.90	Repayable in 18 Quarterly installments from 31 December 2020.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 44	63.16	84.21	50.00	Repayable in 19 Quarterly installments from 30 September 2021.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 45	-	-	0.04	Repayable in 36 monthly installments from 5 July 2018.	Secured by hypothecation of the vehicle financed.
Term Loan - 46	225.00	285.00	-	Repayable in 20 Quarterly installments from 31 March 2022.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 47	84.62	-	-	Repayable in 13 Quarterly installments from 29 December 2022.	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Company out of the bank finance.
Term Loan - 48	127.50	-	-	Repayable in 20 Quarterly installments from 30 September 2022.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 49	200.00	-	-	Repayable in 12 Quarterly installments from 30 June 2023.	Exclusive first charge on the specific loan portfolio of the Borrower by way of hypothecation on the loan installments receivables. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 50	41.66	-	-	Repayable in 36 monthly installments from 30 October 2022.	Exclusive charge on the specific standard book debts/loan receivables of company.

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loan - 51	25.00	-	-	Repayable in 12 Quarterly installments from 23 December 2022.	Exclusive first charge by way of hypothecation of receivables created out of bank finance.
Term Loan - 52	75.00	-	-	Repayable in 33 monthly installments from 31 July 2023.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 53	33.60	-	-	Repayable in 36 monthly installments from 7 June 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 54	83.55	-	-	Repayable in 36 monthly installments from 7 October 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 55	50.00	-	-	Repayable in 36 monthly installments from 7 May 2023.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed .
Term Loan - 56	87.50	-	-	Repayable in 16 Quarterly installments from 31 December 2022.	Secured by exclusive charge on the book debt and receivables of the company
Term Loan - 57	142.50	-	-	Repayable in 20 Quarterly installments from 29 March 2023.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 58	93.75	-	-	Repayable in 16 Quarterly installments from 31 March 2023.	Secured by exclusive charge on the book debt and receivables of the company
Term Loan - 59	150.00	-	-	Repayable in 20 Quarterly installments from 31 May 2023.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 60	75.00	-	-	Repayable in 12 Quarterly installments from 29 September 2022.	First & Exclusive charge by way of hypothecation on the Borrower's specific loan receivables.
Term Loan - 61	380.00	-	-	Repayable in 20 Quarterly installments from 31 January 2023.	Secured by Hypothecation of portfolio of the Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loan - 62	30.00	-	-	Repayable in 30 monthly installments from 6 November 2023.	Exclusive charge by way of hypothecation of the specific receivables/book debt of the company
Term Loan - 63	29.71	-	-	Repayable in 36 monthly installments from 29 July 2022.	Secured by a first and exclusive charge on specific book debt and future receivables of the Company created/to be created out of the loan availed .
Term Loan - 64	18.33	-	-	Repayable in 12 Quarterly installments from 31 March 2023.	Secured by exclusive charge on the book debt and receivables of the company
Term Loan - 65	24.17	-	-	Repayable in 36 monthly installments from 25 September 2022.	Secured by first and exclusive charge on Book Debts/ Loan assets of the Company
Total term loans from banks	**3,001.62**	**1,830.86**	**1,107.53**		

Note (i):

Interest rate ranges from 8.65% p.a. to 10.35% p.a. as at 31 March 2023.

Interest rate ranges from 8.00% p.a. to 9.20 % p.a. as at 31 March 2022.

Interest rate ranges from 8.00% p.a. to 10.75% p.a. as at 1 April 2021.

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term loans from others (Refer note ii)					
Term Loans from a Financial Institution - 1	-	-	10.54	Repayable in 36 monthly installments from 15 March 2019.	Exclusive charge by way of hypothecation of specific standard receivable of the Company.
Term Loans from a Financial Institution - 2	-	-	17.06	Repayable in 36 monthly installments from 10 March 2019.	Secured by hypothecation of specific book debts created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 3	-	-	5.00	Repayable in 10 quarterly installments from 31 March 2019.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 4	-	-	16.67	Repayable in 36 monthly installments from 30 April 2019.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 5	-	7.64	15.97	Repayable in 36 monthly installments from 31 March 2020.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 6	8.50	19.83	31.17	Repayable in 36 monthly installments from 31 January 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 7	5.33	10.67	16.00	Repayable in 36 monthly installments from 30 April 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 8	25.00	25.00	25.00	Bullet Repayment on 17 August 2026.	N.A.
Term Loans from a Financial Institution - 9	25.00	41.67	-	Repayable in 36 monthly installments from 31 October 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 10	-	-	13.00	Repayable in 9 monthly installments from 10 August 2020.	Secured by exclusive first charge by way of hypothecation on standard book debts of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 11	-	83.30	-	Repayable in 9 monthly installments from 10 January 2022.	Secured by exclusive first charge by way of hypothecation on standard book debts of the Company. Personal Guarantee of Mr. Kamlesh Gandhi
Term Loans from a Financial Institution - 12	-	-	0.63	Repayable in 10 quarterly installments from 10 March 2020.	Exclusive first charge by way of hypothecation of book debts and receivables of secured loans provided by the Borrower. Personal Guarantee of Mr. Kamlesh Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 13	120.00	160.00	200.00	Repayable in 20 Quarterly installments from 30 June 2021.	Exclusive charge by way of hypothecation of the specific receivables/book debts. Liquid collateral of 10% of the sanctioned amount.
Term Loans from a Financial Institution - 14	33.33	-	-	Repayable in 12 Quarterly installments from 5 October 2022.	Secured by exclusive charge on the book debt and receivables of the company

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Term Loans from a Financial Institution - 15	62.08	-	-	Repayable in 36 monthly installments from 5 October 2022.	Secured by exclusive first charge on the loan portfolio of the borrower by way of hypothecation on the loan installments receivables created from of the proceeds of the facility.
Term Loans from a Financial Institution - 16	50.00	-	-	Repayable in 11 Quarterly installments from 10 July 2023.	Secured by Exclusive first charge by way of hypothecation of book debts and receivables charged exclusive for the loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 17	135.00	-	-	Repayable in 30 monthly installments from 10 January 2023.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 18	129.10	-	-	Repayable in 31 monthly installments from 10 February 2023.	Secured by exclusive charge by way of hypothecation on book debts and receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loans from a Financial Institution - 19	85.05	-	-	Repayable in 36 monthly installments from 10 October 2022.	Secured by hypothecation of specific book debts created out of the loan availed.
Total term loans from others	**678.40**	**348.11**	**351.02**		

Note (ii):

Interest rate ranges from 7.50% p.a. to 11.50% p.a. as at 31 March 2023.

Interest rate ranges from 5.75% p.a. to 10.00 % p.a. as at 31 March 2022.

Interest rate ranges from 6.32% p.a. to 11.15% p.a. as at 1 April 2021.

Note: The above table doesn't include associated liabilities to securitized asset that has been re-recognised due to non fulfilment of derecognition criteria as per Ind AS amounting to Nil as at 31 March 2023 (₹ 50.03 crores as at 31 March 2022 and Nil as at 1 April 2021).

16. SUBORDINATED LIABILITIES (AT AMORTISED COST)

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Unsecured debentures (refer note 16.1)	260.00	140.00	60.00
Less: Unamortised borrowing costs	(7.30)	(2.78)	(0.03)
Total	**252.70**	**137.22**	**59.97**
Subordinated liabilities in India	252.70	137.22	59.97
Subordinated liabilities outside India	-	-	-
Total	**252.70**	**137.22**	**59.97**

16.1 Details of terms of repayment in respect of subordinated liabilities:

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
Subordinated liabilities					
400, 14.00% Unsecured, Redeemable, Non-Convertible Debentures of ₹ 10 lakhs each	-	40.00	40.00	Coupon Rate: 13.00% p.a. Coupon Payment frequency: Quarterly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor :7 years	N.A.

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021	Terms of redemption/ repayment	Security
200, 13.50% Unsecured, Redeemable, Non-Convertible Debentures of ₹ 10 lakhs each	-	-	20.00	Coupon Rate: 13.50% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years and 6 months	N.A.
50, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 100 lakhs each	50.00	50.00	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
500, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 10 lakhs each	50.00	50.00	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years	N.A.
250, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 10 lakhs each	25.00	-	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
3500, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 1 lakhs each	35.00	-	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years	N.A.
5000, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 1 lakhs each	50.00	-	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
5000, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 1 lakhs each	50.00	-	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
Total subordinated liabilities	**260.00**	**140.00**	**60.00**		

17. OTHER FINANCIAL LIABILITIES

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Interest accrued but not due on borrowings	70.36	29.36	21.99
Interest accrued but not due on others	-	14.19	25.70
Dues to the assignees towards collections from assigned receivables	211.29	127.66	261.85
Security deposits received from borrowers	-	274.21	318.73
Advances received against loan agreements	1.62	8.00	-
Unpaid dividend on equity shares (Refer note below)	0.02	0.02	0.02
Dealer advances	5.13	2.29	2.67
Lease liability	1.14	0.57	0.46
Provision for Interest on Interest waiver	-	-	0.79
Other payable	16.09	1.29	0.32
Total other financial liabilities	**305.65**	**457.59**	**632.53**

Note:

There are no amounts that are due and remain unpaid to Investor Education and Protection Fund as at the close of the year.

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

18. PROVISIONS

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Provision for employee benefits (Refer note 41)			
Compensated absences	0.16	0.17	0.07
Gratuity	-	0.08	0.05
Provision for unspent CSR liability	9.32	6.91	3.84
Total provisions	**9.48**	**7.16**	**3.96**

19. OTHER NON-FINANCIAL LIABILITIES

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Statutory remittances	1.78	1.31	2.37
Financial guarantee liability	0.01	0.02	0.03
Income received in advance	1.01	7.64	9.66
Total other non-financial liabilities	**2.80**	**8.97**	**12.06**

20. EQUITY SHARE CAPITAL

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Authorized shares:			
6,40,00,000 : Equity Shares of ₹ 10 each (As at 31 March 2022: 6,40,00,000 Equity Shares of ₹ 10 each) (As at 1 April 2021: 6,40,00,000 Equity Shares of ₹ 10 each)	64.00	64.00	64.00
2,20,00,000 : 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31 March 2022: 2,20,00,000 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each) (As at 1 April 2021: 2,20,00,000 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	22.00	22.00	22.00
2,20,00,000 : 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each(As at 31 March 2022: 2,20,00,000 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each) (As at 1 April 2021: 2,20,00,000 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	22.00	22.00	22.00
400 : 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each (As at 31 March 2022: 400 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each) (As at 1 March 2021: 400 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each)	4.00	4.00	4.00
	112.00	**112.00**	**112.00**
Issued, subscribed and fully paid-up shares:			
5,46,62,043 : Equity Shares of ₹ 10 each fully paid-up (As at 31 March 2022: 5,46,62,043 Equity Shares of ₹ 10 each) (As at 1 April 2021: 5,46,62,043 Equity Shares of ₹ 10 each)	54.66	54.66	54.66
	54.66	**54.66**	**54.66**

20.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	**(₹ in Crores)**	**No. of Shares**	**(₹ in Crores)**
Equity Shares				
Outstanding at the beginning of the year	5,46,62,043	54.66	5,46,62,043	54.66
Issued during the year	-	-	-	-
Outstanding at the end of the year	**5,46,62,043**	**54.66**	**5,46,62,043**	**54.66**

Notes

Forming part of the Standalone Financial Statement as at 31 March 2023 (Contd.)

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

Class of shares / Name of shareholder	As at 31 March 2023		As at 31 March 2022		As at 1 April 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares						
Shweta Kamlesh Gandhi	1,63,38,450	29.89%	1,63,38,450	29.89%	1,63,38,450	29.89%
Mukesh C. Gandhi (Refer note below)	1,61,56,814	29.56%	1,61,56,814	29.56%	1,61,56,814	29.56%
Kamlesh C. Gandhi	63,40,508	11.60%	63,04,508	11.53%	62,86,833	11.50%
Vistra ITCL I Ltd Business Excellence Trust III India Business	40,44,579	7.40%	40,44,579	7.40%	40,44,579	7.40%
Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Long Term Equity Fund	26,70,920	4.89%	27,52,094	5.03%	27,64,059	5.06%

Note: Mr. Mukesh C. Gandhi has passed away on 19 January 2021.

20.3 The Company has neither allotted any share pursuant to contracts without payment being received in cash nor has it bought back any shares during the preceding period of 5 financial years.

20.4 Terms / rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

20.5 Details of shares held by promoters (including promoter group) of the Company:

Promoter and promoter group name	Shares held by promoters at 31 March 2023		Shares held by promoters at 31 March 2022		Shares held by promoters at 1 April 2021		% Change during the current year (22-23)
	No. of Shares	% of total shares	No. of Shares	% of total shares	No. of Shares	% of total shares	
Equity shares							
Shweta Kamlesh Gandhi	1,63,38,450	29.89%	1,63,38,450	29.89%	1,63,38,450	29.89%	0.00%
Mukesh C. Gandhi (Refer above above)	1,61,56,814	29.56%	1,61,56,814	29.56%	1,61,56,814	29.56%	0.00%
Kamlesh C. Gandhi	63,40,508	11.60%	63,04,508	11.53%	62,86,833	11.50%	0.57%
Prarthana Marketing Private Limited	13,17,557	2.41%	13,12,557	2.40%	13,10,057	2.40%	0.38%
Anamaya Capital Llp	99,994	0.18%	94,994	0.17%	94,994	0.17%	5.26%
Dhvanil K. Gandhi	35,277	0.06%	34,619	0.06%	34,619	0.06%	1.90%
Dhriti K. Gandhi	12,054	0.02%	12,054	0.02%	12,054	0.02%	0.00%

21. OTHER EQUITY (REFER NOTE 21.1)

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Reserve u/s. 45-IC of RBI Act, 1934		
Outstanding at the beginning of the year	211.91	180.40
Additions during the year	40.19	31.51
Outstanding at the end of the year	252.10	211.91
Securities premium		

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Outstanding at the beginning of the year	426.87	426.87
Additions during the year	-	-
Outstanding at the end of the year	426.87	426.87
Retained earnings		
Outstanding at the beginning of the year	533.21	422.28
Profit for the year	200.96	157.55
Item of other comprehensive income recognised directly in retained earnings		
On defined benefit plan	0.04	(0.08)
	734.21	579.75
Appropriations:		
Transfer to reserve u/s. 45-IC of RBI Act,1934	(40.19)	(31.51)
Final dividend on equity shares (Refer note 21.2)	(9.57)	(8.20)
Interim dividend on equity shares (Refer note 21.2)	(9.84)	(6.83)
Total appropriations	**(59.60)**	**(46.54)**
Retained earnings	**674.61**	**533.21**
Other comprehensive income		
Outstanding at the beginning of the year	113.94	120.76
Loans and advances fair valued through other comprehensive Income	(26.05)	(10.01)
Impairment on loans and advances through OCI	3.04	0.67
Income tax relating to items that will be reclassified to profit or loss	6.56	2.52
Other comprehensive income for the year, net of tax	97.49	113.94
Total other equity	**1,451.07**	**1,285.93**

21.1 Nature and purpose of reserve

1. Reserve u/s. 45-IC of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934")

   Reserve u/s. 45-IC of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

2. Securities premium

   Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 of the Act.

3. Retained earnings

   Retained earnings is the accumulated available profit of the Company carried forward from earlier years. These reserve are free reserves which can be utilised for any purpose as may be required.

   The Company recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings with separate disclosure, which comprises of:

   i) actuarial gains and losses;

   ii) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

   iii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

4. Other comprehensive income

   On equity investments

   The Company has elected to recognise changes in the fair value of investments in equity securities (other than investment in subsidiary) in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

On loans

The Company has elected to recognise changes in the fair value of loans and advances in other comprehensive income. These changes are accumulated within the FVOCI - loans and advances reserve within equity. The Company transfers amounts from this reserve to the statement of profit and loss when the loans and advances are sold. Further, impairment loss allowances on the loans are recognised in OCI.

21.2 Equity dividend paid and proposed

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Declared and paid during the year		
Dividends on equity shares:		
Final dividend for 31 March 2022: ₹ 1.75 per share (31 March 2021: ₹ 1.5 per share)	9.57	8.20
Interim dividend for 31 March 2023: ₹ 1.80 per share (31 March 2022 : ₹ 1.25 per share)	9.84	6.83
Total dividends paid	**19.41**	**15.03**

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Proposed for approval at Annual General Meeting (not recognised as a liability)		
Dividend on equity shares:		
Final dividend for 31 March 2023: ₹ 1.85 per share (31 March 2022: ₹ 1.75 per share)	**10.11**	**9.57**

22. INTEREST INCOME

(₹ In Crores)

	Year ended 31 March 2023				Year ended 31 March 2022			
	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	On Financial Assets classified at fair value through profit or loss	Total	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	On Financial Assets classified at fair value through profit or loss	Total
Interest on loans	691.25	5.53	-	696.78	512.44	0.36	-	512.80
Interest income from investments	-	50.37	1.35	51.72	-	11.21	1.14	12.35
Interest on deposits with banks	-	37.84	-	37.84	-	23.91	-	23.91
Other interest income	3.69	16.54	-	20.23	2.93	9.12	-	12.05
Total	**694.94**	**110.28**	**1.35**	**806.57**	**515.37**	**44.60**	**1.14**	**561.11**

23. NET GAIN ON FAIR VALUE CHANGES

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Net gain on financial instruments at fair value through profit or loss - investments	21.49	10.29
Fair value changes:		
- Realised	18.75	7.16
- Unrealised	2.74	3.13
Total	**21.49**	**10.29**

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

24. OTHER INCOME

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Rental income	0.10	0.10
Net gain/(loss) on derecognition of property, plant and equipment	0.10	-
Dividend income	1.12	0.66
Net gain on sale of investments measured at amortized cost	1.35	0.23
Gain on derecognition of leased asset (31 March 2022: ₹ 7,364)	-	-
Income from non-financing activity	0.33	0.52
Total	**3.00**	**1.51**

25. FINANCE COST (ON FINANCIAL LIABILITIES MEASURED AT AMORTISED COST)

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Interest on debt securities	51.76	38.88
Interest on borrowings	348.21	224.18
Interest on subordinated liabilities	14.70	10.20
Other interest expense	35.84	29.54
Other borrowing cost	24.22	16.70
Lease liability interest obligation	0.09	0.04
Total	**474.82**	**319.54**

26. IMPAIRMENT ON FINANCIAL ASSETS

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Loans		
- Expected credit loss (On financial instruments measured at FVOCI)	3.04	0.67
- Expected credit loss (On financial instruments measured at amortised cost)	0.22	0.31
- Write off (net of recoveries)	42.65	30.11
- Loss on sale of repossessed assets	7.40	2.48
Investments		
- Expected credit loss (On financial instruments measured at amortised cost)	(0.31)	0.53
Total	**53.00**	**34.10**

27. EMPLOYEE BENEFITS EXPENSE

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages	57.74	39.73
Contribution to provident fund and other funds (Refer note 41 (a))	1.87	1.54
Gratuity expense (Refer note 41 (b))	0.66	0.48
Staff welfare expenses	2.22	0.48
Total	**62.49**	**42.23**

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

28. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on property, plant and equipment	1.90	1.35
Amortisation of intangible assets	0.23	0.06
Depreciation on Right-of-use asset	0.27	0.37
Total	**2.40**	**1.78**

29. OTHER EXPENSES

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Rent	3.25	2.24
Rates and taxes	0.19	0.15
Stationery and printing	0.90	0.63
Telephone	0.60	0.54
Electricity	0.97	0.69
Postage and courier	0.97	0.72
Insurance	0.89	0.73
Conveyance	1.25	1.00
Travelling	2.90	1.62
Repairs and maintenance:		
Building	0.58	0.20
Others	1.15	1.40
Professional fees	8.63	5.18
Payment to auditors (Refer note below)	0.46	0.51
Directors' sitting fees	0.10	0.09
Legal expenses	1.86	0.56
Bank charges	1.46	1.40
Advertisement expenses	0.99	0.68
Sales promotion expenses	0.44	0.09
Recovery contract charges	0.11	0.14
Corporate social responsibility expenditure (Refer note 34)	4.26	4.41
Miscellaneous expenses	2.48	2.06
Total	**34.44**	**25.04**
Note: Payment to auditors		
As auditor:		
Statutory audit	0.20	0.18
Limited review of quarterly results	0.26	0.24
Other services	*	0.07
Reimbursements of expenses	-	**0.02**
	0.46	**0.51**

* Represents amount less than ₹ 50,000

30. TAX EXPENSES

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Current tax	65.10	54.23
Short / (Excess) provision for tax relating to prior years	(2.47)	(0.50)
Deferred tax	1.11	0.02
Total tax charge	**63.74**	**53.75**
Current tax	62.63	53.73
Deferred tax	**1.11**	**0.02**

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

30.1 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2023 and 31 March 2022 is, as follows:

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Accounting profit before tax	264.70	211.30
Applicable tax rate	25.17%	25.17%
Computed tax expense	66.62	53.18
Tax effect of:		
Exempted income	(0.30)	(0.21)
Non deductible items	1.24	1.97
Short / (Excess) provision for tax relating to prior years	(2.47)	(0.50)
Others	(1.35)	(0.69)
Tax expenses recognised in the statement of profit and loss	**63.74**	**53.75**
Effective tax rate	24.08%	25.44%

30.2 Deferred tax

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Deferred tax asset / liability (net)		
The movement on the deferred tax account is as follows:		
At the start of the year DTA / (DTL) (net)	12.79	10.26
Credit / (charge) for loans and advances through OCI	6.56	2.52
Credit / (charge) for remeasurement of the defined benefit liabilities	(0.02)	0.03
Credit / (charge) to the statement of profit and loss	(1.11)	(0.02)
At the end of year DTA / (DTL) (net)	**18.22**	**12.79**

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

(₹ In Crores)

	As at 1 April 2022	Statement of profit and loss	OCI	As at 31 March 2023
Component of deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between written down value of fixed assets as per books of accounts and income tax	(0.44)	(0.07)	-	(0.51)
Deferred tax on fair value of investments	(0.02)	-	-	(0.02)
Impact of fair value of assets	(1.06)	-	6.56	5.50
Income taxable on realised basis	(10.82)	2.14	-	(8.68)
Deferred tax on prepaid finance charges	(0.29)	(3.80)	-	(4.09)
Impairment on financial assets	25.35	0.75	-	26.10
Recognition of lease liability and right to use asset	0.01	0.01	-	0.02
Expenses allowable on payment basis	0.06	(0.14)	(0.02)	(0.10)
Total	**12.79**	**(1.11)**	**6.54**	**18.22**

(₹ In Crores)

	As at 1 April 2021	Statement of profit and loss	OCI	As at 31 March 2022
Component of deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between written down value of fixed assets as per books of accounts and income tax	(0.38)	(0.06)	-	(0.44)
Deferred tax on fair value of investments	(0.02)	-	-	(0.02)
Impact of fair value of assets	(3.58)	-	2.52	(1.06)
Income taxable on realised basis	(10.84)	0.02	-	(10.82)
Deferred tax on prepaid finance charges	(0.01)	(0.28)	-	(0.29)
Impairment on financial assets	24.98	0.37	-	25.35
Recognition of lease liability and right to use asset	0.02	(0.01)	-	0.01
Expenses allowable on payment basis	0.09	(0.06)	0.03	0.06
Total	**10.26**	**(0.02)**	**2.55**	**12.79**

30.3 Current tax liabilities

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Provision for tax [net of advance tax of ₹ 63.24 crores (31 March 2022: ₹ 51.98 crores and 1 April 2021: ₹ 46.33 crores)]	1.86	2.25	11.77

30.4 Income tax assets

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Income tax assets [net of provision for tax of ₹ 251.86 crores (31 March 2022: ₹ 281.04 crores and 1 April 2021: ₹ 222.94 crores)]	2.52	6.23	5.92

31. EARNINGS PER SHARE

(A) Basic earnings per share

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Net profit for the year attributable to equity shareholders (basic)	**200.96**	**157.55**
Weighted average number of equity shares of ₹ 10 each	5,46,62,043	5,46,62,043
Basic earnings per share of face value of ₹ 10 each (in ₹)	36.76	28.82

(B) Diluted earnings per share

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Net profit for the year attributable to equity shareholders (diluted)	**200.96**	**157.55**
Weighted average number of equity shares of ₹ 10 each	5,46,62,043	5,46,62,043
Diluted earnings per share of face value of ₹ 10 each (in ₹)	36.76	28.82

32. CHANGES IN ACCOUNTING POLICIES

The accounting policies and practices followed in the preparation of the standalone financial statements for the year ended 31 March 2023 are the same as those followed in the preparation of the standalone financial statements for the year ended 31 March 2022, except for the change in accounting policy as explained in below paras.

Till 31st December 2022, gain on assignment of financial asset was recognised as 'unearned income on assigned loans' under the head 'other non-financial liabilities' and was amortised in the statement of profit and loss over the period of the underlying residual tenure of the assigned loan portfolio. Such policy was adopted by the management for more prudent and fair presentation of financial statements by exercising their judgement under para 19 of Ind AS 1 "Presentation of financial statements". During the quarter ended 31 March 2023, the Company has received a directive from the Reserve Bank of India to book such gain upfront in the statement of profit and loss in accordance with Ind AS 109 instead of amortising it over the period of the underlying residual tenure of the assigned loan portfolio.

The new accounting policy has been implemented retrospectively and being presented from the beginning of the earliest period i.e. 1 April 2021. On account of new policy, in case of derecognition of loans upon assignment prior to 1 April 2021, where underlying residual terms of the assigned portfolio was falling on or after 1 April 2021, the Company has increased other equity by ₹ 32.40 crores, decreased the deferred tax assets by ₹ 10.91 crores and decreased unearned income on assigned loans under the head other non-financial liabilities of ₹ 43.31 crores.

Had the Company not revised its policy, the other equity would have decreased by ₹ 30.95 crores, deferred tax assets would have increased by ₹ 10.42 crores, liability on unearned income would have increased by ₹ 41.37 crores as at 31 March 2023 and the gain on assignment (on amortised basis) would have been ₹ 69.60 Crore for the year ended 31 March 2023. As per the new policy, the Company has recognized gain on assignment of ₹ 68.04 crores for the year ended 31 March 2023. Accordingly, gain on assignment would have increased by ₹ 1.56 crores and deferred tax expense would have increased by ₹ 0.39 crores for the year ended 31 March 2023.

As per the requirement of Ind AS 8, the Company has restated the financial information of previous financial year 2021-22 to reflect the change in accounting policy as explained above. The following table summarises the reconciliation of figures restated with previously reported figures. The tables show the adjustments recognised for each individual line item.

32. Changes in accounting policies (Contd.)

(₹ In Crores)

Standalone Balance Sheet	31 March 2022 as originally presented*	Adjustment	31 March 2022 (Restated)	31 March 2021 as originally presented*	Adjustment	1 April 2021 (Restated)
ASSETS						
Financial assets						
Cash and cash equivalents	270.58	-	270.58	965.06	-	965.06
Bank balance other than cash and cash equivalents	560.23	-	560.23	31.80	-	31.80
Trade receivables	1.00		1.00	2.21		2.21
Loans	4,553.80	-	4,553.80	3,805.14	-	3,805.14
Investments	538.06	-	538.06	235.03	-	235.03
Other financial assets	52.62	-	52.62	47.65	-	47.65
Total financial assets	**5,976.29**	**-**	**5,976.29**	**5,086.89**	**-**	**5,086.89**
Non-financial assets						
Income tax assets (net)	6.23	-	6.23	5.92	-	5.92
Deferred tax assets (net)	23.60	(10.81)	12.79	21.17	(10.91)	10.26
Property, plant and equipment	12.39	-	12.39	10.81	-	10.81
Capital work-in-progress	52.04	-	52.04	50.03	-	50.03
Right-of-use asset	0.53	-	0.53	0.38	-	0.38
Intangible assets under development	0.04		0.04	-	-	-
Other intangible assets	0.22	-	0.22	0.09	-	0.09
Other non-financial assets	3.68	-	3.68	2.32	-	2.32
Total non-financial assets	**98.73**	**(10.81)**	**87.92**	**90.72**	**(10.91)**	
Total assets	**6,075.02**	**(10.81)**	**6,064.21**	**5,177.61**	**(10.91)**	**5,086.89**

LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Payables						
(I) Trade payables	14.12	-	14.12	6.56	-	6.56
(II) Other payables	1.55	-	1.55	1.01	-	1.01
Debt securities	362.03	-	362.03	314.12	-	314.12
Borrowings (other than debt securities)	3,732.73	-	3,732.73	2,919.75	-	2,919.75
Subordinated liabilities	137.22	-	137.22	59.97	-	59.97
Other financial liabilities	457.59	-	457.59	632.53	-	632.53
Total financial liabilities	**4,705.24**	**-**	**4,705.24**	**3,933.94**	**-**	**3,933.94**
Non-financial liabilities						
Current tax liabilities (net)	2.25	-	2.25	11.77	-	11.77
Provisions	7.16	-	7.16	3.96	-	3.96
Other non-financial liabilities	51.91	(42.94)	8.97	55.37	(43.31)	12.06
Total non-financial liabilities	**61.32**	**(42.94)**	**18.38**	**71.10**	**(43.31)**	**27.79**
Total liabilities	**4,766.56**	**(42.94)**	**4,723.62**	**4,005.04**	**(43.31)**	**3,961.73**
Equity share capital	54.66	-	54.66	54.66	-	54.66
Other equity	1,253.80	32.13	1,285.93	1,117.91	32.40	1,150.31
Total equity	**1,308.46**	**32.13**	**1,340.59**	**1,172.57**	**32.40**	**1,204.97**
Total liabilities and equity	**6,075.02**	**(10.81)**	**6,064.21**	**5,177.61**	**(10.91)**	**5,166.70**

* The corresponding originally presented figures have been regrouped / reclassified, wherever necessary, to correspond with the figures of the current reporting period.

(₹ In Crores)

	Standalone statement of profit and loss	**31 March 2022**		
		As originally presented*	**Adjustment**	**Restated**
I.	**Revenue from operations**			
	Interest income	561.11	-	561.11
	Gain on assignment of financial assets	64.23	(0.36)	63.87
	Fees and commission income	20.30	-	20.30
	Net gain on fair value changes	10.29	-	10.29
	Total revenue from operations	**655.93**	**(0.36)**	**655.57**
	Other income	1.51	-	1.51
	Total income	**657.44**	**(0.36)**	**657.08**
II.	**Expenses**			
	Finance costs	319.54	-	319.54
	Fees and commission expense	23.09	-	23.09
	Impairment on financial assets	34.10	-	34.10
	Employee benefits expenses	42.23	-	42.23
	Depreciation and amortization	1.78	-	1.78
	Others expenses	25.04	-	25.04
	Total expenses	**445.78**	**-**	**445.78**
	Profit before exceptional items and tax (I - II)	**211.66**	**(0.36)**	**211.30**
	Exceptional items	-	-	-
III.	**Profit before tax**	**211.66**	**(0.36)**	**211.30**
IV.	**Tax expense:**			
	Current tax	54.23	-	54.23
	Excess provision for tax relating to prior years	(0.50)	-	(0.50)
	Net current tax expense	**53.73**	**-**	**53.73**
	Deferred tax (credit) / charge	0.11	(0.09)	0.02
	Net tax expense	**53.84**	**(0.09)**	**53.75**
V.	**Profit for the year (III - IV)**	**157.82**	**(0.27)**	**157.55**

VI.	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss:			
	Re-measurement of the defined benefit liabilities	(0.11)	-	(0.11)
	Income tax impact on above	0.03	-	0.03
	Total (A)	(0.08)	-	(0.08)
	(B) Items that will be reclassified to profit or loss:			
	Loans and advances through other comprehensive Income	(10.01)	-	(10.01)
	Income tax impact on above	2.52	-	2.52
	Total (B)	(7.49)	-	(7.49)
	Other comprehensive income (A+B)	**(7.57)**	**-**	**(7.57)**
VII.	**Total comprehensive income for the year (V + VI)**	**150.25**	**(0.27)**	**149.98**
VIII.	**Earnings per equity share (of ₹ 10 each):**			
	Basic (₹)	28.87	(0.05)	28.82
	Diluted (₹)	28.87	(0.05)	28.82

* The corresponding originally presented figures have been regrouped / reclassified, wherever necessary, to correspond with the figures of the current reporting period.

33. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ In Crores)

		As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
(A)	**Contingent liabilities**			
I)	In respect of disputed income-tax matters : (Refer note i)	0.12	-	-
II)	Guarantees given on behalf of subsidiary company: (Refer note ii)			
	a) To banks			
	Amount of guarantees ₹ Nil (31 March 2022: Nil and 1 April 2021: ₹ 10 crores)			
	Amount of loans outstanding	-	-	1.07
	b) To National Housing Bank ("NHB")			
	Amount of guarantees ₹ 5 crores (31 March 2022: ₹ 5 crores and 1 April 2021: ₹ 5 crores)			
	Amount of loan outstanding	0.79	1.11	1.44
(B)	**Commitments**			
I)	Estimated amount of contracts remaining to be executed on capital account and not provided for:			
	Property, plant & equipment and Capital work in progress	1.39	1.38	-
II)	Loan commitments for sanctioned but not disbursed amount	-	**45.00**	**1.35**

Notes:

i) After adjusting the amount of refund claimed by the company amounting ₹ 0.33 Crore.

ii) Guarantees have been given by the Company to various banks and NHB on behalf of the subsidiary company for the loan taken and accordingly, the same has been shown as contingent liability.

34. CORPORATE SOCIAL RESPONSIBILITY (“CSR”) EXPENSES:

The average profit before tax of the Company for the last three financial years was ₹ 213.01 crores, basis which the Company was required to spend ₹ 4.26 crores towards CSR activities for the current financial year (31 March 2021: ₹ 4.41 crores).

a) Amount spent during the year on:

(₹ In Crores)

Particulars	31 March 2023			31 March 2022		
	Amount Spent	Amount Unpaid/ provision	Total	Amount Spent	Amount Unpaid/ provision	Total
Construction / acquisition of any asset	-	-	-	-	-	-
On purpose other than (i) above	0.28	3.98	4.26	0.42	3.99	4.41

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

b) The Company has not made any transaction with related parties in relation to CSR expenditure as per Ind AS 24.

c) In case of Section 135(6): Details of on-going projects

F.Y.	Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
	With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
2022-23	-	6.91	4.26	0.28	1.57	3.98	5.34
2021-22	-	3.84	4.41	0.42	0.92	3.99	2.92
2020-21	Nil	N.A.	4.18	0.34	-	3.84	-

Note: Unspent CSR amount of ₹ 3.84 crores and ₹ 3.99 crores for FY 2020-21 and FY 2021-22 respectively was deposited in unspent CSR bank account on 28 April 2021 and 25 April 2022 respectively. Unspent amount of ₹ 3.98 crores available with the Company is transferred to an unspent CSR account on 27 April 2023

d) Reason for shortfall: The Company has on-going projects and it is spending the said amount as per pre-approved on-going projects. For more details, refer annexure of Director's report on CSR.

e) Nature of CSR activities: Promoting education, eradicating hunger, poverty & malnutrition, promoting health care and such other activities. For more details, refer annexure of Director's report on CSR.

35. SEGMENT REPORTING:

Operating segment are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

36. RELATED PARTY DISCLOSURES:

(a) Related party disclosures as required by Ind AS 24 - Related Party Disclosures.

List of related parties and relationships:

Sr. No.	Nature of relationship	
1	Subsidiary	MAS Rural Housing & Mortgage Finance Limited
		MASFIN Insurance Broking Private Limited
2	Key management personnel ("KMP")	Mr. Kamlesh C. Gandhi (Chairman and Managing Director)
	(where there are transactions)	Mr. Mukesh C. Gandhi (Whole Time Director and Chief Financial Officer) (till 19 January 2021)
		Mrs. Darshana S. Pandya (Director and Chief Executive Officer)
		Mr. Balabhaskaran Nair (Independent Director)
		Mr. Umesh Shah (Independent Director)
		Mr. Chetanbhai Shah (Independent Director)
		Mrs. Daksha Shah (Independent Director)
3	Other related parties	Prarthna Marketing Private Limited
	(where there are transactions)	Anamaya Capital LLP
		Mrs. Shweta K. Gandhi (Relative of KMP)
		Mr. Dhvanil K. Gandhi (Relative of KMP)
		Mr. Saumil D. Pandya (Relative of KMP)
		Ms. Dhriti K. Gandhi (Relative of KMP)
		Umesh Rajanikant Shah HUF (Relative of KMP)
		Pauravi Umesh Shah (Relative of KMP)

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

Transactions with related parties are as follows:

(₹ In Crores)

	Year ended 31 March 2023			
	Subsidiary	Key management personnel	Other related parties	Total
Rent income	0.10	-	-	0.10
Net recovery charges received	0.02	-	-	0.02
Expenditure reimbursed	0.00	-	-	0.00
Remittances of collection received on behalf of	0.10	-	-	0.10
Cross Charges Payment for professional services	0.13	-	-	0.13
Remuneration (including bonus)	-	5.74	0.95	6.69
Dividend received	1.12	-	-	1.12
Dividend paid	-	7.19	5.69	12.88
Investment	0.35	-	-	0.35
Sitting fees	-	0.09	-	0.09

(₹ In Crores)

	Year ended 31 March 2022			
	Subsidiary	Key management personnel	Other related parties	Total
Rent income	0.10	-	-	0.10
Recovery contract charges received	0.03	-	-	0.03
Expenditure reimbursed	9.80	-	-	9.80
Remittances of collection received on behalf of	0.60	-	-	0.60
Remuneration (including bonus)	-	4.15	0.79	4.94
Dividend received	0.66	-	-	0.66
Dividend paid	-	6.18	4.90	11.08
Investment	10.00	-	-	10.00
Sitting fees	-	0.08	-	0.08

Balances outstanding from related parties are as follows:

(₹ In Crores)

	As at 31 March 2023			
	Subsidiary	Key management personnel	Other related parties	Total
Bonus payable	-	0.31	0.03	0.34
Investment	46.55	-	-	46.55
Guarantees outstanding	0.79	-	-	0.79

(₹ In Crores)

	As at 31 March 2022			
	Subsidiary	Key management personnel	Other related parties	Total
Bonus payable	-	0.23	0.02	0.25
Investment	44.86	-	-	44.86
Guarantees outstanding	1.11	-	-	1.11

(₹ In Crores)

	As at 1 April 2021			
	Subsidiary	Key management personnel	Other related parties	Total
Bonus payable	-	0.01	0.02	0.03
Investment	33.45	-	-	33.45
Guarantees outstanding	2.51	-	-	2.51

Financial guarantee commission income amounts to ₹ 0.01 crores (31 March 2022: ₹ 0.01 crores) on account of fair valuation of corporate financial guarantee given to bank on behalf of subsidiary.

All transactions with these related parties are priced on an arm's length basis. None of the balances is secured.

Key managerial personnel who are under the employment of the Company are entitled to post employment benefits and other employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements.

Compensation to key management personnel are as follows:

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Short-term employee benefits	5.74	4.15
Post-employment benefits	0.02	0.01
Other long term employment benefits	(0.01)	0.04
	5.75	4.20

The remuneration of key management personnel are determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

37. OFFSETTING

(₹ In Crores)

	Effect of offsetting on the balance sheet			Related amount not offset	
	Gross amounts	Gross amount offset in balance sheet (refer note 1)	Net amount presented in balance sheet	Financial instrument collateral (refer note 2)	Net amount
31 March 2023					
Loans and advances	5,919.64	9.48	5,910.16	-	5,910.16
31 March 2022					
Loans and advances	4,559.70	5.90	4,553.80	288.40	4,265.40
1 April 2021					
Loans and advances	3,834.60	29.46	3,805.14	344.43	3,460.71

Note:

1. ₹ 9.48 crores (31 March 2022: ₹ 5.90 crores, 1 April 2021: ₹ 29.46 crores) represents advances received against loan agreements.
2. Nil (31 March 2022: 288.73 crores, 1 April 2021: ₹ 344.75 crores) represents security deposits received from borrowers.

38. EVENTS AFTER THE REPORTING PERIOD

Ind AS 10 'Events after the Reporting Period', requires an entity to evaluate information available after the balance sheet date to determine if such information constitutes an adjusting event, which would require an adjustment to the financial statements, or a non-adjusting event, which would only require disclosure. There have been no events after the reporting date that require disclosure in these financial statements.

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

39. REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to the statement of profit and loss:

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Type of income		
Fees and commission income	49.98	20.29
Total revenue from contracts with customers	**49.98**	**20.29**
Geographical markets		
India	49.98	20.29
Outside India	-	-
Total revenue from contracts with customers	**49.98**	**20.29**
Timing of revenue recognition		
Services transferred at a point in time	49.98	20.29
Services transferred over time	-	-
Total revenue from contracts with customers	**49.98**	**20.29**

40. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ In Crores)

	As at 31 March 2023			As at 31 March 2022			As at 1 April 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS									
Financial assets									
Cash and cash equivalents	237.86	-	237.86	270.58	-	270.58	965.06	-	965.06
Bank balance other than cash and cash equivalents	57.78	475.99	533.77	539.50	20.73	560.23	10.42	21.38	31.80
Trade receivables	4.27	-	4.27	1.00	-	1.00	2.21	-	2.21
Loans	3,574.16	2,336.00	5,910.16	2,788.70	1,765.10	4,553.80	2,300.42	1,504.72	3,805.14
Investments	478.41	347.71	826.12	157.69	380.37	538.06	61.07	173.96	235.03
Other financial assets	46.38	13.86	60.24	43.52	9.10	52.62	39.79	7.86	47.65
Non-financial assets									
Income tax assets (net)	-	2.52	2.52	-	6.23	6.23	-	5.92	5.92
Deferred tax assets (net)	-	18.22	18.22	-	12.79	12.79	-	10.26	10.26
Property, plant and equipment	-	13.95	13.95	-	12.39	12.39	-	10.81	10.81
Capital work-in-progress	-	57.66	57.66	-	52.04	52.04	-	50.03	50.03
Right-of-use asset	0.31	0.75	1.06	0.14	0.39	0.53	0.33	0.05	0.38
Intangible assets under development	-	0.33	0.33	-	0.04	0.04	-	-	-
Other intangible assets	-	1.03	1.03	-	0.22	0.22	-	0.09	0.09
Other non-financial assets	9.33	-	9.33	3.68	-	3.68	2.32	-	2.32
Total assets	**4,408.50**	**3,268.02**	**7,676.52**	**3,804.80**	**2,259.41**	**6,064.21**	**3,381.62**	**1,785.08**	**5,166.70**

(₹ In Crores)

	As at 31 March 2023			As at 31 March 2022			As at 1 April 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES									
Financial liabilities									
Trade payables	11.64	-	11.64	14.12	-	14.12	6.56	-	6.56
Other payables	1.84	-	1.84	1.55	-	1.55	1.01	-	1.01
Debt securities	522.26	105.00	627.26	64.65	297.38	362.03	249.76	64.36	314.12
Borrowings (other than debt securities)	2,624.76	2,332.80	4,957.56	2,385.09	1,347.64	3,732.73	2,060.99	858.76	2,919.75
Subordinated liabilities	-	252.70	252.70	40.00	97.22	137.22	19.97	40.00	59.97
Other financial liabilities	301.63	4.02	305.65	311.21	146.38	457.59	492.53	140.00	632.53
Non-financial assets									
Current tax liabilities (net)	1.86	-	1.86	2.25	-	2.25	11.77	-	11.77
Provisions	9.36	0.12	9.48	7.01	0.15	7.16	3.90	0.06	3.96
Other non-financial liabilities	2.80	-	2.80	6.10	2.87	8.97	8.14	3.92	12.06
Total liability	**3,476.14**	**2,694.65**	**6,170.79**	**2,831.97**	**1,891.65**	**4,723.62**	**2,854.62**	**1,107.11**	**3,961.73**
Net	**932.36**	**573.37**	**1,505.73**	**972.84**	**367.75**	**1,340.59**	**527.00**	**677.97**	**1,204.97**

41. EMPLOYEE BENEFIT PLAN

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefits are as under:

(a) Defined contribution plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Company's contribution to provident fund aggregating ₹ 1.61 crores (31 March 2022: ₹ 1.29 crores) and employee state insurance scheme aggregating ₹ 0.12 crores (31 March 2022: ₹ 0.13 crores) has been recognised in the statement of profit and loss under the head employee benefits expense.

(b) Defined benefit plan:

Gratuity

Financial assets not measured at fair value

The Company operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The status of gratuity plan as required under Ind AS 19 is as under:

(₹ In Crores)

		As at 31 March 2023	As at 31 March 2022
i.	**Reconciliation of opening and closing balances of defined benefit obligation**		
	Present value of defined benefit obligations at the beginning of the year	3.42	2.84
	Current service cost	0.68	0.49
	Interest cost	0.23	0.19
	Benefits paid	(0.20)	(0.18)
	Re-measurement (or Actuarial) (gain) / loss arising from:		
	Change in demographic assumptions	(0.14)	(0.06)
	Change in financial assumptions	(0.06)	(0.03)
	Experience adjustments	0.01	0.17
	Present value of defined benefit obligations at the end of the year	**3.94**	**3.42**
ii.	**Reconciliation of opening and closing balances of the fair value of plan assets**		
	Fair value of plan assets at the beginning of the year	3.34	2.79
	Interest income	0.25	0.20
	Return on plan assets excluding amounts included in interest income	(0.13)	(0.03)
	Contributions by the Company	1.22	0.56
	Benefits paid	(0.20)	(0.18)
	Fair value of plan assets at the end of the year	**4.48**	**3.34**
iii.	**Reconciliation of the present value of defined benefit obligation and fair value of plan assets**		
	Present value of defined benefit obligations at the end of the year	3.94	3.42
	Fair value of plan assets at the end of the year	4.48	3.34
	Net asset / (liability) recognized in the balance sheet as at the end of the year	**0.54**	**(0.08)**

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

iv. Composition of plan assets

100% of plan assets are administered by LIC.

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
v. Expense recognised during the Year		
Current service cost	0.68	0.49
Interest cost	(0.02)	(0.01)
Expenses recognised in the statement of profit and loss	**0.66**	**0.48**
vi. Other comprehensive income		
Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	(0.06)	(0.03)
Due to change in demographic assumption	(0.14)	(0.06)
Due to experience adjustments	0.01	0.17
Return on plan assets excluding amounts included in interest income	0.13	0.03
Components of defined benefit costs recognised in other comprehensive income	**(0.06)**	**0.11**
vii. Principal actuarial assumptions		
Discount rate (per annum)	7.30%	6.95%
Rate of return on plan assets (p.a.)	7.30%	6.95%
Annual increase in salary cost	8.00%	8.00%
Withdrawal rates per annum		
25 and below	30.00%	20.00%
26 to 35	25.00%	15.00%
36 to 45	20.00%	10.00%
46 to 55	15.00%	5.00%
56 and above	15.00%	5.00%

The discount rate is based on the prevailing market yields of Government of India's bond as at the balance sheet date for the estimated term of the obligations.

viii. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Defined benefit obligation (Base)	3.94	3.42

(₹ In Crores)

	Year ended 31 March 2023		Year ended 31 March 2022	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)	4.03	3.85	3.58	3.28
(% change compared to base due to sensitivity)	2.21%	-2.41%	4.50%	-4.20%
Salary growth rate (- / + 0.5%)	3.86	4.01	3.31	3.55
(% change compared to base due to sensitivity)	-2.11%	1.86%	-3.43%	3.66%
Withdrawal rate (W.R.) (W.R. x 90% / W.R. x 110%)	3.96	3.91	3.44	3.41
(% change compared to base due to sensitivity)	0.51%	-0.78%	0.42%	-0.40%

ix. Asset liability matching strategies

The Company contributes to the insurance fund based on estimated liability of next financial year end. The projected liability statements is obtained from the actuarial valuer.

x. Effect of plan on the Company's future cash flows

a) Funding arrangements and funding policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Maturity profile of defined benefit obligation

The average outstanding term of the obligations (years) as at 31st March 2023 is 5.11 years.(31st March 2022 : 9.09 years)

(₹ In Crores)

	Cash flows (₹)	
	As at 31 Mar 2023	As at 31 Mar 2022
Expected cash flows over the next (valued on undiscounted basis):		
1st Following Year	0.71	0.26
2nd Following year	0.61	0.27
3rd Following Year	0.56	0.27
4th Following Year	0.49	0.27
5th Following Year	0.44	0.28
Sum of years 6 to 10	1.71	1.49

The future accrual is not considered in arriving at the above cash-flows.

The expected contribution for the next year is ₹ 0.66 crores.

(c) Other long term employee benefits

The liability for compensated absences is ₹ 0.16 crores (31 March 2022: ₹ 0.17 crores and 1 April 2021: ₹ 0.07 crores).

Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the provident fund Act and the gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry of Labour and Employment. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

42. FINANCIAL INSTRUMENT AND FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

This note describes the fair value measurement of both financial and non-financial instruments.

A. Measurement of fair values

i) Financial instruments - fair value

The fair value of financial instruments as referred to in note (B) below have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

ii) Transfers between levels 1 and 2

There has been no transfer in between level 1 and level 2.

iii) Valuation techniques

Loans

The Company has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last month of the year end which is an unobservable input and therefore these has been considered to be fair valued using level 3 inputs.

Investments measured at FVTPL

Fair values of market linked debentures and mutual funds have been determined under level 1 using quoted market prices(unadjusted) of the underlying instruments. Fair value of investment in alternate investment funds have been determined under level 2 using observable input. For fair value of investment in OCPS of subsidiary, the Company has used incremental borrowing rate and applied discounted cash flow model and accordingly measured under level 3.

B. Accounting classifications and fair values

The carrying amount and fair value of financial instruments including their levels in the fair value hierarchy presented below:

(₹ In Crores)

As at 31 March 2023	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	5,828.31	-	-	-	5,828.31	5,828.31
Investments measured at FVTPL	-	-	220.43	181.46	38.97	-	220.43
	-	**5,828.31**	**220.43**				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	237.86	-	-	237.86	-	-	237.86
Bank balance other than cash and cash equivalents	533.77	-	-	533.77	-	-	533.77
Trade receivables	4.27	-	-	-	-	4.27	4.27
Loans measured at amortised cost	81.85	-	-	-	-	82.38	82.38
Investment measured at amortised cost	559.14	-	-	-	-	559.38	559.38
Other financial assets	60.24	-	-	-	-	60.19	60.19
	1,477.13	**-**	**-**				
Financial liabilities not measured at fair value[1]							
Trade payables	11.64	-	-	-	-	11.64	11.64
Other payables	1.84	-	-	-	-	1.84	1.84
Debt securities	627.26	-	-	-	-	634.96	634.96
Borrowings (other than debt securities)	4,957.56	-	-	-	-	4,983.40	4,983.40
Subordinated liabilities	252.70	-	-	-	-	260.00	260.00
Other financial liabilities	305.65	-	-	-	-	305.65	305.65
	6,156.65	**-**	**-**				

(₹ In Crores)

As at 31 March 2022	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	4,513.22	-	-	-	4,513.22	4,513.22
Investments measured at FVTPL	-	-	325.82	267.60	35.57	22.64	325.81
	-	**4,513.22**	**325.82**				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	270.58	-	-	270.58	-	-	270.58
Bank balance other than cash and cash equivalents	560.23	-	-	560.23	-	-	560.23
Trade receivables	1.00	-	-	-	-	1.00	1.00
Loans measured at amortised cost	40.58	-	-	-	-	40.89	40.89
Investment measured at amortised cost	190.03	-	-	-	-	190.58	190.58
Other financial assets	52.62	-	-	-	-	52.58	52.58
	1,115.04	**-**	**-**				
Financial liabilities not measured at fair value[1]							
Trade payables	14.12	-	-	-	-	14.12	14.12
Other payables	1.55	-	-	-	-	1.55	1.55
Debt securities	362.03	-	-	-	-	383.22	383.22
Borrowings (other than debt securities)	3,732.73	-	-	-	-	3,749.71	3,749.71
Subordinated liabilities	137.22	-	-	-	-	140.20	140.20
Other financial liabilities	457.59	-	-	-	-	457.59	457.59
	4,705.24	**-**	**-**				

(₹ In Crores)

As at 1 April 2021	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	3,805.14	-	-	-	3,805.14	3,805.14
Investments measured at FVTPL	-	-	147.21	115.67	20.30	11.25	147.22
	-	**3,805.14**	**147.21**				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	965.06	-	-	965.06	-	-	965.06
Bank balance other than cash and cash equivalents	31.80	-	-	31.80	-	-	31.80
Trade receivables	2.21	-	-		-	2.21	2.21
Investment measured at amortised cost	65.61	-	-	-	-	65.64	65.64
Other financial assets	47.65	-	-	-	-	47.63	47.63
	1,112.33	**-**	**-**				
Financial liabilities not measured at fair value[1]							
Trade payables	6.56	-	-	-	-	6.56	6.56
Other payables	1.01	-	-	-	-	1.01	1.01
Debt securities	314.12	-	-	-	-	315.21	315.21
Borrowings (other than debt securities)	2,919.75	-	-	-	-	2,930.31	2,930.31
Subordinated liabilities	59.97	-	-	-	-	61.68	61.68
Other financial liabilities	632.53	-	-	-	-	632.53	632.53
	3,933.94	**-**	**-**				

[1] The Company has determined that the carrying values of cash and cash equivalents, bank balances (with the residual maturity up to 12 months), trade payables, short term debts and borrowings, cash credit and other current liabilities are a reasonable approximation of their fair value as these are short term in nature.

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

Reconciliation of level 3 fair value measurement is as follows:

(₹ In Crores)

	Year ended 31 March 2023	Year ended 31 March 2022
Loans		
Balance at the beginning of the year	4,556.16	3,848.45
Addition during the year	4,646.20	3,454.07
Amount derecognised / repaid during the year	(3,263.98)	(2,706.24)
Amount written off	(42.65)	(30.11)
Gains/(losses) recognised in other comprehensive income	(26.05)	(10.01)
Balance at the end of the year	5,869.68	4,556.16

The above classification also includes balance of spread receivable on assigned portfolio. (Refer note 10)

Sensitivity analysis to fair value

(₹ In Crores)

	Amount, net of tax	
	Increase	Decrease
31 March 2023		
Loans		
Interest rates (50 bps movement)	(12.37)	12.42
31 March 2022		
Loans		
Interest rates (50 bps movement)	(8.98)	9.02
Investment in OCPS of subsidiary		
Interest rates (50 bps movement)	(0.27)	0.27
1 April 2021		
Loans		
Interest rates (50 bps movement)	(6.73)	6.76
Investment in OCPS of subsidiary		
Interest rates (50 bps movement)	(0.13)	0.14

43. CAPITAL

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the regulator, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

43.1 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

43.2 Regulatory capital

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Tier 1 Capital	**1,329.70**	**1,164.21**	**1,026.62**
Tier 2 Capital	285.34	165.20	84.68
Total Capital (Numerator)	1,615.05	1,329.41	1,111.30
Risk weightage assets (Denominator)	6,396.60	5,045.28	4,138.15
Risk weighted assets			
Tier 1 Capital Ratio (%)	20.79%	23.08%	24.81%
Tier 2 Capital Ratio (%)	4.46%	3.27%	2.05%
Total Capital Ratio (%)	25.25%	26.35%	26.85%

Tier 1 capital consists of shareholders' equity and retained earnings excluding unrealised gain but including unrealised loss. Tier 2 capital consists of ECL on stage 1 and subordinated debt (subject to prescribed discount rates and not exceeding 50% of Tier 1).

Notes

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets mainly includes loan and advances, cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

44.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Company's loans and investments.

The carrying amounts of financial assets represent the maximum credit risk exposure.

(a) Loans and advances

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before sanctioning any loan. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information, the loan-to-value ratio etc.

Analysis of risk concentration

The following table shows the risk concentration of the Company's loans.

(₹ In Crores)

	Carrying Amount		
	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Retail assets loans:	**3,026.28**	**2,286.10**	**1,640.79**
Two wheeler loans	317.60	259.79	195.48
Micro enterprise loans	1,210.59	1,043.16	889.93
Salaried personal loans	247.94	103.40	92.44
Small and medium enterprise loans	1,080.11	832.49	421.46
Commercial vehicle loans	170.04	47.26	41.48
Retail Assets Channel loans	**2,925.78**	**2,310.95**	**2,207.66**
Total	**5,952.06**	**4,597.05**	**3,848.45**

Narrative Description of Collateral

Collateral primarily include vehicles purchased by retail loan customers and machinery & property in case of SME customers. The secured exposure are secured wholly or partly by hypothecation of assets and undertaking to create a security.

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loans are categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments.

(i) *Staging:*

As per the provision of Ind AS 109, all financial instruments are allocated to stage 1 on initial recognition. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes due by more than 90 days on its contractual payments.

For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifespan of the instrument.

As per Ind AS 109, the Company assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. The Company has staged the assets based on the days past dues criteria and other market factors which significantly impacts the loan portfolio.

Company's internal grades and staging criteria for loans are as follows:

Days past dues status	Stage	Internal grades	Provisions
Current	Stage 1	High Quality assets, negligible credit risk	12 months provision
1-30 Days	Stage 1	High Quality assets, negligible credit risk	12 months provision
31-60 Days	Stage 2	Quality assets, low credit risk	Lifetime provision
61-90 Days	Stage 2	Standard assets, moderate credit risk	Lifetime provision
91-180 Days	Stage 3	Sub-standard assets, relatively high credit risk	Lifetime provision
>180 Days	Stage 3	Low quality assets, very high credit risk	Lifetime provision

(ii) *Grouping:*

As per Ind AS 109, Company is required to group the portfolio based on the shared risk characteristics. The Company has assessed the risk and its impact on the various portfolios and has divided the portfolio into following groups:

a. Two wheeler loans

b. Micro enterprise loans

c. Salaried personal loans

d. Small and medium enterprise loans

e. Commercial vehicle loans

f. Retail asset channel loans

(iii) *ECL:*

ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low. ECL is calculated based on the following components:

a. Probability of default (""PD")

b. Loss given default ("LGD")

c. Exposure at default ("EAD")

d. Discount factor ("D")

For RAC loan portfolio, the Company has developed internal rating based approach for the purpose of ECL. The credit rating framework of the Company consists of various parameters based on which RAC loan portfolio is evaluated and credit rating is assigned accordingly. The credit rating matrix developed by the Company is validated in accordance with its ECL policy.

The Company has developed its PD matrix based on the external benchmarking of external reports, external ratings and Basel norms. This PD matrix is calibrated with its historical data and major events on regular time interval in accordance with its ECL policy.

Probability of default:

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from internal data of the Company calibrated with forward looking macroeconomic factors.

For computation of probability of default ("PD"), Vasicek Single Factor Model was used to forecast the PD term structure over lifetime of loans. As per Vasicek model, given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. The Company has worked out PD based on the last five years historical data.

The PDs derived from the Vasicek model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs are converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the Current year.

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.

The probability of default was calculated for 3 scenarios: upside (11%), downside (21%) and base (68%). This weightage has been decided on best practices and expert judgement. Marginal conditional probability was calculated for all 3 possible scenarios and one conditional PD was arrived as conditional weighted probability.

Loss given default:

LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

Various approaches are available to compute the LGD. The Company has considered workout LGD approach. The following steps are performed to calculate the LGD:

1) Analysis of historical credit impaired accounts at cohort level.

2) The computation consists of four components, which are:

    a) Outstanding balance (POS)

    b) Recovery amount (discounted yearly) by effective interest rate.

    c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using effective interest rate.

    d) Collateral (security) amount.

The formula for the computation is as below:

%Recoveryrate=(discountedrecoveryamount+securityamount+discountedestimatedrecovery)/(totaloutstandingbalance)
% LGD = 1 – recovery rate

For RAC loan portfolio, the LGD has been considered based on Basel-II Framework for all the level of credit rating portfolio.

Exposure at default:

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. The Company has modelled EAD based on the contractual and behavioural cash flows till the lifetime of the loans considering the expected assignment of loans.

The Company has considered expected cash flows for all the loans at DPD bucket level for each of the segments, which was used for computation of ECL. The exposure at default is calculated for each product and for various DPD status after considering future expected assignment which is not at risk. Moreover, the EAD comprised of principal component, accrued interest and also the future interest for the outstanding exposure of retail loans. Further, the EAD for stage 3 retail loans are the outstanding exposures at the time loan is classified as Stage 3 for the first time.

Discounting:

As per Ind AS 109, ECL on retail loans is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

ECL computation:

Conditional ECL at DPD pool level was computed with the following method:

Conditional retail ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt) * discount factor (yt)

Conditional RAC ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt)

For RAC loan portfolio, the Company has calculated ECL based on borrower wise assessment of internal credit rating as per the framework of the Company, while for retail loan portfolio, the same has been calculated on collective basis.

The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of ECL provided for across the stages is summarised below:

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Stage 1	0.53%	1.03%	1.58%
Stage 2	17.76%	11.37%	20.12%
Stage 3	40.20%	42.61%	38.61%
Amount of expected credit loss provided for	**103.46**	**100.20**	**99.22**

The loss rates are based on actual credit loss experience over past 5 years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company's view of economic conditions over the expected lives of the loan receivables.

(iv) *Management overlay*

The Company holds a management and macro-economic overlay of ₹ 20.03 crores as at 31 March 2023 (31 March 2022: ₹ 37.84 crores and 1 April 2021 : ₹ 56.23 crores).

(v) *Modification of financial assets*

The Company has modified the terms of certain loans provided to customers in accordance with RBI notification on MSME restructuring dated 6 August 2020 and 5 May 2021. Such restructuring benefits are provided to distressed customers who are impacted by COVID-19 pandemic.

Such restructuring benefits include extended payment term arrangements, moratorium and changes in interest rates. The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset (refer note 3.5). The Company monitors the subsequent performance of modified assets. The gross carrying amount of such assets held as at 31 March 2023 is ₹ 2.73 crores (31 March 2022: ₹ 16.16 crores and 1 April 2021: ₹ 4.46 crores). Overall provision for expected credit loss against restructured loan exposure amounts to ₹ 1.06 crores as at 31 March 2023 (31 March 2022: ₹ 1.78 crores and 1 April 2021: ₹ 1.12 crores). The Company continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets.

(b) Cash and cash equivalent and bank deposits

Credit risk on cash and cash equivalent and bank deposits is limited as the Company generally invests in term deposits with banks which are subject to an insignificant risk of change in value.

44.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company manages its liquidity by unutilised cash credit facility, term loans and direct assignment of loans.

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

The total cash credit limit available to the Company is ₹ 1690 Crore spread across 14 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

RBI has mandated minimum liquidity coverage ratio (LCR) of 50% to be maintained by December 2021, which is to be gradually increased to 100% by December 2024. The Company has LCR of 508.67% as of 31 March 2023 as against the LCR of 50% mandated by RBI.

The Management expects to continue to maintain around 20% to 25% of assets under management as off book through direct assignment transactions. It is with door to door maturity and without recourse to the Company. This further strengthens the liability management.

The table below summarises the maturity profile of the undiscounted cash flow of the Company's financial liabilities:

(₹ In Crores)

	1 day to 30 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
As at 31 March 2023									
Debt securities	0.26	6.52	0.21	24.59	600.24	106.39			738.21
Borrowings (Other than debt securities)	87.85	94.49	235.30	417.47	2,092.69	2,168.90	464.19	-	5,560.89
Subordinated liabilities	2.09	2.33	2.34	7.04	13.97	55.90	150.15	169.00	402.82
Payable	2.86	2.86	6.53	0.63	0.61	-	-	-	13.48
Lease liability	0.03	0.03	0.03	0.09	0.19	0.94	0.05	-	1.35
Other financial liabilities	236.06	6.12	5.26	0.08	53.84	3.15	-	-	304.51

(₹ In Crores)

	1 day to 30 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
As at 31 March 2022									
Debt securities	-	-	-	-	76.59	357.11	-	-	433.70
Borrowings (Other than debt securities)	59.38	74.23	161.26	284.63	1,963.28	1,161.00	360.37	-	4,064.16
Subordinated liabilities	0.72	0.88	42.10	2.71	5.33	21.53	21.50	102.16	196.93
Payable	11.21	2.72	0.10	0.30	1.34	-	-	-	15.67
Lease liability	0.02	0.02	0.02	0.05	0.07	0.29	0.23	-	0.69
Other financial liabilities	161.86	9.82	24.04	43.33	72.02	131.04	11.55	3.35	457.02
As at 1 April 2021									
Debt securities	-	-	-	22.50	261.11	76.30	-	-	359.90
Borrowings (Other than debt securities)	69.04	44.87	103.72	169.62	1,781.40	717.67	235.69	26.16	3,148.17
Subordinated liabilities	-	-	1.30	22.54	2.59	41.18	-	-	67.61
Payable	6.47	0.10	0.10	0.29	0.60	-	-	-	7.57
Lease liability	0.06	0.05	0.05	0.15	0.10	0.07	0.01	-	0.49
Other financial liabilities	291.58	14.46	20.20	49.84	116.05	121.03	13.62	5.28	632.07

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

44.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investment and variable interest rate borrowings and lending.

The sensitivity analysis have been carried out based on the exposure to interest rates for lending and borrowings carried at variable rate and investments made by the Company.

(₹ In Crores)

Change in interest rates	Year ended 31 March 2023		Year ended 31 March 2022	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Investments	176.78	176.78	262.97	262.97
Impact on profit before tax for the year	0.88	(0.88)	1.31	(1.31)
Variable rate lending	2,925.78	2,925.78	2,310.95	2,310.95
Impact on profit before tax for the year	14.63	(14.63)	11.55	(11.55)
Variable rate borrowings	4,814.46	4,814.46	3,539.78	3,539.78
Impact on profit before tax for the year	(24.07)	24.07	(17.70)	17.70

B. Foreign currency risk

The Company does not have any instrument denominated or traded in foreign currency. Hence, such risk does not affect the Company.

45. LEASE DISCLOSURE

Where the Company is the lessee

The Company has entered into agreements for taking its office premises under leave and license arrangements. These agreements are for tenures between 11 months and 5 years and majority of the agreements are renewable by mutual consent on mutually agreeable terms, lease rentals have an escalation ranging between 5% to 15%. Leases for which the lease term is less than 12 months have been accounted as short term leases.

(₹ In Crores)

Contractual cash maturities of lease liabilities on an undiscounted basis	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Not later than one year	0.37	0.17	0.42
Later than one year and not later than five years	0.99	0.51	0.07
Later than five years	-	-	-
Total undiscounted lease liabilities	**1.35**	**0.69**	**0.49**
Lease liabilities included in the balance sheet			
Total lease liabilities	**1.14**	**0.57**	**0.46**

(₹ In Crores)

Amount recognised in the statement of profit and loss account	Year ended 31 March 2023	Year ended 31 March 2022
Interest on lease liabilities	0.09	0.04
Depreciation charge for the year	0.27	0.37
Expenses relating to short term leases	3.25	2.24

(₹ In Crores)

Amount recognised in the statement of profit and loss account	Year ended 31 March 2023	Year ended 31 March 2022
Cash outflow towards lease liability	(0.22)	(0.42)

For addition and carrying amount of right to use asset for 31 March 2023, 31 March 2022 and 1 April 2021, refer note 11(d)

Title deeds of all immovable properties of the Company are held in name of the Company. Further all the lease agreements are duly executed in favour of the Company for properties where the Company is the lessee.

46. TRANSFER OF FINANCIAL ASSETS

46.1 Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

(₹ In Crores)

Contractual cash maturities of lease liabilities on an undiscounted basis	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Securitisation			
Carrying amount of transferred assets	-	57.60	-
Carrying amount of associated liabilities (Borrowings - other than debt securities)	-	50.03	-
Fair value of assets (A)	-	57.50	-
Fair value of associated liabilities (B)	-	49.95	-
Net position at Fair Value (A-B)	-	7.55	-

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

46.2 Transferred financial assets that are derecognised in their entirety

The Company has assigned loans by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of exposure net of MRR to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :

(₹ In Crores)

Contractual cash maturities of lease liabilities on an undiscounted basis	As at 31 March 2023	As at 31 March 2022	As at 1 April 2021
Direct assignment			
Carrying amount of de-recognised financial asset	1,186.60	1,069.18	1,315.81
Carrying amount of retained financial asset	158.82	145.82	153.44

46.3 Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

47. ADDITIONAL DISCLOSURES:

47.1 No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2023, 31 March 2022 and 1 April 2021.

47.2 The Company is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2023 and 31 March 2022.

47.3 The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2023 and 31 March 2022.

47.4 All the charges or satisfaction, as applicable are registered with ROC within the statutory period.

47.5 The Company has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds are held by the Company in the form of deposits or in current accounts till the time the utilisation is made subsequently.

47.6 There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2023 and 31 March 2022, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March 2023 and 31 March 2022.

47.7 As a part of normal lending business, the Company grants loans and advances after exercising proper due diligence.

Other than the transactions described above,

(a) No funds have been advanced or loaned or invested by the Company to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the Company (Ultimate Beneficiaries);

(b) No funds have been received by the Company from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

47.8 The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2023 and 31 March 2022.

47.9 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended 31 March 2023 and 31 March 2022.

47.10 The Company has not entered into any scheme of arrangement.

48. DISCLOSURES REQUIRED IN TERMS OF ANNEXURE XVI OF THE RBI MASTER DIRECTION DNBR. PD. 008/03.10.119/2016-17 DATED 1 SEPTEMBER 2016 (UPDATED AS ON 29 DECEMBER 2022) "MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016 ARE MENTIONED AS BELOW:

48.1 Capital

(₹ In Crores)

		As at 31 March 2023	As at 31 March 2022
i)	CRAR (%)	25.25%	26.35%
ii)	CRAR - Tier I capital (%)	20.79%	23.08%
iii)	CRAR - Tier II capital (%)	4.46%	3.27%
iv)	Amount of subordinated debt raised as Tier-II capital	255.00	120.00
v)	Amount raised by issue of perpetual debt instruments	-	-

48.2 Investments

(₹ In Crores)

				As at 31 March 2023	As at 31 March 2022
1.	**Value of investments**				
	(i)	Gross value of investments			
		(a)	In India	826.36	538.61
		(b)	Outside India	-	-
	(ii)	Provisions for depreciation			
		(a)	In India	0.24	0.55
		(b)	Outside India	-	-
	(iii)	Net value of investments			
		(a)	In India	826.12	538.06
		(b)	Outside India	-	-
2.	**Movement of provisions held towards depreciation on investments.**				
	(i)	Opening balance		0.55	0.03
	(ii)	Add : Provisions made during the year		0.21	0.55
	(iii)	Less : Write-off / write-back of excess provisions during the year		0.52	0.03
	(iv)	Closing balance		**0.24**	**0.55**

48.3 Derivatives

The Company has not entered into any derivative transactions and hence the disclosure required has not been made.

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

48.4 Asset liability management maturity pattern of certain items of assets and liabilities

(₹ In Crores)

	Over 1 day to 7 days	Over 8 day to 14 days	Over 15 day to 30 days	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
As at 31 March 2023											
Bank Fixed Deposits	70.06	-	0.83	150.03	-	0.01	1.45	475.99	-	-	698.37
Advances	81.46	67.75	272.28	370.60	447.80	872.39	1,461.88	2,059.52	254.76	21.73	5,910.16
Investments	0.54	9.64	38.57	44.58	40.89	137.99	206.20	300.06	13.09	34.57	826.12
Borrowings	16.98	11.96	30.61	71.39	205.97	343.49	2,466.62	2,010.50	524.91	155.09	5,837.52
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2022											
Bank Fixed Deposits	35.26	-	1.96	-	-	0.01	535.60	-	20.73	-	593.56
Advances	57.49	63.32	215.33	280.83	347.91	721.15	1,102.67	1,584.24	162.93	17.93	4,553.80
Investments	2.59	-	26.53	19.68	17.68	31.10	60.11	337.03	11.82	31.52	538.06
Borrowings	7.01	19.06	17.88	58.42	186.26	242.69	1,893.78	1,375.31	334.37	97.22	4,231.98
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2021											
Bank Fixed Deposits	230.68	106.53	42.91	78.10	17.02	-	10.27	-	21.38	-	506.88
Advances	19.69	41.61	160.95	213.76	219.90	626.97	1,017.53	1,301.09	185.20	18.44	3,805.14
Investments	-	-	6.50	7.50	7.07	18.52	21.49	140.51	6.67	26.78	235.03
Borrowings	16.26	14.48	27.49	34.13	93.44	160.82	1,984.12	726.71	211.28	25.13	3,293.84
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

48.5 Exposure to Real Estate Sector: Refer note 52 (A) (1) for details

48.6 Exposure to Capital Market: Refer note 52 (A) (2) for details

48.7 Details of financing of parent company products

Not applicable

48.8 Details of Single Borrower Limit ("SGL") / Group Borrower Limit ("GBL") exceeded by the NBFC

i) Loans and advances, excluding advance funding but including off-balance sheet exposures to any single party in excess of 15 per cent of owned fund of the NBFC:

Nil

ii) Loans and advances to (excluding advance funding but including debentures/bonds and off-balance sheet exposures) and investment in the shares of single party in excess of 25 per cent of the owned fund of the NBFC:

Nil

48.9 Unsecured advances

a) Refer note 8(B)(ii) to the standalone financial statements.

b) The Company has not granted any advances against intangible securities (31 March 2022: Nil).

48.10 Registration obtained from other financial sector regulators

The Company is registered with RBI and has all its operations in India, it has not obtained registration from any other financial sector regulators during the year.

48.11 Disclosure of penalties imposed by RBI and other regulators

During the year ended 31 March 2023, no penalties have been imposed by RBI and other regulators (31 March 2022: Nil).

48.12 Related party transactions

Refer note 36 to the standalone financial statements.

48.13 Ratings assigned by credit rating agencies and migration of ratings during the year

By Acuite Ratings & Research Limited:

(₹ In Crores)

INSTRUMENT	AMOUNT	CURRENT RATING	PREVIOUS RATING
Long term bank facilities	6,000.00	ACUITE AA-(Stable)	No migration of rating
Commercial paper issue	300.00	ACUITE A1+	No migration of rating

By Care Ratings Limited:

(₹ In Crores)

INSTRUMENT	AMOUNT	CURRENT RATING	PREVIOUS RATING
Long term bank facilities	6,000.00	CARE A+ (Stable)	No migration of rating
Commercial Papers issue	250.00	CARE A1+	No migration of rating
Non Convertible Debentures	250.00	CARE A+ (Stable)	No migration of rating
Market linked debenture	75.00	CARE PP-MLD A+ (Stable)	No migration of rating
Market linked debenture	200.00	CARE PP-MLD A+ (Stable)	No migration of rating
Subordinate debt	100.00	CARE A+ (Stable)	No migration of rating
Market linked debenture	200.00	CARE PP-MLD A+ (Stable)	No migration of rating
Market linked debenture	300.00	CARE PP-MLD A+ (Stable)	No migration of rating
Subordinate debt	100.00	CARE A+ (Stable)	No migration of rating
Subordinate debt	200.00	CARE A+ (Stable)	No migration of rating

48.14 Remuneration of directors

Refer note 36 to the standalone financial statements.

48.15 Management Discussion and Analysis

The annual report has a detailed chapter on Management Discussion and Analysis.

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

The Company does not have any prior period items during the current year other than those disclosed in financials. Refer note 32 for change in accounting policy.

48.17 Revenue recognition

Refer note 3.1 to the standalone financial statements.

48.18 Ind AS 110 - consolidated financial statements (CFS)

The Company has prepared Consolidated Financial Statements in accordance with the requirements of Ind AS 110 - Consolidated Financial Statements.

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

48.19 Provisions and contingencies

The information on all provisions and contingencies is as under:

(₹ In Crores)

Break up of 'provisions and contingencies' shown under the head expenditure in the statement of profit and loss	As at 31 March 2023	As at 31 March 2022
Provision for depreciation on investment	(0.31)	0.52
Provision towards non performing assets (Stage 3 loan assets)	8.65	19.82
Provision made towards income tax	62.63	53.73
Provision towards standard assets (Stage 1 and 2 loan assets)	(5.39)	(18.84)

48.20 Draw down from reserves

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Draw down from reserves	-	-

48.21 Concentration of deposits (for deposit taking NBFCs)

Not Applicable

48.22 Concentration of advances

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Total advances to twenty largest borrowers	1,446.59	1,259.38
Percentage of advances to twenty largest borrowers to total advances of the NBFC	24.48%	27.66%

48.23 Concentration of exposures

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Total exposure to twenty largest borrowers / customers	1,537.14	1,360.71
Percentage of exposures to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers	25.51%	28.70%

48.24 Concentration of NPAs

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Total exposure to top four NPA accounts	10.95	7.68

48.25 Sector-wise NPAs: Refer note 52 for details

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

48.26 Movement of NPAs

(₹ In Crores)

		As at 31 March 2023	As at 31 March 2022
(i)	Net NPAs to net advances (%)	1.36%	1.34%
(ii)	Movement of NPAs (gross)		
	(a) Opening balance	104.89	64.43
	(b) Additions during the year	114.22	99.80
	(c) Reductions during the year	86.41	59.34
	(d) Closing balance	132.70	104.89
(iii)	Movement of net NPAs		
	(a) Opening balance	60.19	39.55
	(b) Additions during the year	70.31	60.12
	(c) Reductions during the year	51.15	39.48
	(d) Closing balance	79.35	60.19
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	44.70	24.88
	(b) Provisions made during the year	43.91	39.68
	(c) Write-off / write-back of excess provisions	35.26	19.85
	(d) Closing balance	53.35	44.70

48.27 Overseas assets (for those with joint ventures and subsidiaries abroad)

Nil

48.28 Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Nil

48.29 Disclosure of customers complaints: Refer note 52 for details

49. DISCLOSURES RELATING TO SECURITISATION AND TRANSFER OF LOAN EXPOSURE

The information of securitisation and transfer of loan exposure by the Company as required by RBI circular RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 and RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021 is as under:

(a) For Securitisation Transaction by originator (non-STC transaction)

(₹ In Crores)

Sr. No.	Particulars	As at 31 March 2023	As at 31 March 2022
1	No of SPEs holding assets for securitisation transactions originated by the originator	-	1
2	Total amount of securitised assets as per books of the SPEs	-	50.03
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	-	4.99
	• Others	-	10.58

(₹ In Crores)

Sr. No.	Particulars	As at 31 March 2023	As at 31 March 2022
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	2.86
	ii) Exposure to third party securitizations		-
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		-
	i) Exposure to own securitizations		-
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		-
	• First loss	-	-
	• Others	-	-
5	Sale consideration received for the securitised assets;	-	89.22
	Gain/loss on sale on account of securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
	Over collateralisation	-	10.58
	Excess Interest spread	-	2.86
	Cash collateral	-	4.99
7	Performance of facility provided		-
	Over collateralisation		-
	(a) Amount paid	-	10.58
	(b) Repayment received	10.58	-
	(c) Outstanding amount	-	10.58
	Excess Interest spread		-
	(a) Amount paid	-	5.00
	(b) Repayment received	2.86	2.14
	(c) Outstanding amount	-	2.86
	Cash collateral		-
	(a) Amount paid	-	4.99
	(b) Repayment received	4.99	-
	(c) Outstanding amount	-	4.99
8	Average default rate of portfolios observed in the past.		
	(a) loans to NBFCs	-	0.40%
9	Amount and number of additional/top up loan given on same underlying asset.	-	-
10	Investor complaints		
	(a) Directly/Indirectly received and;	-	-
	(b) Complaints outstanding	-	-

(b) For Securitisation Transaction by originator (STC transaction) - Not applicable

(c) Details of loans not in default transferred through assignment

(₹ In Crores)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Aggregate principal outstanding of loans transferred (₹ in crores)	1,674.41	1,329.40
Weighted average residual maturity (in months)	24	19
Weighted average holding period (in months)	5	6
Average retention of beneficial economic interest (MRR) (%)	13%	13%
Average coverage of tangible security (%)	49%	24%
Rating wise distribution of loans transferred	Unrated	Unrated

(d) Details of loans not in default acquired through assignment

(₹ In Crores)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Aggregate principal outstanding of loans acquired (₹ in crores)	167.94	203.35
Weighted average residual maturity (in months)	22	26
Weighted average holding period (in months)	9	16
Average retention of beneficial economic interest (MRR) by originator (%)	10%	10%
Average coverage of tangible security (%)	2%	5%
Rating wise distribution of loans acquired	Unrated	Unrated

(e) Details of non-performing financial assets purchased / sold

The Company has not purchased or sold non-performing financial assets during the year (previous year Nil).

50. DISCLOSURE ON LIQUIDITY RISK PURSUANT TO RBI CIRCULAR DATED 4 NOVEMBER 2019 ON ‘LIQUIDITY RISK MANAGEMENT FRAMEWORK FOR NON-BANKING FINANCIAL COMPANIES AND CORE INVESTMENT COMPANIES’ IS AS FOLLOWS:

50.1 Funding concentration based on significant counterparty[1] (both deposits and borrowings)

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Number of significant counterparties	20	19
Amount	4,503.94	3,630.39
Percentage of funding concentration to total deposits	Not Applicable	Not Applicable
Percentage of funding concentration to total liabiities[2]	73%	76%

[1]Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No. 102/ 03.10.001/ 2019-20 dated November 4, 2019 on ‘Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies’.

[2]Total liabilities represents total liabilities as per balance sheet.

50.2 Top 20 large deposits

Not Applicable to the Company as it does not accept public deposits.

50.3 Top 10 borrowings

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Total amount of top 10 borrowings	3,487.53	2,879.33
Percentage of amount of top 10 borrowings to total borrowings	59%	68%

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

50.4 Funding concentration based on significant instrument/product[3]

(₹ In Crores)

	As at 31 March 2023	Percentage of total liabilities	As at 31 March 2022	Percentage of total liabilities
Term Loans	3,680.02	60%	2,178.97	46%
Cash credit / Overdraft / Working capital demand loan	1,304.43	21%	1,520.81	32%
Market linked Debenture	600.00	10%	365.00	8%
Subordinate-debentures	260.00	4%	140.00	3%
Non convertible debentures	31.25	1%	-	0%
Securitisation	-	0%	50.03	1%

[3]Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies'.

50.5 Stock ratio

(₹ In Crores)

		As at 31 March 2023	As at 31 March 2022
(i)	Commercial paper as a percentage of total public funds4	Not applicable	Not applicable
(ii)	Commercial paper as a percentage of total liabilities	Not applicable	Not applicable
(iii)	Commercial paper as a percentage of total assets	Not applicable	Not applicable
(iv)	Non convertible debentures (original maturity of less than one year) as a percentage of total public funds	Not applicable	Not applicable
(v)	Non convertible debentures (original maturity of less than one year) as a percentage of total liabilities	Not applicable	Not applicable
(vi)	Non convertible debentures(original maturity of less than one year) as a percentage of total assets	Not applicable	Not applicable
(vii)	Other short term liabilities* as a percentage of total public funds	59%	63%
(viii)	Other short term liabilities as a percentage of total liabilities	56%	57%
(ix)	Other short term liabilities as a percentage of total assets	45%	44%

[4]Public funds as defined in Master Direction - Non-Banking Financial Company -Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

* Excludes security deposits received from borrowers

50.6 Institutional set-up for liquidity risk management

Refer note 44.2 of the standalone financials statements.

Quarterly liquidity coverage ratio for the year ended 31 March 2023

(₹ In Crores)

Particulars		Quarter ended 30 June 2022		Quarter ended 30 September 2022		Quarter ended 31 December 2022		Quarter ended 31 March 2023	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)	598.82	598.82	430.50	430.50	431.84	431.84	488.51	488.51
	Cash Outflows								
2	Deposits (for deposit taking companies)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

(₹ In Crores)

	Particulars	Quarter ended 30 June 2022		Quarter ended 30 September 2022		Quarter ended 31 December 2022		Quarter ended 31 March 2023	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
3	Unsecured wholesale funding	13.33	15.33	-	-	-	-	-	-
4	Secured wholesale funding	103.46	118.97	87.44	100.56	127.46	146.58	146.64	168.64
5	Additional requirements, of which	-	-	-	-	-	-	-	-
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	62.84	72.26	68.28	78.52	122.89	141.32	187.40	215.51
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**Total cash outflows**	**179.63**	**206.57**	**155.72**	**179.08**	**250.35**	**287.90**	**334.04**	**384.15**
	Cash inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	350.98	263.24	407.57	305.68	452.75	339.57	444.06	333.04
11	Other cash inflows	184.05	138.04	434.13	325.59	247.34	185.51	301.39	226.04
12	**Total cash inflows**	**535.03**	**401.27**	**841.70**	**631.27**	**700.10**	**525.07**	**745.45**	**559.09**
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13	Total HQLA		598.82		430.50		431.84		488.51
14	Total net cash outflows		51.64		44.77		71.98		96.04
15	Liquidity coverage ratio (%)		1159.55%		961.61%		599.97%		508.67%

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

(₹ In Crores)

Particulars	Quarter ended 30 June 2022		Quarter ended 30 September 2022		Quarter ended 31 December 2022		Quarter ended 31 March 2023	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1 Assets to be included as HQLA without any haircut	598.82	598.82	430.50	430.50	431.84	431.84	488.51	488.51
2 Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-
3 Assets to be considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-
4 Approved securities held as per the provisions of section 45 IB of RBI Act	-	-	-	-	-	-	-	-
Total HQLA	598.82	598.82	430.50	430.50	431.84	431.84	488.51	488.51

Quarterly liquidity coverage ratio for the year ended 31 March 2022

(₹ In Crores)

Particulars	Quarter ended 30 June 2021		Quarter ended 30 September 2021		Quarter ended 31 December 2021		Quarter ended 31 March 2022	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA)	219.84	219.84	120.36	120.36	101.49	101.49	112.41	112.41
Cash Outflows								
2 Deposits (for deposit taking companies)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3 Unsecured wholesale funding	-	-	-	-	-	-	-	-
4 Secured wholesale funding	73.87	84.95	91.49	105.21	105.05	120.81	144.71	166.42
5 Additional requirements, of which	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligations	181.16	208.34	75.94	87.33	57.48	66.10	58.21	66.94

(₹ In Crores)

	Particulars	Quarter ended 30 June 2021		Quarter ended 30 September 2021		Quarter ended 31 December 2021			Quarter ended 31 March 2022
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**Total cash outflows**	**255.03**	**293.29**	**167.43**	**192.54**	**162.53**	**186.91**	**202.92**	**233.36**
	Cash inflows								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	266.35	199.76	261.46	196.10	304.74	228.55	309.69	232.27
11	Other cash inflows	431.05	323.29	659.12	494.34	562.31	421.74	209.88	157.41
12	**Total cash inflows**	**697.40**	**523.05**	**920.58**	**690.44**	**867.05**	**650.29**	**519.57**	**389.68**

		Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value
13	Total HQLA	219.84	120.36	101.49	112.41
14	Total net cash outflows	73.32	48.14	46.73	58.34
15	Liquidity coverage ratio (%)	299.83%	250.04%	217.20%	192.68%

(₹ In Crores)

	Particulars	Quarter ended 30 June 2021		Quarter ended 30 September 2021		Quarter ended 31 December 2021			Quarter ended 31 March 2022
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	Assets to be included as HQLA without any haircut	219.84	219.84	120.36	120.36	101.49	101.49	112.41	112.41
2	Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-
3	Assets to be considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-
4	Approved securities held as per the provisions of section 45 IB of RBI Act	-	-	-	-	-	-	-	-
Total HQLA		**219.84**	**219.84**	**120.36**	**120.36**	**101.49**	**101.49**	**112.41**	**112.41**

The LCR is one of the key parameters closely monitored by RBI to enable a more resilient financial sector. The objective of the LCR is to promote an environment wherein balance sheet carry a strong liquidity for short term cash flow requirements. To ensure strong liquidity NBFCs are required to maintain adequate pool of unencumbered High-Quality Liquid Assets (HQLA) which can be easily converted into cash to meet their stressed liquidity needs for 30 calendar days. The LCR is expected to improve the ability of financial sector to absorb the shocks arising from financial and/or economic stress, thus reducing the risk of spill over from financial sector to real economy.

The Liquidity Risk Management of the Company is managed by the Asset Liability Committee (ALCO) under the governance of Board approved Liquidity Risk Framework and Asset Liability Management policy. The LCR levels for the balance sheet date is derived by arriving the stressed expected cash inflow and outflow for the next calendar month. To compute stressed cash outflow, all expected and contracted cash outflows are considered by applying a stress of 15%. Similarly, inflows for the Company is arrived at by considering all expected and contracted inflows by applying a haircut of 25%.

HQLA primarily includes cash on hand, bank balances in current accounts and free fixed deposit against which overdraft facility has been availed off net of availed overdraft.

The LCR is computed by dividing the stock of HQLA by its total net cash outflows over one-month stress period. LCR guidelines requires NBFCs to maintain minimum LCR of 60% and 50% as on 31 March 2023 and 31 March 2022 respectively which is gradually required to be increased to 100% by 1 December 2024.

51. DISCLOSURE IN ACCORDANCE WITH RBI NOTIFICATION NO. RBI/2020-21/17 DOR.NO.BP.BC/4/21.04.048/2020-21 DATED 6 AUGUST 2020 AND RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 DATED 5 MAY 2021 ARE AS FOLLOWS:

(₹ In Crores)

Type of Restructuring Under CDR Mechanism and Under SME Debt Restructuring Mechanism	As at 31 March 2023	As at 31 March 2022
No. of accounts restructured*	175	424
Amount**	2.63	15.90

* Cumulative no. of accounts restructured having outstanding as on date

** Including MRR portion on assigned loans

Disclosure of restructured accounts as required by the NBFC Master Directions issued by RBI:

For the year ended 31 March 2023

(₹ In Crores)

Type of Restructuring - others+		Asset classification				
		Standard	Sub-Standard	Doubtful	Loss	Total
Restructured Accounts as on 1 April of the FY (opening figures)	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	0.25	-	-	0.25
	Provision thereon*	-	0.05	-	-	0.05
Fresh restructuring during the year	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon*	-	-	-	-	-
Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon*	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon*	-	-	-	-	-
Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon*	-	-	-	-	-
Write-offs / Settlements / Recoveries of restructured accounts during the FY	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	(0.15)	-	-	(0.15)
	Provision thereon*	-	(0.02)	-	-	(0.02)
Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	0.10	-	-	0.10
	Provision thereon*	-	0.03	-	-	0.03

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

Disclosure of restructured accounts as required by the NBFC Master Directions issued by RBI:

For the year ended 31 March 2022

(₹ In Crores)

Type of Restructuring - others+		Asset classification				
		Standard	Sub-Standard	Doubtful	Loss	Total
Restructured Accounts as on 1 April of the FY (opening figures)	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon*	-	-	-	-	-
Fresh restructuring during the year	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	0.26	-	-	0.26
	Provision thereon*	-	0.06	-	-	0.06
Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon*	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon*	-	-	-	-	-
Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon*	-	-	-	-	-
Write-offs / Settlements / Recoveries of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	(0.01)	-	-	(0.01)
	Provision thereon*	-	(0.01)	-	-	(0.01)
Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	0.25	-	-	0.25
	Provision thereon*	-	0.05	-	-	0.05

+ Since the disclosure of restructured advance account pertains to section 'Others', the first two sections, namely, 'Under CDR Mechanism' and 'Under SME Debt Restructuring Mechanism' as per format prescribed in the guidelines are not included above.

* Provisions considered as per ECL.

52. DISCLOSRUE AS PER RBI NOTIFICAITON NO. RBI/2022-23/26 DOR.ACC.REC.NO.20/21.04.018/2022-23 ON DISCLOSURES IN FINANCIAL STATEMENTS- NOTES TO ACCOUNTS OF NBFCS

A) Exposure

1) Exposure to real estate sector

(₹ In Crores)

Category		Year ended 31 March 2023	Year ended 31 March 2022
i)	Direct exposure		
a)	Residential Mortgages –	-	-
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.		
b)	Commercial Real Estate –	21.30	22.94
	Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.		
c)	Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
	i. Residential	-	-
	ii. Commercial Real Estate	-	-
	ii. Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.		107.50	120.67
Total Exposure to Real Estate Sector		**128.80**	**143.61**

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

2) Exposure to capital market

(₹ In Crores)

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt *	4.68	4.63
ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii)	Bridge loans to companies against expected equity flows / issues	-	-
viii)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix)	Financing to stockbrokers for margin trading	-	-
x)	All exposures to Alternative Investment Funds:		
(i)	Category I	-	-
(ii)	Category II	38.97	35.57
(iii)	Category III	-	-
Total exposure to capital market		**43.65**	**40.20**

3) Sectoral exposure

(₹ In Crores)

Sectors	As at 31 March 2023			As at 31 March 2022		
	Total Exposure*	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure*	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	674.82	18.11	2.68%	565.56	17.04	3.01%
2. Industry						
i Manufacturare	270.25	8.54	3.16%	182.84	11.27	6.16%
Total of Industry	270.25	8.54	3.16%	182.84	11.27	6.16%
3. Services						
i Transport Operators	228.18	13.45	5.89%	86.82	9.99	11.51%
ii Retail Trade	2,117.48	82.85	3.91%	1,216.46	51.04	4.20%
iii NBFCs	2,964.39	10.31	0.35%	2,694.26	6.98	0.26%
Others	655.85	30.78	4.69%	638.29	30.64	4.80%
Total of Services	5,965.89	137.38	2.30%	4,635.83	98.65	2.13%
4. Personal Loans						
Others	421.62	9.90	2.35%	309.76	18.35	5.92%
Total of Personal Loans	**421.62**	**9.90**	**2.35%**	**309.76**	**18.35**	**5.92%**

* Includes on balance sheet and off-balance sheet exposure

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

4) Intra-group exposures

(₹ In Crores)

	As at 31 March 2023	As at 31 March 2022
Total amount of intra-group exposures	46.55	44.86
Total amount of top 20 intra-group exposures	46.55	44.86
Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	0.77%	0.95%

5) Unhedged foreign currency exposure

The Company does not have any foreign curreny exposure accordingly the disclosure is not applicable to the Company.

B) Related Party Disclosure

Sr. No.	Nature of relationship	
1	Subsidiary	MAS Rural Housing & Mortgage Finance Limited
		MASFIN Insurance Broking Private Limited
2	Directors	Mr. Kamlesh C. Gandhi (Chairman and Managing Director)
	(where there are transactions)	Mr. Mukesh C. Gandhi (Whole time Director and Chief Financial Officer) (till 19 January 2021)
		Mrs. Darshana S. Pandya (Director and Chief Executive Officer)
		Mr. Balabhaskaran Nair (Independent Director)
		Mr. Umesh Shah (Independent Director)
		Mr. Chetanbhai Shah (Independent Director)
		Mrs. Daksha Shah (Independent Director)
3	Key management personnel ("KMP")	Mr. Ankit Jain (Chief Financial Officer)
		Miss. Riddhi Bhayani (Compliance Officer)
4	Relatives of Directors	Mrs. Shweta K. Gandhi (Relative of Director)
		Mr. Dhvanil K. Gandhi (Relative of Director)
		Mr. Saumil D. Pandya (Relative of Director)
		Ms. Dhriti K. Gandhi (Relative of Director)
		Pauravi Umesh Shah (Relative of Director)
5	Other related parties	Prarthna Marketing Private Limited (Entity Related to Director)
		Anamaya Capital LLP (Entity Related to Director)
		Umesh Rajanikant Shah HUF (Entity Related to Director)

(₹ In Crores)

Related Party	Items	Outstanding at the year end / transaction during the year	
		As at 31 March 2023	As at 31 March 2022
Subsidiaries	Borrowings	-	-
	Deposits	-	-
	Placement of deposits	-	-
	Advances	-	-
	Investments (Maximum during the year 31st March 2023 :46.55 and 31st March 2022 :44.86)	46.55	44.86
	Purchase of fixed/other assets	-	-
	Sale of fixed/other assets	-	-
	Interest paid	-	-
	Interest received	-	-
	Dividend paid	-	-
	Expenditure reimbursed	*	9.80
	Others	1.48	1.39
		48.03	**56.05**

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

(₹ In Crores)

Related Party	Items	Outstanding at the year end / transaction during the year	
		As at 31 March 2023	**As at 31 March 2022**
Key Management Personnel	Borrowings	-	-
	Deposits	-	-
	Placement of deposits	-	-
	Advances	-	-
	Investments	-	-
	Purchase of fixed/other assets	-	-
	Sale of fixed/other assets	-	-
	Interest paid	-	-
	Interest received	-	-
	Remuneration (including bonus)	0.50	0.41
	Dividend paid	*	*
	Others	-	-
		0.50	**0.41**
Directors	Borrowings	-	-
	Deposits	-	-
	Placement of deposits	-	-
	Advances	-	-
	Investments	-	-
	Purchase of fixed/other assets	-	-
	Sale of fixed/other assets	-	-
	Interest paid	-	-
	Interest received	-	-
	Remuneration (including bonus)	5.74	4.15
	Dividend paid	7.19	6.18
	Sitting fees	0.09	0.08
	Others	-	-
		13.02	**10.41**
Relatives of Director	Borrowings	-	-
	Deposits	-	-
	Placement of deposits	-	-
	Advances	-	-
	Investments	-	-
	Purchase of fixed/other assets	-	-
	Sale of fixed/other assets	-	-
	Interest paid	-	-
	Interest received	-	-
	Remuneration (including bonus)	0.95	0.79
	Dividend paid	5.24	4.51
	Others	-	-
		6.19	**5.30**
Others Related Parties	Borrowings	-	-
	Deposits	-	-
	Placement of deposits	-	-
	Advances	-	-
	Investments	-	-
	Purchase of fixed/other assets	-	-
	Sale of fixed/other assets	-	-
	Interest paid	-	-
	Interest received	-	-
	Dividend paid	0.45	0.39
	Others	-	-
		0.45	**0.39**

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

(₹ In Crores)

Related Party	Items	Outstanding at the year end / transaction during the year	
		As at 31 March 2023	As at 31 March 2022
Total of above	Borrowings	-	-
	Deposits	-	-
	Placement of deposits	-	-
	Advances	-	-
	Investments (Maximum during the year 31st March 2023 :46.55 and 31st March 2022 :44.86)	46.55	44.86
	Purchase of fixed/other assets	-	-
	Sale of fixed/other assets	-	-
	Interest paid	-	-
	Interest received	-	-
	Remuneration (including bonus)	7.19	5.35
	Dividend paid	12.88	11.08
	Sitting fees	0.09	0.08
	Expenditure reimbursed	-	9.80
	Others	1.48	1.39
		68.19	**72.56**

* Represents amount less than ₹ 50,000

C) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

(₹ In Crores)

Sr No	Particulars	As at 31 March 2023	As at 31 March 2022
	Complaints received by the NBFC from its customers (refer note below)		
1.	Number of complaints pending at beginning of the year	1	-
2.	Number of complaints received during the year	138	55
3.	Number of complaints disposed during the year	137	54
3.1	Of which, number of complaints rejected by the NBFC	-	-
4.	Number of complaints pending at the end of the year	2	1
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	34	9
5.1.	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	34	9
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	Nil	Nil
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	Nil	Nil
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

2) Top five grounds of complaints received by the NBFCs from customers

(₹ In Crores)

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
As at 31 March 2023					
Loans and advances	1	138	151%	2	2
Total	**1**	**138**	**151%**	**2**	**2**
As at 31 March 2022					
Loans and advances	-	55	400%	1	-
Total	**-**	**55**	**400%**	**1**	**-**

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

53. INFORMATION AS REQUIRED IN TERMS OF PARAGRAPH 19 OF THE RBI MASTER DIRECTION DNBR. PD. 008/03.10.119/2016-17 DATED 1 SEPTEMBER 2016 "MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016 ARE MENTIONED AS BELOW:

Liabilities side :

53.1 Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid

(₹ In Crores)

		Year ended 31 March 2023	
Particulars		**Amount outstanding**	**Amount overdue**
(a)	Debentures : Secured	687.83	-
	: Unsecured	260.41	-
(other than falling within the meaning of Public deposits*)			
(b)	Deferred credits	-	-
(c)	Term loans	3,692.56	-
(d)	Inter-corporate loans and borrowing	-	-
(e)	Commercial paper	-	-
(f)	Other loans:		
	From banks	1,305.27	-

*Please see note 1 below

53.2 Break-up of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid)

(a)	In the form of unsecured debentures	-	-
(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c)	Other public deposits	-	-

*Please see note 1 below

Assets side:

53.3 Break-up of loans and advances including bills receivables (other than those included In (4) below)

(₹ In Crores)

		Amount outstanding
(a)	Secured	4,383.15
(b)	Unsecured	1,527.54

53.4 Break up of leased assets and stock on hire and other assets counting towards asset financing activities

(₹ In Crores)

			Amount outstanding
(i)	Lease assets including lease rentals under sundry debtors:		
	(a)	Financial lease	NA
	(b)	Operating lease	NA
(ii)	Stock on hire including hire charges under sundry debtors :		
	(a)	Assets on hire	NA
	(b)	Repossessed assets	NA
(iii)	Other loans counting towards asset financing activities		
	(a)	Loans where assets have been repossessed	3.54
	(b)	Loans other than (a) above	NA

53.5 Break-up of investments :

(₹ In Crores)

				Amount outstanding
Current investments :				
1	Quoted :			
	(i)	Shares :	(a) Equity	-
			(b) Preference	-
	(ii)	Debentures and bonds		44.81
	(iii)	Units of mutual funds		-
	(iv)	Government securities		-
	(v)	Others (please specify)		-
2	Unquoted :			
	(i)	Shares :	(a) Equity	-
			(b) Preference	-
	(ii)	Debentures and bonds		19.31
	(iii)	Units of mutual funds		-
	(iv)	Government securities		-
(v)	Others (Alternate investment fund and pass through certificates)			414.30
Long term investments :				
1	Quoted :			
	(i)	Shares :	(a) Equity	-
			(b) Preference	-
	(ii)	Debentures and bonds		131.97
	(iii)	Units of mutual funds		4.68
	(iv)	Government securities		-
	(v)	Others (Alternate investment fund and pass through certificates)		152.44
2	Unquoted :			
	(i)	Shares :	(a) Equity	20.09
			(b) Preference	20.00
	(ii)	Debentures and bonds		12.31
	(iii)	Units of mutual funds		-
	(iv)	Government securities		-
	(v)	Others (refer note 9)		6.46

53.6 Borrower group-wise classification of assets financed as in 53.3 and 53.4 above:

(₹ In Crores)

			Amount outstanding
Please see Note 2 below	**Amount net of provisions**		
Category	**Secured**	**Unsecured**	**Total**
1. Related parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	4,338.09	1,469.13	5,807.23
Total	**4,338.09**	**1,469.13**	**5,807.23**

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

Please see note 3 below		(₹ In Crores)
Category	**Market value / break up or fair value or NAV**	**Book value (net of provisions)**
1. Related parties **		
(a) Subsidiaries (refer note below)	59.35	46.55
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	779.57	779.57
Total	**838.92**	**826.12**

** As per Ind AS issued by Ministry Of Corporate Affairs (refer note 3 below)

Note: Subsidiary company being unlisted, value is derived based upon the net asset value as shown in the subsidiary company balance sheet as on 31 March 2023.

53.8 Other information

(₹ In Crores)

	Amount outstanding
(i) Gross non-performing assets	
(a) Related parties	-
(b) Other than related parties	132.70
(ii) Net non-performing assets	
(a) Related parties	-
(b) Other than related parties	79.35
(iii) Assets acquired in satisfaction of debt	-

Notes:

1. As defined in point xxvii of paragraph 3 of Chapter - II of these Directions.
2. Provisioning norms shall be applicable as prescribed in these Directions.
3. All Ind AS issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term (amortised cost in the case of Ind AS) or current (at fair value in the case of Ind AS) in (5) above.

54. DISCLOSURES AS REQUIRED IN TERMS OF RBI NOTIFICATION NO. DOR (NBFC).CC.PD. NO.109/22.10.106/2019-20 DATED 13 MARCH 2020 ON IMPLEMENTATION OF IND AS ARE MENTIONED AS BELOW :

As at 31 March 2023

(₹ In Crores)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP norms
1	**2**	**3**	**4**	**(5)=(3)-(4)**	**6**	**(7) = (4)-(6)**
Performing assets						
Standard	Stage 1	5,708.05	30.34	5,677.71	22.78	7.56
	Stage 2	111.31	19.77	91.54	0.44	19.33
Subtotal		**5,819.36**	**50.11**	**5,769.25**	**23.22**	**26.89**

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

(₹ In Crores)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP norms
Non-performing assets ("NPA")						
Substandard	Stage 3	132.70	53.35	79.35	13.82	39.53
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**132.70**	**53.35**	**79.35**	**13.82**	**39.53**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning ("IRACP") norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	5,708.05	30.34	5,677.71	22.78	7.56
	Stage 2	111.31	19.77	91.54	0.44	19.33
	Stage 3	132.70	53.35	79.35	13.82	39.53
Grand total		**5,952.06**	**103.46**	**5,848.60**	**37.04**	**66.42**

As at 31 March 2022

(₹ In Crores)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP norms
1	**2**	**3**	**4**	**(5)=(3)-(4)**	**6**	**(7) = (4)-(6)**
Performing assets						
Standard	Stage 1	4,401.63	41.95	4,359.68	17.46	24.49
	Stage 2	90.53	10.29	80.24	1.68	8.61
Subtotal		4,492.16	52.24	4,439.92	19.14	33.10
Non-performing assets ("NPA")						
Substandard	Stage 3	104.89	44.70	60.19	10.79	33.91
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		104.89	44.70	60.19	10.79	33.91
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning ("IRACP") norms	Stage 1	4,500.00	3.26	4,496.74	-	3.26
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		4,500.00	3.26	4,496.74	-	3.26
Total	Stage 1	8,901.63	45.20	8,856.43	17.46	27.74
	Stage 2	90.53	10.29	80.24	1.68	8.61
	Stage 3	104.89	44.70	60.19	10.79	33.91
Grand total		9,097.05	100.20	8,996.85	29.93	70.27

* Computed on the value as per the IRACP norms.

The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard assets provisioning), as at 31 March 2023 and 31 March 2022 and accordingly, no amount is required to be transferred to impairment reserve.

Notes

Forming part of the Standalone Financial Statement for the year ended 31 March 2023 (Contd.)

The disclosure requirement of the policy for sales out of amortised cost business model portfolios of the Company is not applicable to the Company.

55. THE DISCLOSURES AS REQUIRED BY THE MASTER DIRECTION - MONITORING OF FRAUDS IN NBFCS ISSUED BY RBI DATED 29 SEPTEMBER 2016

There was 17 instance of fraud by customer amounting to ₹ 1.89 crores reported during the year ended 31 March 2023. (Previous year: Nil).

56. The Company has complied with the RBI circular dated 12 November 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications'. On 15 February 2022, RBI allowed deferment till 30 September 2022 of Para 10 of this circular pertaining to upgrade of Non performing accounts. However, the Company has not opted for this deferment.

57. DISCLOSURE AS PER RBI NOTIFICAITON NO. RBI/2022-23/29 DOR.CRE.REC.NO.25/03.10.001/2022-23 ON LOANS AND ADVANCES – REGULATORY RESTRICTIONS - NBFCS

Loans to Directors, Senior Officers and relatives of Directors

(₹ In Crores)

Particulars	As at 31 March 2023	As at 31 March 2022
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	0.01	0.02

58. Figures of previous year has been regrouped / reclassified, wherever necessary, to correspond with the figures of the current year.

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
(Chief Financial Officer)

Ahmedabad
10 May 2023

Ahmedabad
10 May 2023

Independent Auditors' Report

To the Members of MAS Financial Services Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying Standalone financial statements of MAS Financial Services Limited ('the Company'), which comprise the standalone Balance Sheet as at March 31, 2022, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of cash flows and the standalone Statement of changes in Equity for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information ("the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Standalone financial statements in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Impairment of Loans** **Charge: INR 97.73 Lakhs for the year ended 31st March, 2022** **Provision: INR 10,019.62 as at 31st March, 2022** Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: • Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.	**Principal Audit Procedures** Procedures performed by us have been enumerated herein below: We performed end to end process walkthroughs to identify the key systems, applications and controls used in ECL processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key systems used in ECL process. Key aspects of our controls testing involved following: • Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models.

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>Auditor's Response</th></tr>
<tr><td></td><td>

- Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach.
- Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic environment arising from COVID-19.
- Qualitative adjustments – Adjustments to the model-driven ECL results are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. They represent approximately 38% of ECL balances as at 31 March 2022. These adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts especially in relation to economic uncertainty as a result of COVID-19.

The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company. The extent to which the COVID-19 pandemic will impact the Company's current estimate of impairment loss allowances is dependent on future developments, which are highly uncertain at this point. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the standalone financial statements, we have considered this as a key audit matter.

Disclosures:

The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.

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- Testing the 'Governance Framework' controls over validation, implementation and model monitoring in line with Reserve Bank of India guidance.
- Testing the design and operating effectiveness of the key controls over the application of the staging criteria.
- Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights.
- Testing management's controls over authorisation and calculation of post model adjustments and management overlays.
- Testing management's controls on compliance with Ind AS 109 disclosures related to ECL.
- Testing key controls operating over the information technology system in relation to loan impairment including system access and system change management, program development and computer operations.

Test of Details:

Key aspects of our testing included:

- Sample testing over key inputs, data and assumptions impacting ECL calculations to assess completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied.
- Model calculations testing through re-performance, where possible.
- Test of details of post model adjustments, considering the size and complexity of management overlays with a focus on COVID-19 related overlays, to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data.
- Assessing disclosures - We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining ECL. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear.

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Information Technology
IT Systems and controls
The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.

</td><td>In course of audit, our focus was on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. We performed a range of audit procedures, which included:</td></tr>
</table>

Sr. No.	Key Audit Matter	Auditor's Response
	IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data. Due to the pervasive nature of role of information technology systems in financial reporting, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence the Key Audit Matter.	• Review of the report of IS Audit carried in earlier year(s) by an independent firm of Chartered Accountants pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting. • Our other processes include: o selectively recomputing interest calculations and maturity dates; o Selectively re-evaluating masters updation, interface with resultant reports; o Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system) o Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission o Other areas that were independently assessed included password policies, system configurations, system interface controls, controls over changes to applications and databases.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind-AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept, so far as it appears from our examination of those books.

c) The standalone Balance Sheet, the standalone Statement of Profit and Loss including Other Comprehensive Income, the standalone Cash Flow Statement and standalone Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

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

   i. The Company has disclosed the impact of pending litigations as at March 31, 2022 on its financial position in its Standalone financial statements.

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

   iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund.

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

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

   (c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations given under (a) and (b) above, contain any material mis-statement.

   v. As stated in Note no. 21.2 of the standalone financial statements

   (a) The final dividend proposed in the previous year, declared and paid during the year by the Company is in compliance with section 123 of the Companies Act, 2013.

   (b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with section 123 of the Companies Act, 2013.

   (c) The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members in the ensuing Annual General Meeting. The amount of proposed dividend is in accordance with section 123 of the Companies Act, 2013.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Chandresh S. Shah
Partner
Membership No.: 042132
UDIN: 22042132AIQHLC4714

Place: Ahmedabad
Date: May 4, 2022

“Annexure A” to the Independent Auditors’ Report

The Annexure referred to in Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended March 31, 2022.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Standalone financial statements of the Company and taking into consideration the information and explanations given to us, we report that:

1. (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

   B. The Company has maintained proper records showing full particulars of intangible assets.

   (b) The Company has a program of physical verification of its Property, Plant and Equipment so as to cover all the items of Property, Plant and Equipment in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of the immovable properties taken on lease and disclosed under “Right of use asset” in the financial statements, the lease agreements are in the name of the Company, where the Company is lessee in the agreement.

   (d) According to the information and explanations given to us and the records examined by us and based on the examination, the Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

   (e) According to the information and explanations given to us and the records examined by us and based on the examination, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Refer Note 47 to the standalone financial statements.

2. (a) The Company is a non-banking finance company (‘NBFC’) and does not hold any inventories. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable.

   (b) During the year, the company has availed sanctioned working capital limit in excess of ₹ 5 Crores from banks on the basis of security of current assets. Based on our examination of the records of the Company, the quarterly returns/ statements filed by the Company with the said bank are materially in agreement with the books of accounts maintained by the Company.

3. (a) Since the Company’s principal business is to give loans. Accordingly, the reporting under clause 3(iii) (a) of the Order is not applicable to it.

   (b) In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company’s interest.

   (c) The Company, being a Non-Banking Financial Company (‘NBFC’), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its borrowers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 8.1 to the Standalone Financial Statements for summarised details of such loans/ advances which are not repaid by borrowers as per stipulations. According to the information and explanations given to us, reasonable steps are taken by the Company for recovery thereof.

   (d) The Company, being a Non-Banking Financial Company (‘NBFC’), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and /or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 8.1 to the Standalone Financial Statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations. According to the information and explanations given to us, reasonable steps are taken by the Company for recovery thereof.

(e) Since the Company's principal business is to give loans, the reporting under clause 3(iii)(e) of the Order are not applicable to it.

(f) Based on our audit procedures and the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

4. According to the information and explanations given to us and on the basis of examination of the records, the Company has not granted any loans, made investments or provided guarantees in contravention of the provisions of Section 185 of the Act and has complied with the applicable provisions of Section 186 (1) of the Act.

5. The Company has not accepted any deposits within the meaning of the provisions of section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed thereunder. Further, according to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal, in this regard.

6. The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act for any of the services rendered by the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

7. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Custom, Duty of Excise, Value added Tax, Cess and any other material statutory dues.

(b) There were no material undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Duty of Custom, Duty of Excise, Value added Tax, Cess and any other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax which have not been deposited as on March 31, 2022 on account of disputes are given below:

Sr. No.	Name of Statute	Nature of Dues	Amount [₹ in Lakhs]	Period to which the amount relates	Forum where dispute is pending
1	Income tax Act, 1961	Income Tax	768.57	AY 2013-2014	Assistant Commissioner of Income Tax
		DDT	37.06		
		Income Tax	39.10	AY 2018-2019	Assistant Commissioner of Income Tax
		DDT	234.23		

The above demands are on account of non-adjustment of taxes paid as TDS, Advance Tax, DDT and Self-Assessment Taxes. Hence, the same is not shown as contingent liabilities in the Standalone Financial Statements.

8. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

9. According to the information and explanations given to us and on the basis of our examination of the books of account, we report that

(a) The Company has not defaulted in repayment of loans or borrowings or interest thereon from any financial institution, banks, government or due to debenture holders during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) The Company has utilised the money obtained by way of term loans from banks and other financial institutions during the year for the purposes for which they were obtained. Unutilised funds are held by the Company in the form of deposits or in current accounts till the time of subsequent utilisation.

(d) The funds raised on short term basis have not been utilized for the long-term purpose.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiary company.

10. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

11. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

    (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.

    (c) According to the information and explanations given by management/Audit Committee, there were no whistle blower complaints received by the Company during the year.

12. The Company is not a Nidhi company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

13. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is in compliance with section 177 and 188 of the Act, where applicable, for all the transactions with the related parties and details of such transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.

14. (a) In our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

    (b) We have considered, during the course of our audit, the reports of the internal auditor issued till date for the period under audit in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company and hence provisions of section 192 of the Act are not applicable to the Company.

16. According to the information and explanations given to us and based on the examination of the records of the Company, we report that

    (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained the required registration.

    (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

    (c) The Company is not a Core Investment Company ('CIC') as defined under the Regulations by the Reserve Bank of India.

    (d) As per information provided in course of our audit, the group to which the Company belongs does not have CIC.

17. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

18. During the year, M/s B S R & Co LLP, the erstwhile statutory auditors of the Company have resigned with effect from 25 August, 2021 consequent to the amended rules/regulations applicable to the Company. (i.e. vide RBI circular dated April 27, 2021). As informed, there have been no issues, objections or concerns raised by the said outgoing auditors.

19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. (a) According to the information and explanations given to us, there are no unspent amount in respect of other than ongoing projects that are required to be transferred to a fund specified in Schedule VII to the Act.

    (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has transferred the amount remaining unspent in respect of ongoing projects, to a Special Account till the date of our report in compliance with provision of sub section (6) of section 135 of the Act. Relevant disclosures are made in Note 34 (c) of the Standalone financial statement of the Company.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Registration No.: 106625W

Chandresh S. Shah
Partner
Membership No.: 042132
UDIN: 22042132AIQHLC4714

Place: Ahmedabad
Date: May 4, 2022

"Annexure B" to The Auditors' Report

Report on the Internal Financial Control clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **MAS Financial Service Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

MANAGEMENT RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **MUKESH M. SHAH & CO.,**
Chartered Accountants
Firm Reg. No. : 106625W

Chandresh S. Shah
Partner
Membership No.: 042132
UDIN: 22042132AIQHLC4714

Place: Ahmedabad
Date: May 4, 2022

Standalone Balance Sheet

as at 31 March 2022

(₹ in Lakhs)

	Note no.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Financial assets			
Cash and cash equivalents	5	27,349.84	96,505.14
Bank balance other than cash and cash equivalents	6	55,730.50	3,180.75
Trade receivables	7	100.41	221.45
Loans	8	4,55,380.20	3,80,513.40
Investments	9	53,806.02	23,503.36
Other financial assets	10	5,261.72	4,764.84
Total financial assets		**5,97,628.69**	**5,08,688.94**
Non-financial assets			
Income tax assets (net)	30	623.33	592.40
Deferred tax assets (net)	30	2,359.93	2,116.67
Property, plant and equipment	11(a)	1,239.03	1,081.27
Capital work-in-progress	11(c)	5,204.39	5,002.73
Right-of-use asset	11(d)	53.50	37.70
Intangible assets under development	11(e)	3.57	-
Other intangible assets	11(b)	22.00	8.76
Other non-financial assets	12	367.15	231.26
Total non-financial assets		**9,872.90**	**9,070.79**
Total assets		**6,07,501.59**	**5,17,759.73**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	13		
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,411.85	655.98
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		155.43	100.92
Debt securities	14	36,203.05	31,411.52
Borrowings (other than debt securities)	15	3,73,272.79	2,91,975.30
Subordinated liabilities	16	13,721.55	5,996.55
Other financial liabilities	17	45,759.43	63,253.56
Total financial liabilities		**4,70,524.10**	**3,93,393.83**
Non-financial liabilities			
Current tax liabilities (net)	30	225.13	1,176.84
Provisions	18	715.79	396.38
Other non-financial liabilities	19	5,190.70	5,535.81
Total non-financial liabilities		**6,131.62**	**7,109.03**
Total liabilities		**4,76,655.72**	**4,00,502.86**
EQUITY			
Equity share capital	20	5,466.20	5,466.20
Other equity	21	1,25,379.67	1,11,790.67
Total equity		**1,30,845.87**	**1,17,256.87**
Total liabilities and equity		**6,07,501.59**	**5,17,759.73**

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
Chief Financial Officer

Ahmedabad
4 May 2022

Ahmedabad
4 May 2022

Standalone Statement of Profit and Loss

for the year ended 31 March 2022

(₹ in Lakhs)

		Note no.	Year ended 31 March 2022	Year ended 31 March 2021
I.	**Revenue from operations**			
	Interest income	22	56,948.31	48,413.64
	Gain on assignment of financial assets (Refer note 32)		6,423.92	9,047.61
	Fees and commission income		1,723.12	1,807.14
	Net gain on fair value changes	23	499.12	56.32
	Total revenue from operations		**65,594.47**	**59,324.71**
	Other income	24	150.58	64.19
	Total income		**65,745.05**	**59,388.90**
II.	**Expenses**			
	Finance costs	25	31,953.79	26,449.08
	Fees and commission expense		2,309.41	624.36
	Impairment on financial assets	26	3,409.66	7,840.04
	Employee benefits expenses	27	4,223.02	2,972.89
	Depreciation, amortization and impairment	28	177.61	212.98
	Others expenses	29	2,504.76	2,000.26
	Total expenses		**44,578.25**	**40,099.61**
	Profit before exceptional items and tax (I - II)		21,166.80	19,289.29
	Exceptional items		-	-
III.	**Profit before tax**		**21,166.80**	**19,289.29**
IV.	**Tax expense:**			
	Current tax	30	5,423.01	5,809.77
	Short / (Excess) provision for tax relating to prior years	30	(50.36)	-
	Net current tax expense		**5,372.65**	**5,809.77**
	Deferred tax expense / (credit)	30	11.51	(870.78)
	Net tax expense		**5,384.16**	4,938.99
V.	**Profit for the year (III - IV)**		**15,782.64**	14,350.30
VI.	**Other comprehensive income**			
	(A) Items that will not be reclassified to profit or loss:			
	Re-measurement of the defined benefit liabilities		(11.10)	67.01
	Income tax impact on above		2.79	(16.87)
	Total (A)		**(8.31)**	**50.14**
	(B) Items that will be reclassified to profit or loss:			
	Loans and advances through other comprehensive Income		(1,001.19)	936.29
	Income tax impact on above		251.98	(235.65)
	Total (B)		**(749.21)**	**700.64**
	Other comprehensive income (A+B)		**(757.52)**	**750.78**
VII.	**Total comprehensive income for the year (V + VI)**		**15,025.12**	**15,101.08**
VIII.	**Earnings per equity share (of ₹ 10 each):**	31		
	Basic (₹)		28.87	26.25
	Diluted (₹)		28.87	26.25

The notes referred to above form an integral part of these financial statements

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Ankit Jain
Chief Financial Officer

Ahmedabad
4 May 2022

Ahmedabad
4 May 2022

Standalone Statement of Changes in Equity

for the year ended 31 March 2022

(A) EQUITY SHARE CAPITAL

(₹ in Lakhs)

Equity Share of ₹ 10 each issued, subscribed and fully paid	
Balance at 1 April 2020	5,466.20
Changes in Equity Share Capital due to prior period errors	-
Restated balance at 1 April 2020	**5,466.20**
Changes in equity share capital during the year	-
Balance at 31 March 2021	**5,466.20**
Changes in Equity Share Capital due to prior period errors	-
Restated balance at 31 March 2021	**5,466.20**
Changes in equity share capital during the year	-
Balance at 31 March 2022	**5,466.20**

(B) OTHER EQUITY

(₹ in Lakhs)

	Reserves and surplus			Other comprehensive income		Total
	Reserve u/s. 45-IC of the RBI Act, 1934	Securities premium	Retained earnings	Equity instruments through OCI	Loans and advances through OCI	
Balance at 1 April 2020	**14,522.01**	**42,687.43**	**28,104.57**	**(0.22)**	**7,310.40**	**92,624.19**
Profit for the year	-	-	14,350.30	-	-	14,350.30
Re-measurement of defined benefit plans (net of taxes)	-	-	50.15	-	-	50.15
Other comprehensive income (net of taxes)	-	-	-	-	4,766.03	4,766.03
Transfer to reserve u/s. 45-IC of the RBI Act, 1934	2,870.06	-	(2,870.06)	-	-	-
Balance at 31 March 2021	**17,392.07**	**42,687.43**	**39,634.96**	**(0.22)**	**12,076.43**	**1,11,790.67**
Profit for the year	-	-	15,782.64	-	-	15,782.64
Re-measurement of defined benefit plans (net of taxes)	-	-	(8.30)	-	-	(8.30)
Other comprehensive income (net of taxes)	-	-	-	-	(682.13)	(682.13)
Final dividend on equity shares	-	-	(819.93)	-	-	(819.93)
Interim dividend on equity shares	-	-	(683.28)	-	-	(683.28)
Transfer to reserve u/s. 45-IC of the RBI Act, 1934	3,156.53	-	(3,156.53)	-	-	-
Balance at 31 March 2022	**20,548.60**	**42,687.43**	**50,749.56**	**(0.22)**	**11,394.30**	**1,25,379.67**

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Ahmedabad
4 May 2022

Ankit Jain
Chief Financial Officer

Ahmedabad
4 May 2022

Standalone Statement of Cash Flows

for the year ended 31 March 2022

(₹ in Lakhs)

		Year ended 31 March 2022		Year ended 31 March 2021	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net profit before tax		21,166.80		19,289.29
	Adjustments for :				
	Depreciation and amortisation	177.61		212.98	
	Finance cost	31,953.80		26,449.08	
	Impairment on financial assets	3,409.66		7,840.05	
	(Profit) / loss on sale of property, plant and equipment	-		1.16	
	Interest income	(56,948.31)		(48,413.64)	
	Net gain on fair value changes	(312.10)		(26.42)	
	Net gain on sale of investments measured at amortized cost	(23.28)		-	
	Financial guarantee commission income	(1.22)		(2.51)	
	Dividend income	(66.08)		(39.19)	
	Gain on derecognition of leased assets	(0.07)		(2.81)	
			(21,809.99)		(13,981.30)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**(643.19)**		**5,307.99**
	Changes in working capital:				
	Adjustments for (increase)/decrease in operating assets:				
	Loans	(78,030.72)		(51,072.23)	
	Trade receivables	121.03		(221.45)	
	Advances received against loan agreements	800.50		(10,022.97)	
	Bank balance other than cash and cash equivalents	(55.16)		32.91	
	Other financial asset	(468.89)		(361.34)	
	Other non-financial asset	(391.07)		(281.12)	
	Adjustments for increase/(decrease) in operating liabilities:				
	Trade payable and other payable	810.42		3.80	
	Other financial liabilities	(17,890.55)		(17,553.17)	
	Other non-financial liabilities	(343.90)		(4,049.52)	
	Provisions (also refer note 34)	319.41	(95,128.93)	350.73	(83,174.36)
	CASH GENERATED FROM / (USED IN) OPERATIONS		**(95,772.12)**		**(77,866.37)**
	Interest income received	51,950.50		51,709.17	
	Dividend received	66.08		39.19	
	Interest income on Investment measured at amortised cost	1,586.06		42.02	
	Finance cost paid	(33,559.49)	20,043.15	(26,452.15)	25,338.23
			(75,728.97)		**(52,528.14)**
	Income tax paid (net)		(6,355.29)		(5,003.96)
	NET CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)		**(82,084.26)**		**(57,532.10)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Acquisition of property, plant and equipments and intangible assets, including capital advances	(521.81)		(201.35)	
	Proceeds from sale of property, plant and equipments and intangible assets	-		0.10	
	Change in Earmarked balances with banks and other free deposit	(52,494.60)		(3,023.12)	
	Interest income from bank deposits	2,391.36		2,913.80	
	Purchase of investments	(1,19,210.98)		(22,851.84)	
	Redemption of investments	89,281.53		3,190.94	
	Net gain on sale of investments measured at amortized cost	23.28		-	
	NET CASH FLOW GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)		**(80,531.22)**		**(19,971.47)**

Standalone Statement of Cash Flows (contd.)

for the year ended 31 March 2022

(₹ in Lakhs)

		Year ended 31 March 2022		Year ended 31 March 2021	
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from debt securities and borrowings	1,94,922.41		1,22,900.00	
	Repayments of debt securities and borrowings	(1,04,876.91)		(74,114.40)	
	Net increase in working capital borrowings	4,960.02		22,826.23	
	Repayment of lease liabilities	(42.13)		(81.24)	
	Dividends paid	(1,503.21)		-	
	NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)		**93,460.18**		**71,530.59**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**(69,155.30)**		**(5,972.98)**
	Cash and cash equivalents at the beginning of the year		96,505.14		1,02,478.12
	Cash and cash equivalents at the end of the year (refer note 1 below)		**27,349.84**		**96,505.14**

Notes:

(₹ in Lakhs)

		As at 31 March 2022	As at 31 March 2021
1	Cash and bank balances at the end of the year comprises:		
	(a) Cash on hand	10.08	5.75
	(b) Balances with banks	23,643.28	48,975.82
	Total	**23,653.36**	**48,981.57**
	(c) Bank deposits with original maturity of 3 months or less	3,696.48	47,523.57
	Cash and cash equivalents as per the balance sheet	**27,349.84**	96,505.14

2 The above cash flow statement has been prepared under the "indirect method" as set out in the Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.

3 The Company as at 31 March 2022 has undrawn borrowing facilities amounting to ₹ 1,68,020.24 lakhs that may be available for future operating activities and to settle capital commitments.

4 Change in liabilities arising from financing activities

(₹ in Lakhs)

	31 March 2021	Cash flows	Non-cash changes*	31 March 2022
Debt securities	31,411.52	5,000.00	(208.47)	36,203.05
Borrowings (other than debt securities)	2,91,975.30	82,005.53	(708.04)	3,73,272.79
Subordinated liabilities	5,996.55	8,000.00	(275.00)	13,721.55
Total liabilities from financing activities	**3,29,383.37**	**95,005.53**	**(1,191.51)**	**4,23,197.39**

	1 April 2020	Cash flows	Non-cash changes*	31 March 2021
Debt securities	-	31,500.00	(88.48)	31,411.52
Borrowings (other than debt securities)	2,52,021.34	40,111.83	(157.87)	2,91,975.30
Subordinated liabilities	5,989.18	-	(7.37)	5,996.55
Total liabilities from financing activities	**2,58,010.52**	**71,611.83**	**(238.98)**	**3,29,383.37**

* Non-cash changes represents the effect of amortization of transaction cost.

The notes referred to above form an integral part of these financial statements

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

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Ankit Jain
Chief Financial Officer

Ahmedabad
4 May 2022

Ahmedabad
4 May 2022

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022

1. CORPORATE INFORMATION

MAS Financial Services Limited (the "Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. It is registered as a systematically important non deposit taking non-banking finance Company ("NBFC") with Reserve Bank of India ("RBI"). The Company is engaged in the business of providing Micro Enterprise loans ("MEL"), Small and Medium Enterprise loans ("SME"), Two Wheeler loans ("TW"), Commercial Vehicle loans ("CV") and loans to NBFCs - to create the underlying assets of MEL, SME, TW and CV. Its shares are listed on two recognised stock exchanges in India i.e. BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

The Company's registered office is at 6, Ground Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad-380009, Gujarat, India.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These standalone financial statements of the Company have been prepared in accordance with the Indian Accounting standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 ("the Act"), and in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC).CC.PD. No.109/22. 10.106/2019-20 dated 13 March 2020.

Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows.

2.2 Basis of measurement

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain financial instruments which are measured at fair values as required by relevant Ind AS.

2.3 Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Company operates (the "functional currency"). Amounts in the standalone financial statements are presented in lakhs rounded off to two decimal places as permitted by Schedule III to the Act, except when otherwise indicated.

2.4 Use of estimates, judgements and assumptions

The preparation of the standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised prospectively.

Estimation of uncertainties relating to the global health pandemic from novel coronavirus 2019 ("COVID 19"):

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the accounting estimates. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of standalone financial statements.

Judgements

In the process of applying the Company's accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Business model assessment

Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest ("SPPI") test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value refer note 3.8 and note 42.

ii) Effective interest rate ("EIR") method

The Company's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

e) Management overlay used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios.

iv) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

For further details on provisions and other contingencies refer note 3.17.

v) Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recovered for uncertain tax positions. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

vi) Defined Benefit Plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the standalone financial statements are prudent and reasonable.

2.5 Presentation of the standalone financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in note 40.

Financial assets and financial liability are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

i) The normal course of business

ii) The event of default

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of interest income

A. EIR method

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

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

The Company calculates interest income by applying EIR to the gross carrying amount of financial assets other than credit impaired assets.

When a financial asset becomes credit impaired and is, therefore, regarded as stage 3, the Company calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

3.2 Financial instrument - initial recognition

A. Date of recognition

All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments (Refer note 3.3(A)). Financial instruments are initially measured at their fair value (as defined in Note 3.8), transaction costs are added to or subtracted from this amount, except in the case of financial assets and financial liabilities recorded at FVTPL.

C. Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

i) Amortised cost

ii) FVOCI

iii) FVTPL

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

d) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

SPPI test

As a second step of its classification process, the Company assesses the contractual terms of financial asset to identify whether they meet SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

i) Financial assets carried at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets measured at FVOCI

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) Financial assets at FVTPL

A financial asset which is not classified in any of the above categories are measured at FVTPL.

iv) Equity investment in subsidiaries

The Company has accounted for its equity investments in subsidiaries at cost.

B. Financial liability

i) Initial recognition and measurement

All financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) Subsequent measurement

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

3.4 Reclassification of financial assets

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the circumstances in which the Company changes in its business model for managing those financial assets.

3.5 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

B. Derecognition of financial assets other than due to substantial modification

i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of financial assets on account of direct assignment of loans, gain is recognized as "Unearned income on assigned loans" under the head other non-financial liabilities and amortized in the profit or loss over the underlying residual tenure of the assigned portfolio. Refer note 32 for details.

Further, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset, if any.

As per the guidelines of RBI, the Company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continue to recognise the portion retained by it as MRR.

ii) Financial liability

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

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets together with loan commitments other than those measured at FVTPL.

Expected credit losses are measured through a loss allowance at an amount equal to:

i.) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii.) Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

Both LTECLs and 12 months ECLs are calculated on collective basis for retail loans.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant increase in credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. Borrowers are also classified under stage 3 bucket under instances like fraud identification and legal proceeding. Further, stage 3 loan accounts are identified at customer level (i.e. a Stage 1 or 2 customer having other loans which are in Stage 3). The Company records an allowance for life time ECL.

There is a curing period with Stage 3 loan, where even if the DPD days are reduced by 90 days the same will not be upgraded to Stage 1 until the loan is 0 DPD.

Loan commitments:

When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

B. Calculation of ECLs

For retail loans

The mechanics of ECL calculations are outlined below and the key elements are, as follows:

PD Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, expected drawdowns on committed facilities and accrued interest. Further, the EAD for stage 3 retail loan is the outstanding exposure at the time loan is classified as Stage 3 for the first time.

LGD LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total outstanding) % LGD = 1 – recovery rate

For retail asset channel ("RAC") loan portfolio

For RAC loan portfolio, the Company has developed internal rating based approach for the purpose of ECL. The credit rating framework of the Company consists of various parameters based on which RAC loan portfolio is evaluated and credit rating is assigned.

The Company has developed its PD matrix based on the benchmarking of various external reports, ratings and Basel norms. This PD matrix is calibrated with its historical data and major events at a regular time interval in accordance with its ECL policy.

The LGD has been considered based on Basel-II Framework for all the level of RAC credit rating portfolio.

The Company calculates PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated EADs are reviewed. While at every year end, LGDs and PDs are reviewed and changes in the forward looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%. Credit impairment loans are determined at borrower level.

Loan commitments When estimating ECL for undrawn loan commitments, the Company estimates the amount sanctioned that will be disbursed after the reporting date. The ECL is then calculated using PD and LGD.

Management overlay is used to adjust the ECL allowance in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios. Emerging local or global macroeconomic, micro economic or political events, and natural disasters that are not incorporated into the current parameters, risk ratings, or forward looking information are examples of such circumstances. The use of management overlay may impact the amount of ECL recognized.

Significant increase in credit risk

The Company monitors all financial assets, including loan commitments issued that are subject to impairment requirements, to assess whether there has been a significant increase in credit risk since initial recognition. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience that is available without undue cost or effort. However, when a financial asset becomes 30 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is classified in Stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL. Further, a stage 2 customer having other loans which are in stage 1 are considered to have significant increase in credit risk.

Definition of default

The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL.

Financial assets in default represent those that are at least 90 DPD in respect of principal or interest and/or where the assets are otherwise considered to be unlikely to pay, including those that are credit-impaired.

C. Loans and advances measured at FVOCI

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the statement of profit and loss upon derecognition of the assets.

D. Forward looking information

In its ECL models, the Company relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time. For this purpose, the Company has used the data source of Economist Intelligence Unit.

3.7 Write-offs

The gross carrying amount of a financial asset is written off when the chances of recoveries are remote. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in Statement of profit and loss.

3.8 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;
- Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and
- Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

3.9 (I) Recognition of other income

Revenue (other than for those items to which Ind AS 109 - Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 - Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115 :

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

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

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

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

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

A. Dividend income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

B. Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

C. Other interest income

Other interest income is recognised on a time proportionate basis.

D. Fees and commission income

Fees and commission income such as stamp and document charges, guarantee commission, service income, due diligence & evaluation charges and portfolio monitoring fees etc. are recognised on point in time basis.

3.9 (II) Recognition of other expense

A. Finance cost

Finance costs are the interest and other costs that the Company incurs in connection with the borrowing of funds. Interest expenses are computed based on effective interest rate method.

Finance costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other finance costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.11 Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the Company and the cost of the item can be measured reliably.

Depreciation is calculated using the straight line method to write down the cost of property, plant and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act. Land is not depreciated.

The estimated useful lives are, as follows:

i) Buildings - 60 years

ii) Office equipments - 3 to 10 years

iii) Furniture and fixtures - 10 years

iv) Vehicles - 8 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date. Capital work-in-progress is stated at cost, net of impairment loss, if any.

3.12 Intangible assets

The Company's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives (three years) using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'.

3.13 Impairment of non financial assets - property, plant and equipments and intangible assets

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

3.14 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less

Lease payments associated with short term leases or low value leases are recognised as an expense on a straight-line basis over the lease term.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

3.15 Corporate guarantees

Corporate guarantees are initially recognised in the standalone financial statements (within "other non-financial liabilities") at fair value, being the notional commission. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss. The notional commission is recognised in the statement of profit and loss under the head fees and commission income on a straight line basis over the life of the guarantee.

3.16 Retirement and other employee benefits

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Company to the Life insurance corporation of India who administers the fund of the Company.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

3.17 Provisions, contingent liabilities and contingent assets

A. Provisions

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

B. Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are neither recognised not disclosed in the financial statements.

3.18 Taxes

A. Current tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or equity.

B. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.19 Earnings per share

Basic earnings per share ("EPS") is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.20 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when the it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

3.21 Repossessed asset

In the normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle the outstanding debt.

3.22 Security deposit

The security deposits received by the customers are in the nature of financial liabilities as defined under Ind AS – 32. The Company uses weighted average rate of borrowing as discount rate to arrives at fair valuation of security deposit. After initial recognition, the Company recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

No new standards as notified by Ministry of Corporate Affairs (“MCA”), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules are effective for the current year.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

5. CASH AND CASH EQUIVALENTS

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Cash on hand	10.08	5.75
Balances with banks:		
In current / cash credit accounts (refer note 1 below)	23,643.28	48,975.82
Bank deposits with original maturity of 3 months or less (refer note 2 below)	3,696.48	47,523.57
Total cash and cash equivalents	**27,349.84**	**96,505.14**

Notes:

1. Balance amounting to ₹ 292.04 lakh represents balance with banks in earmarked account i.e. "unspent CSR account".
2. Represents bank deposits against overdraft facility as at 31 March 2022.

6. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
In current accounts (refer note 1 below)	8.42	14.47
Earmarked balances with banks:		
Unclaimed dividend bank balances (refer note 2 below)	63.03	1.83
In fixed deposit accounts:		
Deposits given as security against borrowings and other commitments	2,745.76	2,163.09
Bank deposits with original maturity of more than 3 months (refer note 3 below)	52,913.29	1,001.36
Total bank balance other than cash and cash equivalents	**55,730.50**	**3,180.75**

Notes:

1. Balance represents balance with banks in earmarked account i.e. "collection and pay-out account".
2. Balance amounting to ₹ 61.07 lakh was transferred to lien free "current account" after 31 March 2022 as it was available for free use.
3. Represents bank deposits against overdraft facility as at 31 March 2022.

7. TRADE RECEIVABLES

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	100.41	221.45
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total trade receivables	**100.41**	**221.45**

Notes:

1. Impairment allowance recognised on trade receivables is ₹ Nil (Previous year: ₹ Nil).
2. There is no due by directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

Trade Receivables ageing schedule as at 31 March 2022

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	10.50	46.41	43.50	-	-	100.41
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Trade Receivables ageing schedule as at 31 March 2021

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	221.45	-	-	-	-	221.45
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

8. LOANS

(₹ In Lakhs)

	As at 31 March 2022			As at 31 March 2021		
	At amortised cost	At fair value through OCI	Total	At amortised cost	At fair value through OCI	Total
(A) (I) Bills Purchased and Bills Discounted	4,088.81	-	4,088.81	-	-	-
(II) Term loans	-	4,51,322.09	4,51,322.09	-	3,80,513.40	3,80,513.40
Total (A)-Gross	**4,088.81**	**4,51,322.09**	**4,55,410.90**	**-**	**3,80,513.40**	**3,80,513.40**
Less: Impairment loss allowance	(30.70)	-	(30.70)	-	-	-
Total (A)-Net	**4,058.11**	**4,51,322.09**	**4,55,380.20**	**-**	**3,80,513.40**	**3,80,513.40**
(B) (i) Secured by tangible assets	4,088.81	3,28,091.19	3,32,180.00	-	2,73,025.03	2,73,025.03
(ii) Unsecured	-	1,23,230.90	1,23,230.90	-	1,07,488.37	1,07,488.37
Total (B)-Gross	**4,088.81**	**4,51,322.09**	**4,55,410.90**	**-**	**3,80,513.40**	**3,80,513.40**
Less: Impairment loss allowance	(30.70)	-	(30.70)	-	-	-
Total (B)-Net	**4,058.11**	**4,51,322.09**	**4,55,380.20**	**-**	**3,80,513.40**	**3,80,513.40**

(₹ In Lakhs)

	As at 31 March 2022			As at 31 March 2021		
	At amortised cost	At fair value through OCI	Total	At amortised cost	At fair value through OCI	Total
(C) (I) Loans in India						
(i) Public sector	-	-	-	-	-	-
(ii) Private sector	4,088.81	4,51,322.09	4,55,410.90	-	3,80,513.40	3,80,513.40
Total (C)-Gross	**4,088.81**	**4,51,322.09**	**4,55,410.90**	**-**	**3,80,513.40**	**3,80,513.40**
Less: Impairment loss allowance	(30.70)	-	(30.70)	-	-	-
Total (C) (I) -Net	**4,058.11**	**4,51,322.09**	**4,55,380.20**	**-**	**3,80,513.40**	**3,80,513.40**
(C) (II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C) (II)- Net	-	-	-	-	-	-
Total C(I) and C(II)	**4,058.11**	**4,51,322.09**	**4,55,380.20**	**-**	**3,80,513.40**	**3,80,513.40**

Loans or advances in the nature of loans are granted to promoters, directors, KMPs, and the related parties, either serverally or jointly with any other person

Particulars	As at 31 March 2022	% to the total Loans and Advances in the nature of loans	As at 31 March 2021	% to the total Loans and Advances in the nature of loans
Promoter	Nil	Nil	Nil	Nil
Directors	Nil	Nil	Nil	Nil
KMPs	Nil	Nil	Nil	Nil
Related parties	Nil	Nil	Nil	Nil

Notes:

1. Refer note 36(b) for loans to Companies in which directors are interested.
2. The impairment on loans measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss.

8.1 An analysis of changes in the gross carrying amount of loans is given below*

(₹ In Lakhs)

	31 March 2022				31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**3,70,475.42**	**7,926.39**	**6,442.50**	**3,84,844.31**	**3,27,645.11**	**8,635.22**	**6,291.85**	**3,42,572.18**
Changes in opening credit exposures (net of repayment and excluding write off)	(2,66,113.52)	(2,184.75)	(2,324.88)	(2,70,623.15)	(2,03,604.32)	(2,094.78)	(386.88)	(2,06,085.98)
New assets originated (net of repayment)**	3,44,444.41	2,267.15	1,782.55	3,48,494.11	2,50,778.16	872.53	128.08	2,51,778.77
Transfers from Stage 1	(8,771.34)	3,572.18	5,199.16	-	(7,344.64)	6,030.86	1,313.78	-
Transfers from Stage 2	99.25	(2,525.68)	2,426.43	-	4,547.83	(5,517.06)	969.23	-
Transfers from Stage 3	28.21	0.00	(28.21)	-	29.62	0.63	(30.25)	-
Amounts written off	(0.20)	(2.29)	(3,008.15)	(3,010.64)	(1,576.34)	(1.01)	(1,843.31)	(3,420.66)
Gross carrying amount closing balance	**4,40,162.23**	**9,053.00**	**10,489.40**	**4,59,704.63**	**3,70,475.42**	**7,926.39**	**6,442.50**	**3,84,844.31**

* The above classification also includes balance of spread receivable on assigned portfolio. (Refer note 10)

** New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

In accordance with the board approved moratorium policy read with RBI guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Company had granted moratorium up to six months on the payment of installments which became due between 1 March 2020 and 31 August 2020 to all eligible borrowers.

The Honourable Supreme Court of India in a public interest litigation (Gajendra Sharma vs. Union of India & Anr), vide an interim order dated 3 September 2020 ('interim order'), has directed that no additional borrower accounts shall be classified as impaired ('non-performing assets' or 'NPA') which were not declared NPA till 31 August 2020, till further orders. Based on the said interim order, the Company had not classified any standard account as of 31 August 2020 as NPA after 31 August 2020. The Company has classified those accounts as stage 3 and provisioned accordingly for financial reporting purposes.

The interim order granted to not declare accounts as NPA stood vacated on 23 March 2021 vide the judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors, and other connected matters, in accordance with the instructions in paragraph 5 of the RBI circular no. RB1/2021-22/17DOR. STR.REC.4/21.04.048/2021-22 dated 7 April 2021 issued in this connection, the Company had continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms and as per ECL model under Ind AS financial statements for the year ended 31 March 2021 and 31 March 2022.

8.2 Reconciliation of ECL balance is given below

(₹ In Lakhs)

	31 March 2022				31 March 2021			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
ECL allowance - opening balance	**5,839.79**	**1,594.45**	**2,487.60**	**9,921.84**	**2,212.87**	**1,738.22**	**1,905.35**	**5,856.44**
Changes in opening credit exposures (net of repayment and excluding write off)	(2,187.11)	(246.75)	(150.19)	(2,584.05)	1,375.42	(1,060.80)	287.50	602.12
New assets originated (net of repayment)	3,387.56	209.86	926.75	4,524.17	3,719.62	274.43	47.97	4,042.02
Transfers from Stage 1	(2,521.53)	518.45	2,003.08	-	(1,668.10)	1,137.83	530.27	-
Transfers from Stage 2	1.92	(1,039.67)	1,037.76	-	208.07	(472.12)	264.05	-
Transfers from Stage 3	0.24	-	(0.24)	-	0.64	-	(0.64)	-
Amounts written off	(0.47)	(6.91)	(1,834.96)	(1,842.34)	(8.73)	(23.11)	(546.90)	(578.74)
ECL allowance - closing balance	**4,520.39**	**1,029.43**	**4,469.79**	**10,019.62**	**5,839.79**	**1,594.45**	**2,487.60**	**9,921.84**

The contractual amount outstanding on loans that have been written off during the year, but were still subject to enforcement activity is ₹ 3,010.64 lakh at 31 March 2022 (31 March 2021 : ₹ 3,420.66 lakh).

The increase in ECL was driven by an increase in the gross amount of the portfolio, movements between stages as a result of increase in credit risk, change in probability of default, macro economic factors and management overlays due to estimated impact of COVID-19 pandemic. The extent to which COVID-19 pandemic will impact current estimates of ECL is uncertain at this point of time. The Company has conducted a qualitative assessment and has considered forecasted macro economic factors and a higher probability of default to factor in the potential impact of COVID-19 on impairment allowances. For further details, refer note 44.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

8.3 Credit quality of loan assets

The table below shows the gross carrying amount of loans based on the Company's internal grades and year-end stage classification of loans. The amounts presented are gross of impairment allowances. Details of the Company's internal grades are explained in note 44.1.

(₹ In Lakhs)

	31 March 2022				31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal grades								
Performing								
High quality assets	4,40,162.23	-	-	4,40,162.23	3,70,475.42	-	-	3,70,475.42
Quality assets	-	4,583.18	-	4,583.18	-	3,936.84	-	3,936.84
Standard assets	-	4,469.82	-	4,469.82	-	3,989.55	-	3,989.55
Non- performing								
Sub standard assets	-	-	5,087.51	5,087.51	-	-	2,648.01	2,648.01
Low quality assets	-	-	5,401.89	5,401.89	-	-	3,794.49	3,794.49
Total	**4,40,162.23**	**9,053.00**	**10,489.40**	**4,59,704.63**	**3,70,475.42**	**7,926.39**	**6,442.50**	**3,84,844.31**

9. INVESTMENTS

(₹ In Lakhs)

	As at 31 March 2022				As at 31 March 2021			
	At amortised cost	At fair value through P&L	Others	Total	At amortised cost	At fair value through P&L	Others	Total
Investments in								
Alternative investment funds	-	3,558.71	-	3,558.71	-	2,029.90	-	2,029.90
Pass through certificates under securitization transactions	14,125.55	-	-	14,125.55	6,564.03	-	-	6,564.03
Market linked debentures	-	26,296.65	-	26,296.65	-	11,566.97	-	11,566.97
Non - convertible debentures	4,931.71	-	-	4,931.71	-	-	-	-
Mutual fund units	-	463.25	-	463.25	-	-	-	-
Subsidiary #	-	2,264.53	2,220.83	4,485.36	-	1,124.15	2,220.83	3,344.98
Total – Gross (A)	**19,057.26**	**32,583.14**	**2,220.83**	**53,861.23**	**6,564.03**	**14,721.02**	**2,220.83**	**23,505.88**
(i) Investments outside India	-	-	-	-	-	-	-	-
(ii) Investments in India	19,057.26	32,583.14	2,220.83	53,861.23	6,564.03	14,721.02	2,220.83	23,505.88
Total (B)	**19,057.26**	**32,583.14**	**2,220.83**	**53,861.23**	**6,564.03**	**14,721.02**	**2,220.83**	**23,505.88**
Less: Allowance for Impairment Loss (C)	(55.21)	-	-	(55.21)	(2.52)	-	-	(2.52)
Total – Net D= (A)-(C)	**19,002.05**	**32,583.14**	**2,220.83**	**53,806.02**	**6,561.51**	**14,721.02**	**2,220.83**	**23,503.36**

Investment in subsidiary

(₹ In Lakhs)

	31 March 2022	31 March 2021
Investment in equity shares of subsidiary	1,975.00	1,975.00
Investment in debt component of optionally convertible preference shares of subsidiary	1,311.36	632.37
Deemed investment in optionally convertible preference shares of subsidiary	953.17	491.78
Investment in subsidiary on account of:		
Corporate financial guarantee given to bank on behalf of subsidiary	239.03	239.03
Issuance of equity shares to the employees of subsidiary at discount	6.80	6.80
Total	**4,485.36**	**3,344.98**

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

10. OTHER FINANCIAL ASSETS

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Security deposits	86.85	69.11
Spread receivable on assigned portfolio	4,293.73	4,330.91
Interest accrued but not due on investments	67.37	2.20
Advances to dealer	813.77	-
Ex-gratia interest amount under GOI scheme (net of ECL)	-	362.62
Total other financial assets	**5,261.72**	**4,764.84**

11. PROPERTY, PLANT AND EQUIPMENTS AND INTANGIBLE ASSETS

(₹ In Lakhs)

	Property, plant and equipment (a)					Intangible assets (b)	
Nature of assets	**Buildings**	**Office equipment**	**Furniture and fixtures**	**Vehicles**	**Total**	**Software**	**Total**
Cost							
At 1 April 2020	**668.20**	**344.16**	**280.52**	**163.57**	**1,456.45**	**37.40**	**37.40**
Additions	-	16.79	-	-	16.79	3.13	3.13
Disposals	-	32.01	-	-	32.01	-	-
At 31 March 2021	**668.20**	**328.94**	**280.52**	**163.57**	**1,441.23**	**40.53**	**40.53**
Additions	-	115.84	54.67	122.59	293.10	18.97	18.97
Disposals	-	-	-	-	-	-	-
At 31 March 2022	**668.20**	**444.78**	**335.19**	**286.16**	**1,734.33**	**59.50**	**59.50**
Depreciation/Amortisation							
At 1 April 2020	**31.93**	**120.77**	**49.98**	**55.21**	**257.89**	**26.33**	**26.33**
Depreciation/amortization charge	11.44	67.33	28.68	25.37	132.82	5.44	5.44
Disposal	-	30.75	-	-	30.75	-	-
At 31 March 2021	**43.37**	**157.35**	**78.66**	**80.58**	**359.96**	**31.77**	**31.77**
Depreciation/amortization charge	11.44	64.77	29.22	29.91	135.34	5.73	5.73
Disposal	-	-	-	-	-	-	-
At 31 March 2022	**54.81**	**222.12**	**107.88**	**110.49**	**495.30**	**37.50**	**37.50**
Net block value:							
At 31 March 2021	624.83	171.59	201.86	82.99	1,081.27	8.76	8.76
At 31 March 2022	**613.39**	**222.66**	**227.31**	**175.67**	**1,239.03**	**22.00**	**22.00**

Note: No revaluation of any class of asset is carried out during the year.

(c) Capital work in progress

Capital work in progress includes borrowing costs related to development of building amounted to ₹ 146.29 lakhs (31 March 2021: ₹ 181.39 lakhs). Finance costs are capitalised using rates based on specific borrowing rate i.e. 8.39%.

(₹ In Lakhs)

Capital work-in-progress	
At 1 April 2020	**4,821.34**
Additions	181.39
Disposals	-
At 31 March 2021	**5,002.73**
Additions	201.66
Disposals	-
At 31 March 2022	**5,204.39**

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

Capital work in progress aging schedule

(₹ In Lakhs)

Capital work in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022					
Projects in progress	201.67	181.39	256.92	4,564.42	5,204.39
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2021					
Projects in progress	181.39	256.92	33.92	4,530.51	5,002.73
Projects temporarily suspended	-	-	-	-	-

Capital work in progress completion schedule for projects where completion is overdue

(₹ In Lakhs)

Capital work in progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022					
MAS headquarters	-	-	-	5,193.56	5,193.56
As at 31 March 2021					
MAS headquarters	-	-	-	5,002.73	5,002.73

(d) Right-of-use asset

The details of the right-of-use asset held by the Company is as follows:

(₹ In Lakhs)

Office Premises	
At 1 April 2020	**220.70**
Additions	-
Disposals	24.69
At 31 March 2021	**196.01**
Additions	52.66
Disposals	0.58
At 31 March 2022	**248.09**
Depreciation	
At 1 April 2020	**92.26**
Additions	74.72
Disposals	8.67
At 31 March 2021	**158.31**
Additions	36.54
Disposals	0.26
At 31 March 2022	**194.59**
Net Block Value:	
At 31 March 2021	37.70
At 31 March 2022	**53.50**

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

(e) Intangible assets under development

(₹ In Lakhs)

Intangible assets under development	
At 1 April 2020	**-**
Additions	-
Disposals	-
At 31 March 2021	**-**
Additions	3.57
Disposals	-
At 31 March 2022	**3.57**

Intangible assets under development aging schedule

(₹ In Lakhs)

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022					
Projects in progress	3.57	-	-	-	**3.57**
Projects temporarily suspended	-	-	-	-	**-**

12. OTHER NON-FINANCIAL ASSETS

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	135.89	7.78
Advances to employees	13.63	16.04
Re-possessed assets	178.54	176.00
Capital advances	4.50	-
Other advances	34.59	31.44
Total	**367.15**	**231.26**

13. PAYABLES

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
(a) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,411.85	655.98
(b) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	155.43	100.92
Total	**1,567.28**	**756.90**

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

Trade Payables aging schedule

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022					
(i) MSME	-	-	-	-	-
(ii) Others	1,209.38	178.73	22.46	1.28	1,411.85
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
As at 31 March 2021					
(i) MSME	-	-	-	-	-
(ii) Others	627.75	26.95	-	1.28	655.98
(iii) Disputed dues – MSME	.	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Micro, Small and Medium Enterprises:

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSMED Act") are given below:

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
(a) Dues remaining unpaid to any supplier at the year end		
- Principal	-	-
- Interest on above	-	-
(b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of the MSMED Act	-	-
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
(d) Amount of interest accrued and remaining unpaid	-	-
(e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-

14. DEBT SECURITIES (AT AMORTISED COST)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Secured debentures (refer note 14.1)		
- 1000, 9.00% Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each	-	10,000.00
- 500, 9.00% Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each	-	5,000.00
- 1000, 9.00% Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each	-	10,000.00
Market Linked debenture (refer note 14.1)	36,500.00	6,500.00
Less: Unamortised borrowing costs	(296.95)	(88.48)
Total	**36,203.05**	**31,411.52**
Debt securities in India	36,203.05	31,411.52
Debt securities outside India	-	-
Total	**36,203.05**	**31,411.52**

14.1 Details of terms of redemption/repayment in respect of debt securities:

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Debentures				
1000, 9.00% Redeemable, Non-Convertible Debentures of ₹10,00,000 each	-	10,000.00	Coupon Rate: 9% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 Year and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
- 500, 9.00% Redeemable, Non-Convertible Debentures of ₹10,00,000 each	-	5,000.00	Coupon Rate: 9% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 Year and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
- 1000, 9.00% Redeemable, Non-Convertible Debentures of ₹10,00,000 each	-	10,000.00	Coupon Rate: 9% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 1 Year and 6 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	6,500.00	6,500.00	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Years	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	10,000.00	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Years and 6 Months	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	10,000.00	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Years and 1 day	Secured by a first ranking exclusive Hypothecation charge over Assets
Market Linked Debentures	10,000.00	-	Coupon Rate: Market Linked Coupon Payment frequency : on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 2 Years and 2 months	Secured by a first ranking exclusive Hypothecation charge over Assets
Total debentures	**36,500.00**	**31,500.00**		

15. BORROWINGS (OTHER THAN DEBT SECURITIES) (AT AMORTISED COST)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
(a) Term loans (refer note 15.1)		
(i) from banks	1,83,086.33	1,10,752.20
(ii) from other parties (financial institutions)	34,810.56	35,102.40
(b) Loans repayable on demand from banks-cash credit/overdraft (Refer note below)	25,586.65	34,324.47
(c) Short term loans from banks (Refer note below)	1,26,494.07	1,12,796.22
(d) Borrowing under securitisation	5,003.21	-
Less: Unamortised borrowing costs	(1,708.03)	(999.99)
Total	**3,73,272.79**	**2,91,975.30**
Secured	3,70,789.67	2,89,496.03
Unsecured	2,483.12	2,479.27
Total	**3,73,272.79**	**2,91,975.30**
Borrowings in India	3,73,272.79	2,91,975.30
Borrowings outside India	-	-
Total	**3,73,272.79**	**2,91,975.30**

Note:

For Cash credit / Overdraft and short term loans

(a) Cash credit / short term loans from banks are secured by hypothecation of movable assets of the Company and goods covered under hypothecation ("HP") agreements / Loan cum HP agreements and book debts, receivables, loans and advances and entire portfolio outstanding (except specific portfolio generated from various term loans sanctioned by various banks/financial institutions on an exclusive basis) and equitable mortgage/negative lien by deposit of title deeds on some of the Company's immovable properties, as collateral security. The loans are also guaranteed by Mr. Kamlesh Chimanlal Gandhi, Mrs. Shweta Kamlesh Gandhi and Legal heirs of Late Mr. Mukesh Chimanlal Gandhi. Overdraft loans are secured against fixed deposits placed.

(b) Interest rate range

Interest rate ranges from 2.90% p.a. to 11.00% p.a. as at 31 March 2022.

Interest rate ranges from 7.65% p.a. to 12.00% p.a. as at 31 March 2021.

The Company has not defaulted in repayment of borrowings and interest.

The Company has borrowings from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts of the Company.

The carrying amount of financial assets which is hypothecated against all secured borrowing inclusive of margin requirement ranging from 1.10 times to 1.25 times is amounting to ₹ 4,56,236.99 lakhs (31 March 2021: ₹ 3,82,579.83 lakhs).

15.1 Details of terms of repayment in respect of term loans:

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term loans from banks (Refer note i)				
Term Loan - 1	1,600.00	2,400.00	Repayable in 12 Quarterly installments from 30 June 2021	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 2	9,166.67	-	Repayable in 12 Quarterly installments from 31 March 2022	Exclusive charge by way of hypothecation of on standard receivables of the Borrower

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 3	-	0.58	Repayable in 20 Quarterly installments from 30 September 2016.	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 4	6,399.17	8,000.00	Repayable in 20 Quarterly installments from 30 June 2021.	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 5	13,500.00	-	Repayable in 20 Quarterly installments from 05 November 2021.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 6	20,000.00	-	Repayable in 12 Quarterly installments from 30 June 2022.	Exclusive first charge on the specific loan portfolio of the Borrower by way of hypothecation on the loan installments receivables. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 7	3,500.00	-	Repayable in 36 monthly installments from 01 May 2022.	First Exclusive hypothecation charge on book debts created out of Bank Loan.
Term Loan - 8	9,497.65	-	Repayable in 20 Quarterly installments from 31 March 2022.	Exclusive charge by way of hypothecation of standard book debts/ receivables which are financed/ to be financed by the company out of the proposed term loan to the Company.
Term Loan - 9	5,454.57	7,500.00	Repayable in 33 monthly installments from 30 July 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 10	5,000.00	-	Repayable in 33 monthly installments from 30 July 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 11	-	626.39	Repayable in 36 monthly installments from 7 August 2018.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 12	-	778.57	Repayable in 36 monthly installments from 7 September 2018.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 13	1,580.56	1,914.10	Repayable in 96 monthly installments from 7 April 2018.	First and exclusive charge on land, property and commercial property under construction.
Term Loan - 14	728.91	1,958.22	Repayable in 36 monthly installments from 7 November 2019.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 15	269.20	522.58	Repayable in 36 monthly installments from 7 April 2020.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 16	1,076.79	2,090.32	Repayable in 36 monthly installments from 7 April 2020.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 17	448.66	870.97	Repayable in 36 monthly installments from 7 April 2020.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 18	500.00	750.00	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 19	2,000.00	3,000.00	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 20	833.33	1,250.00	Repayable in 36 monthly installments from 7 April 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 21	583.33	-	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 22	2,333.33	-	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 23	972.22	-	Repayable in 36 monthly installments from 7 August 2021.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 24	687.54	-	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 25	2,750.14	-	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 26	1,145.89	-	Repayable in 36 monthly installments from 7 January 2022.	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 27	-	208.33	Repayable in 36 monthly installments from 31 July 2018.	First and exclusive charge by way of hypothecation on the Company's book debts and loan installments receivables.
Term Loan - 28	2,666.67	4,000.00	Repayable in 36 monthly installments from 30 April 2021.	Secured by a first and exclusive charge on specific book debt and future receivables of the Company created/to be created out of the loan availed.
Term Loan - 29	-	4,583.33	Repayable in 36 monthly installments from 30 April 2019.	First exclusive charge of present and future book debts and receivables of the Company.
Term Loan - 30	-	2,536.36	Repayable in 11 Quarterly installments from 30 September 2019.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 31	1,825.25	7,272.73	Repayable in 11 Quarterly installments from 30 December 2020.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 32	7,784.85	10,000.00	Repayable in 18 Quarterly installments from 30 December 2021.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 33	10,000.00	-	Repayable in 18 Quarterly installments from 24 September 2022.	Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 34	5,000.00	-	Repayable in 10 Quarterly installments from 14 December 2022.	Exclusive charge by way of hypothecation of on standard receivables of the Borrower
Term Loan - 35	4,165.85	-	Repayable in 12 Quarterly installments from 16 December 2021.	Exclusive charge by way of Hypothecation of book debt/receivables arising out of bank financial assets of the borrower.
Term Loan - 36	-	166.67	Repayable in 36 monthly installments from 1 August 2018.	Exclusive charge by way of hypothecation of the specific receivables/book debts.
Term Loan - 37	416.67	1,250.00	Repayable in 12 Quarterly installments from 30 November 2019.	Exclusive charge on specific standard book debts and receivables which are financed / to be financed by the Company out of the bank finance.
Term Loan - 38	750.00	3,750.00	Repayable in 8 Quarterly installments from 30 September 2020.	Exclusive charge by way of hypothecation of on standard receivables of the Borrower

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 39	734.57	4,879.76	Repayable in 12 Quarterly installments from 31 March 2020.	Exclusive charge by way of hypothecation of such of the book debts, which are financed/ to be financed by the Company out of the bank financed to the Company. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi.
Term Loan - 40	2,599.96	5,200.00	Repayable in 16 Quarterly installments from 30 September 2019.	Secured by Hypothecation of portfolio of the Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loan - 41	7,649.91	12,750.00	Repayable in 16 Quarterly installments from 29 February 2020.	Secured by Hypothecation of portfolio of the Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs. Shweta Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loan - 42	1,500.00	2,000.00	Repayable in 16 Quarterly installments from 26 June 2021.	Exclusive charge by way of hypothecation on book debts under standard assets portfolio of the borrower eligible for Bank finance.
Term Loan - 43	11,043.60	15,489.46	Repayable in 18 Quarterly installments from 31 December 2020.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 44	8,421.05	5,000.00	Repayable in 19 Quarterly installments from 30 September 2021.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 45	-	3.83	Repayable in 36 monthly installments from 5 July 2018.	Secured by hypothecation of the vehicle financed.

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loan - 46	**28,500.00**	-	Repayable in 20 Quarterly installments from 31 March 2022.	Exclusive charge by the way of hypothecation on specific receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mrs. Shweta Gandhi.
Total term loans from banks	**1,83,086.33**	**1,10,752.20**		

Note (i):

Interest rate ranges from 8.00% p.a. to 9.20 % p.a. as at 31 March 2022.

Interest rate ranges from 8.00% p.a. to 10.75% p.a. as at 31 March 2021.

Term loans from others (Refer note ii)				
Term Loans from a Financial Institution - 1	-	1,053.62	Repayable in 36 monthly installments from 15 March 2019.	Exclusive charge by way of hypothecation of specific standard receivable of the Company.
Term Loans from a Financial Institution - 2	-	1,705.72	Repayable in 36 monthly installments from 10 March 2019.	Secured by hypothecation of specific book debts created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 3	-	500.00	Repayable in 10 quarterly installments from 31 March 2019.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 4	-	1,666.67	Repayable in 36 monthly installments from 30 April 2019.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 5	763.89	1,597.22	Repayable in 36 monthly installments from 31 March 2020.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 6	1,983.33	3,116.67	Repayable in 36 monthly installments from 31 January 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 7	1,066.67	1,600.00	Repayable in 36 monthly installments from 30 April 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Term Loans from a Financial Institution - 8	2,500.00	2,500.00	Bullet Repayment on 17 August 2026.	N.A.
Term Loans from a Financial Institution - 9	4,166.67	-	Repayable in 36 monthly installments from 31 October 2021.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed.
Term Loans from a Financial Institution - 10	-	1,300.00	Repayable in 9 monthly installments from 10 August 2020.	Secured by exclusive first charge by way of hypothecation on standard book debts of the Company. Personal Guarantee of Mr. Kamlesh Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 11	8,330.00	-	Repayable in 9 monthly installments from 10 January 2022.	Secured by exclusive first charge by way of hypothecation on standard book debts of the Company. Personal Guarantee of Mr. Kamlesh Gandhi
Term Loans from a Financial Institution - 12	-	62.50	Repayable in 10 quarterly installments from 10 March 2020.	Exclusive first charge by way of hypothecation of book debts and receivables of secured loans provided by the Borrower. Personal Guarantee of Mr. Kamlesh Gandhi and legal heirs of Mr. Mukesh Gandhi.
Term Loans from a Financial Institution - 13	16,000.00	20,000.00	Repayable in 20 Quarterly installments from 30 June 2021.	Exclusive charge by way of hypothecation of the specific receivables/book debts. Liquid collateral of 10% of the sanctioned amount.
Total term loans from others	**34,810.56**	**35,102.40**		

Note (ii):

Interest rate ranges from 5.75% p.a. to 10.00 % p.a. as at 31 March 2022.

Interest rate ranges from 6.32% p.a. to 11.15% p.a. as at 31 March 2021.

Note: The above table doesn't include associated liabilities to securitized asset that has been re-recognised due to non fulfilment of derecognition criteria as per Ind AS amounting to ₹ 5,003.21 lakhs.

16. SUBORDINATED LIABILITIES (AT AMORTISED COST)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Unsecured debentures (refer note 16.1)		
- 400, 14.00% Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each	4,000.00	4,000.00
- 200, 13.50% Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each	-	2,000.00
- 50, 10.75% Redeemable, Non-Convertible Debentures of ₹ 100,00,000 each	5,000.00	-
- 500, 10.75% Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each	5,000.00	-
Less: Unamortised borrowing costs	(278.45)	(3.45)
Total	**13,721.55**	**5,996.55**
Subordinated liabilities in India	13,721.55	5,996.55
Subordinated liabilities outside India	-	-
Total	**13,721.55**	**5,996.55**

16.1 Details of terms of repayment in respect of subordinated liabilities:

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021	Terms of redemption/ repayment	Security
Subordinated liabilities				
400, 14.00% Unsecured, Redeemable, Non-Convertible Debentures of ₹ 10 lakhs each	**4,000.00**	4,000.00	Coupon Rate: 13.00% p.a. Coupon Payment frequency: Quarterly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor :7 years	N.A.
200, 13.50% Unsecured, Redeemable, Non-Convertible Debentures of ₹ 10 lakhs each	**-**	2,000.00	Coupon Rate: 13.50% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years and 6 months	N.A.
50, 10.75% unsecured, rated, listed, redeemable, subordinated, taxable, transferable, non-convertible debentures of ₹ 100 lakhs each	**5,000.00**	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 5 years and 7 months	N.A.
500, 10.75% unlisted, subordinated, unsecured, redeemable, non-convertible debentures of ₹ 10 lakhs each	**5,000.00**	-	Coupon Rate: 10.75% p.a. Coupon Payment frequency : Monthly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years	N.A.
Total subordinated liabilities	**14,000.00**	**6,000.00**		

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

17. OTHER FINANCIAL LIABILITIES

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due on borrowings	2,936.21	2,198.74
Interest accrued but not due on others	1,418.85	2,570.49
Dues to the assignees towards collections from assigned receivables	12,766.42	26,185.14
Security deposits received from borrowers	27,453.98	31,905.41
Advances received against loan agreements	800.50	-
Unpaid dividend on equity shares	1.96	1.83
Dealer advances	228.61	266.90
Lease liability	56.52	46.38
Provision for Interest on Interest waiver	-	78.67
Other payable	96.38	-
Total other financial liabilities	**45,759.43**	**63,253.56**

18. PROVISIONS

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits (Refer note 41)		
Compensated absences	17.05	7.07
Gratuity	7.83	5.10
Provision for unspent CSR liability	690.91	384.21
Total provisions	**715.79**	**396.38**

19. OTHER NON-FINANCIAL LIABILITIES

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Statutory remittances	130.93	236.55
Financial guarantee liability	1.60	2.82
Unearned income on assigned loans	4,293.73	4,330.91
Income received in advance	764.44	965.53
Total other non-financial liabilities	**5,190.70**	**5,535.81**

20. EQUITY SHARE CAPITAL

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Authorized shares:		
6,40,00,000 : Equity Shares of ₹ 10 each (As at 31 March 2021: 6,40,00,000 Equity Shares of ₹ 10 each)	6,400.00	6,400.00
2,20,00,000 : 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31 March 2021: 2,20,00,000 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	2,200.00	2,200.00
2,20,00,000: 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31 March 2021: 2,20,00,000 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	2,200.00	2,200.00
400 : 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each (As at 31 March 2021: 400 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each)	400.00	400.00
	11,200.00	**11,200.00**
Issued, subscribed and fully paid-up shares:		
5,46,62,043 : Equity Shares of ₹ 10 each fully paid-up (As at 31 March 2021: 5,46,62,043 Equity Shares of ₹ 10 each)	5,466.20	5,466.20
	5,466.20	**5,466.20**

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

20.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Equity Shares				
Outstanding at the beginning of the year	5,46,62,043	5,466.20	5,46,62,043	5,466.20
Issued during the year	-	-	-	-
Outstanding at the end of the year	5,46,62,043	5,466.20	5,46,62,043	5,466.20

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

Class of shares / Name of shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
Shweta Kamlesh Gandhi	1,63,38,450	29.89%	1,63,38,450	29.89%
Mukesh C. Gandhi (Refer note below)	1,61,56,814	29.56%	1,61,56,814	29.56%
Kamlesh C. Gandhi	63,04,508	11.53%	62,86,833	11.50%
Vistra ITCL I Ltd Business Excellence Trust III India Business	40,44,579	7.40%	40,44,579	7.40%
Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Long Term Equity Fund	27,52,094	5.03%	27,64,059	5.06%

Note: Mr. Mukesh C. Gandhi has passed away on 19 January 2021.

20.3 Details of bonus shares issued during the five years immediately preceding the balance sheet date:

2,40,00,188 equity shares of ₹ 10 each fully paid-up were allotted as bonus shares by capitalisation of general reserve and balance from the statement of profit and loss during the year ended 31 March 2017.

20.4 The Company has neither allotted any share pursuant to contracts without payment being received in cash nor has it bought back any shares during the preceding period of 5 financial years.

20.5 Terms / rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

20.6 Details of shares held by promoters (including promoter group) of the Company:

Promoter and promoter group name	Shares held by promoters at 31 March 2022		Shares held by promoters at 31 March 2021		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Equity shares					
Shweta Kamlesh Gandhi	1,63,38,450	29.89%	1,63,38,450	29.89%	0.00%
Mukesh C. Gandhi (Refer above above)	1,61,56,814	29.56%	1,61,56,814	29.56%	0.00%
Kamlesh C. Gandhi	63,04,508	11.53%	62,86,833	11.50%	0.28%
Prarthana Marketing Private Limited	13,12,557	2.40%	13,10,057	2.40%	0.19%
Anamaya Capital LLP	94,994	0.17%	94,994	0.17%	0.00%
Dhvanil K. Gandhi	34,619	0.06%	34,619	0.06%	0.00%
Dhriti K. Gandhi	12,054	0.02%	12,054	0.02%	0.00%

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

21. OTHER EQUITY (REFER NOTE 21.1)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Other equity (Refer note 21.1)		
Reserve u/s. 45-IC of RBI Act, 1934		
Outstanding at the beginning of the year	17,392.07	14,522.01
Additions during the year	3,156.53	2,870.06
Outstanding at the end of the year	**20,548.60**	**17,392.07**
Securities premium		
Outstanding at the beginning of the year	42,687.43	42,687.43
Additions during the year	-	-
Outstanding at the end of the year	**42,687.43**	**42,687.43**
Retained earnings		
Outstanding at the beginning of the year	39,634.96	28,104.57
Profit for the year	15,782.64	14,350.30
Item of other comprehensive income recognised directly in retained earnings		
On defined benefit plan	(8.30)	50.15
	55,409.30	**42,505.02**
Appropriations:		
Transfer to reserve u/s. 45-IC of RBI Act,1934	(3,156.53)	(2,870.06)
Final dividend on equity shares	(819.93)	-
Interim dividend on equity shares	(683.28)	-
Total appropriations	**(4,659.74)**	**(2,870.06)**
Retained earnings	**50,749.56**	**39,634.96**
Other comprehensive income		
Outstanding at the beginning of the year	12,076.21	7,310.18
Loans and advances fair valued through other comprehensive Income	(1,001.19)	936.29
Impairment on loans and advances through OCI	67.08	4,065.39
Income tax relating to items that will be reclassified to profit or loss	251.98	(235.65)
Other comprehensive income for the year, net of tax	**11,394.08**	**12,076.21**
Total other equity	**1,25,379.67**	**1,11,790.67**

21.1 Nature and purpose of reserve

1 Reserve u/s. 45-IC of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934")

Reserve u/s. 45-IC of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

2 Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 of the Act.

3 Retained earnings

Retained earnings is the accumulated available profit of the Company carried forward from earlier years. These reserve are free reserves which can be utilised for any purpose as may be required.

The Company recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings with separate disclosure, which comprises of:

i) actuarial gains and losses;

ii) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

iii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

4 Other comprehensive income

On equity investments

The Company has elected to recognise changes in the fair value of investments in equity securities (other than investment in subsidiary) in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

On loans

The Company has elected to recognise changes in the fair value of loans and advances in other comprehensive income. These changes are accumulated within the FVOCI - loans and advances reserve within equity. The Company transfers amounts from this reserve to the statement of profit and loss when the loans and advances are sold. Further, impairment loss allowances on the loans are recognised in OCI.

21.2 Equity dividend paid and proposed

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Declared and paid during the year		
Dividends on equity shares:		
Final dividend for 31 March 2021: ₹ 1.5 per share (31 March 2020: ₹ Nil per share)	819.93	-
Interim dividend for 31 March 2022: ₹ 1.25 per share (31 March 2021 : ₹ Nil per share)	683.28	-
Total dividends paid	**1,503.21**	**-**

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Proposed for approval at Annual General Meeting (not recognised as a liability)		
Dividend on equity shares:		
Final dividend for 31 March 2022: ₹ 1.75 per share (31 March 2021: ₹ 1.5 per share)	956.59	819.93

22. INTEREST INCOME

(₹ In Lakhs)

	Year ended 31 March 2022				Year ended 31 March 2021			
	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	On Financial Assets classified at fair value through profit or loss	Total	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	On Financial Assets classified at fair value through profit or loss	Total
Interest on loans	51,550.41	36.48	-	51,586.89	43,935.16	-	-	43,935.16
Interest income from investments	-	1,121.39	643.65	1,765.04	-	41.45	64.95	106.40
Interest on deposits with banks	-	2,391.36	-	2,391.36	-	2,913.80	-	2,913.80
Other interest income	292.76	912.26	-	1,205.02	586.96	871.32	-	1,458.28
Total	**51,843.17**	**4,461.49**	**643.65**	**56,948.31**	**44,522.12**	**3,826.57**	**64.95**	**48,413.64**

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

23. NET GAIN ON FAIR VALUE CHANGES

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Net gain on financial instruments at fair value through profit or loss - investments	499.12	56.32
Fair value changes:		
- Realised	187.02	29.90
- Unrealised	312.10	26.42
Total	**499.12**	**56.32**

24. OTHER INCOME

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Rental income	9.60	11.71
Net gain\(loss) on derecognition of property, plant and equipment	-	(1.16)
Dividend income	66.08	39.19
Net gain on sale of investments measured at amortized cost	23.28	-
Gain on derecognition of leased asset	0.07	2.81
Income from non-financing activity	51.55	11.64
Total	**150.58**	**64.19**

25. FINANCE COST (ON FINANCIAL LIABILITIES MEASURED AT AMORTISED COST)

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Interest on debt securities	3,887.83	1,478.89
Interest on borrowings	22,418.02	19,430.03
Interest on subordinated liabilities	1,019.79	790.00
Other interest expense	2,954.11	3,538.23
Other borrowing cost	1,669.93	1,202.87
Lease liability interest obligation	4.11	9.06
Total	**31,953.79**	**26,449.08**

26. IMPAIRMENT ON FINANCIAL ASSETS

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Loans		
- Expected credit loss (On financial instruments measured at FVOCI)	67.03	4,065.44
- Expected credit loss (On financial instruments measured at amortised cost)	30.70	-
- Write off (net of recoveries)	3,010.64	3,420.66
- Loss on sale of repossessed assets	248.60	351.42
Investments		
- Expected credit loss (On financial instruments measured at amortised cost)	52.69	2.52
Total	**3,409.66**	**7,840.04**

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

27. EMPLOYEE BENEFITS EXPENSE

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries and wages	3,972.91	2,746.20
Contribution to provident fund and other funds	153.97	153.23
Gratuity expense (Refer note 41)	47.99	49.50
Staff welfare expenses	48.15	23.96
Total	**4,223.02**	**2,972.89**

28. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property, plant and equipment	135.34	132.82
Amortisation of intangible assets	5.73	5.44
Right-of-use asset depreciation	36.54	74.72
Total	**177.61**	**212.98**

29. OTHER EXPENSES

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Rent	223.97	148.70
Rates and taxes	14.88	15.99
Stationery and printing	62.52	39.76
Telephone	54.21	51.82
Electricity	68.93	54.56
Postage and courier	71.65	40.46
Insurance	73.20	99.91
Conveyance	100.41	58.95
Travelling	162.58	52.97
Repairs and maintenance:		
Building	19.70	1.27
Others	140.26	66.37
Professional fees	518.86	458.00
Payment to auditors (Refer note below)	50.43	62.32
Directors' sitting fees	8.50	9.27
Legal expenses	56.83	49.99
Bank charges	139.51	145.08
Advertisement expenses	67.99	11.81
Sales promotion expenses	9.28	2.27
Recovery contract charges	14.22	35.93
Corporate social responsibility expenditure (Refer note 34)	440.87	417.64
Miscellaneous expenses	205.96	177.19
Total	**2,504.76**	**2,000.26**
Note: Payment to auditors (including taxes)		
As auditor:		
Statutory audit	18.07	25.07
Limited review of quarterly results	23.81	29.43
Other services	6.59	7.63
Reimbursements of expenses	1.96	0.19
	50.43	**62.32**

30. TAX EXPENSES

The components of income tax expense for the years ended 31 March 2022 and 31 March 2021 are:

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Current tax	5,423.01	5,809.77
Adjustment in respect of current income tax of prior years	(50.36)	-
Deferred tax	11.51	(870.78)
Total tax charge	**5,384.16**	**4,938.99**
Current tax	5,372.65	5,809.77
Deferred tax	11.51	(870.78)

30.1 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2022 and 31 March 2021 is, as follows:

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Accounting profit before tax	21,166.80	19,289.29
Applicable tax rate	25.17%	25.17%
Computed tax expense	5,327.26	4,854.73
Tax effect of :		
Exempted income	(20.70)	(0.88)
Non deductible items	196.75	113.93
Adjustment in respect of current income tax of prior years	(50.36)	-
Others	(68.79)	(28.79)
Tax expenses recognised in the statement of profit and loss	**5,384.16**	**4,938.99**
Effective tax rate	25.44%	25.60%

30.2 Deferred tax

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Deferred tax asset / liability (net)		
The movement on the deferred tax account is as follows:		
At the start of the year DTA / (DTL) (net)	2,116.67	1,498.41
Credit / (charge) for loans and advances through OCI	251.98	(235.65)
Credit / (charge) for remeasurement of the defined benefit liabilities	2.79	(16.87)
Credit / (charge) to the statement of profit and loss	(11.51)	870.78
At the end of year DTA / (DTL) (net)	**2,359.93**	**2,116.67**

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

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

(₹ In Lakhs)

	As at 31 March 2021	Statement of profit and loss	OCI	As at 31 March 2022
Component of deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between written down value of fixed assets as per books of accounts and income tax	(37.61)	(6.47)	-	(44.08)
Deferred tax on fair value of investments	(1.71)	-	-	(1.71)
Impact of fair value of assets	(357.71)	-	251.98	(105.73)
Income taxable on realised basis	6.36	(8.80)	-	(2.44)
Deferred tax on prepaid finance charges	(1.48)	(27.28)	-	(28.76)
Impairment on financial assets	2,497.78	37.85	-	2,535.63
Recognition of lease liability and right to use asset	2.18	(1.42)	-	0.76
Expenses allowable on payment basis	8.86	(5.39)	2.79	6.26
Total	**2,116.67**	**(11.51)**	**254.77**	**2,359.93**

(₹ In Lakhs)

	As at 1 April 2020	Statement of profit and loss	OCI	As at 31 March 2021
Component of deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between written down value of fixed assets as per books of accounts and income tax	(35.82)	(1.79)	-	(37.61)
Deferred tax on fair value of investments	(1.71)	-	-	(1.71)
Impact of fair value of assets	(122.06)	-	(235.65)	(357.71)
Income taxable on realised basis	167.11	(160.75)	-	6.36
Deferred tax on prepaid finance charges	(3.51)	2.03	-	(1.48)
Impairment on financial assets	1,474.04	1,023.74	-	2,497.78
Recognition of lease liability and right to use asset	4.53	(2.35)	-	2.18
Expenses allowable on payment basis	15.83	9.90	(16.87)	8.86
Total	**1,498.41**	**870.78**	**(252.52)**	**2,116.67**

30.3 Current tax liabilities

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Provision for tax [net of advance tax of ₹ 5,197.88 lakhs (31 March 2021: ₹ 4,632.93 lakhs)]	225.13	1,176.84

30.4 Income tax assets

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Income tax assets [net of provision for tax of ₹ 28,103.86 lakhs (31 March 2021: ₹ 22,294.09 lakhs)]	623.33	592.40

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

31. EARNINGS PER SHARE

(A) Basic earnings per share

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Net profit for the year attributable to equity shareholders (basic)	15,782.64	14,350.30
Weighted average number of equity shares of ₹ 10 each	5,46,62,043	5,46,62,043
Basic earnings per share of face value of ₹ 10 each (in ₹)	28.87	26.25

(B) Diluted earnings per share

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Net profit for the year attributable to equity shareholders (diluted)	15,782.64	14,350.30
Weighted average number of equity shares of ₹ 10 each	5,46,62,043	5,46,62,043
Diluted earnings per share of face value of ₹ 10 each (in ₹)	28.87	26.25

32. AMORTISING THE GAIN ON ASSIGNMENT OF FINANCIAL ASSETS OVER THE RESIDUAL TENURE INSTEAD OF BOOKING UPFRONT:

Disclosure requirement as per para 20 of Ind AS 1 ‘Presentation of Financial Statements’ is as follows:

On derecognition of loans in its entirety upon assignment, as per Ind AS 109 ‘Financial Instruments’, the Company is required to recognise the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including new asset obtained less any new liability assumed) as gain immediately in the statement of profit or loss.

The Company is of view that the accounting treatment prescribed in Ind AS 109 inflates the income at the time of assignment and leads to reporting higher earnings per share, potentially higher dividend pay-out and improved capital adequacy ratio and will not present true and fair view of the entity’s financial position, financial performance and cash flows. Therefore, the management of the Company has exercised their judgement under para 19 of Ind AS 1 and has departed from the aforementioned requirement of Ind AS 109. The Company is complying with the applicable Ind AS except for the particular requirement of Ind AS 109 as mentioned above.

As per current practice, such gains are recognised as ‘unearned income on assigned loans’ under the head ‘other non-financial liabilities’ and is amortised in the statement of profit and loss over the period of the underlying residual tenure of the assigned loan portfolio while related assets and liabilities are recorded at the fair value as per Ind AS requirement.

If the Company had complied with Ind AS 109, the financial impact on the following items [Increase / (decrease)] in the financial statements would have been as under:

(A) Impact on Statement of Profit and Loss items:

(₹ In Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Gain on assignment of financial assets	(37.18)	(3,394.64)
Profit before tax	(37.18)	(3,394.64)
Deferred tax expense / (Credit)	(9.36)	(854.36)
Profit after tax	(27.82)	(2,540.28)
Basic / Diluted EPS	(0.05)	(4.65)

(B) Impact on Balance Sheet items:

(₹ In Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Other equity	3,212.92	3,240.74
Other non-financial liabilities	(4,293.73)	(4,330.91)
Deferred tax asset	(1,080.81)	(1,090.17)

Further, NBFC industry body Finance Industry Development Council which is represented by more than 100 NBFCs is also of the same view.

33. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
(A) Contingent liabilities		
I) Guarantees given on behalf of subsidiary company: (Refer note i)		
a) To banks		
Amount of guarantees ₹ Nil (31 March 2021: ₹ 1,000 lakhs)		
Amount of loans outstanding	-	107.14
b) To National Housing Bank ("NHB")		
Amount of guarantees ₹ 500 lakhs (31 March 2021: ₹ 500 lakhs)		
Amount of loan outstanding	111.31	144.07
(B) Commitments		
I) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Property, plant & equipment and Capital work in progress	138.00	-
II) Loan commitments for sanctioned but not disbursed amount	4,500.00	135.00

Notes:

i) Guarantees have been given by the Company to various banks and NHB on behalf of the subsidiary company for the loan taken and accordingly, the same has been shown as contingent liability.

ii) The Company's pending litigations comprise of proceedings pending with Income Tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

34. CORPORATE SOCIAL RESPONSIBILITY ("CSR") EXPENSES:

The average profit before tax of the Company for the last three financial years was ₹ 22,043.33 lakhs, basis which the Company was required to spend ₹ 440.87 lakhs towards CSR activities for the current financial year (31 March 2021: ₹ 417.64 lakhs).

a) Amount spent during the year on:

(₹ In Lakhs)

Particulars	31 March 2022			31 March 2021		
	Amount Spent	Amount Unpaid/ provision	Total	Amount Spent	Amount Unpaid/ provision	Total
Construction / acquisition of any asset	-	-	-	-	-	-
On purpose other than (i) above	42.00	398.87	440.87	33.43	384.21	417.64

b) The Company has not made any transaction with related parties in relation to CSR expenditure as per Ind AS 24.

c) In case of Section 135(6): Details of on-going projects

(₹ In Lakhs)

F. Y.	Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
	With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
2021-22	**-**	**384.21**	**440.87**	**42.00**	**92.17**	**398.87**	**292.04**
2020-21	Nil	N.A.	417.64	33.43	-	384.21	-

Note: Unspent CSR amount of ₹ 384.21 lakhs for FY 2020-21 was deposited in unspent CSR bank account on 28 April 2021. Unspent amount of ₹ 398.87 lakhs available with the Company shall be transferred to an unspent CSR account by end of 30 April 2022.

d) Reason for shortfall: The Company has on-going projects and it is spending the said amount as per pre-approved on-going projects. For more details, refer annexure of Director's report on CSR.

e) Nature of CSR activities: Promoting education, eradicating hunger, poverty & malnutrition, promoting health care and such other activities. For more details, refer annexure of Director's report on CSR.

35. SEGMENT REPORTING:

Operating segment are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

36. RELATED PARTY DISCLOSURES:

(a) Related party disclosures as required by Ind AS 24 - Related Party Disclosures.

List of related parties and relationships:

Sr. No.	Nature of relationship	
1	Subsidiary	MAS Rural Housing & Mortgage Finance Limited
2	Key management personnel ("KMP")	Mr. Kamlesh C. Gandhi (Chairman and managing director)
	(where there are transactions)	Mr. Mukesh C. Gandhi (Whole time director and chief financial officer) (till 19 January 2021)
		Mrs. Darshana S. Pandya (Director and chief executive officer)
		Mr. Bala Bhaskaran (Independent director)
		Mr. Umesh Shah (Independent director)
		Mr. Chetanbhai Shah (Independent director)
		Mrs. Daksha Shah (Independent director)
3	Other related parties	Prarthna Marketing Private Limited
	(where there are transactions)	Anamaya Capital LLP
		Mrs. Shweta K. Gandhi (relative of KMP)
		Mr. Dhvanil K. Gandhi (relative of KMP)
		Mr. Saumil D. Pandya (relative of KMP)
		Ms. Dhriti K. Gandhi (relative of KMP)
		Umesh Rajanikant Shah HUF (relative of KMP)
		Pauravi Umesh Shah (relative of KMP)

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

Transactions with related parties are as follows:

(₹ In Lakhs)

	Year ended 31 March 2022			
	Subsidiary	Key management personnel	Other related parties	Total
Rent income	9.60	-	-	9.60
Recovery contract charges received	3.32	-	-	3.32
Expenditure reimbursed by	979.50	-	-	979.50
Remittances of collection received on behalf of	59.82	-	-	59.82
Remuneration (including bonus)	-	414.94	78.67	493.61
Dividend received	66.08	-	-	66.08
Dividend paid	-	617.73	489.64	1,107.37
Investment	1,000.00	-	-	1,000.00
Sitting fees	-	7.80	-	7.80

(₹ In Lakhs)

	Year ended 31 March 2021			
	Subsidiary	Key management personnel	Other related parties	Total
Rent income	11.71	-	-	11.71
Recovery contract charges received	2.40	-	-	2.40
Expenditure reimbursed by	12.59	-	-	12.59
Remittances of collection received on behalf of	36.47	-	-	36.47
Remuneration (including bonus)	-	39.56	64.70	104.26
Dividend received	39.19	-	-	39.19
Sitting fees	-	8.50	-	8.50

Balances outstanding from related parties are as follows:

(₹ In Lakhs)

	As at 31 March 2022			
	Subsidiary	Key management personnel	Other related parties	Total
Bonus payable	-	22.70	2.10	24.80
Investment	4,485.36	-	-	4,485.36
Guarantees outstanding	111.31	-	-	111.31

(₹ In Lakhs)

	As at 31 March 2021			
	Subsidiary	Key management personnel	Other related parties	Total
Bonus payable	-	1.20	1.92	3.12
Investment	3,344.98	-	-	3,344.98
Guarantees outstanding	251.21	-	-	251.21

Financial guarantee commission income amounts to ₹ 1.22 lakhs (31 March 2021: ₹ 2.51 lakhs) on account of fair valuation of corporate financial guarantee given to bank on behalf of subsidiary.

All transactions with these related parties are priced on an arm's length basis. None of the balances is secured.

Key managerial personnel who are under the employment of the Company are entitled to post employment benefits and other employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements.

Transactions with key management personnel are as follows:

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Post-employment benefits	1.23	2.68
Other long term employment benefits	4.46	0.38
	5.69	**3.06**

The remuneration of key management personnel are determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

(b) Disclosures as per Regulation 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015).

Loans and advances in the nature of loans to companies in which directors are interested as under:

(₹ In Lakhs)

Sr. No.	Name	As at 31 March 2022	Maximum balance outstanding during the year ended 31 March 2022	As at 31 March 2021	Maximum balance outstanding during the year ended 31 March 2021
1	M Power Micro Finance Private Limited	-	-	-	1,305.11

* The director interested in M Power Micro Finance Private Limited redeemed his holding on 23 October 2020 and hence, the disclosures made are of maximum balance outstanding up to that date.

37. OFFSETTING

Following table represents the recognised financial assets that are offset, or subject to enforceable master netting arrangements and other similar arrangements but not offset, as at 31 March 2022 and 31 March 2021. The column 'net amount' shows the impact of the Company's balance sheet if all the set-off rights were exercised.

(₹ In Lakhs)

	Effect of offsetting on the balance sheet			Related amount not offset	
	Gross amounts	Gross amount off set in balance sheet (refer note 1)	Net amount presented in balance sheet	Financial instrument collateral (refer note 2)	Net amount
31 March 2022					
Loans and advances	4,55,969.91	589.71	4,55,380.20	28,872.83	4,26,507.37
31 March 2021					
Loans and advances	3,83,459.23	2,945.83	3,80,513.40	34,475.90	3,46,037.50

Note:

1. ₹ 589.71 lakhs (31 March 2021: ₹ 2,945.83 lakhs) represents advances received against loan agreements.
2. ₹ 28,872.83 lakhs (31 March 2021: ₹ 34,475.90 lakhs) represents security deposits received from borrowers.

38. EVENTS AFTER THE REPORTING PERIOD

Ind AS 10 'Events after the Reporting Period', requires an entity to evaluate information available after the balance sheet date to determine if such information constitutes an adjusting event, which would require an adjustment to the financial statements, or a non-adjusting event, which would only require disclosure. There have been no events after the reporting date that require disclosure in these financial statements.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

39. REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to the statement of profit and loss:

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Type of income		
Others	1,721.90	1,804.62
Total revenue from contracts with customers	**1,721.90**	**1,804.62**
Geographical markets		
India	1,721.90	1,804.62
Outside India	-	-
Total revenue from contracts with customers	**1,721.90**	**1,804.62**
Timing of revenue recognition		
Services transferred at a point in time	1,721.90	1,804.62
Services transferred over time	-	-
Total revenue from contracts with customers	**1,721.90**	**1,804.62**

40. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ In Lakhs)

	As at 31 March 2022			As at 31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	27,349.84	-	27,349.84	96,505.14	-	96,505.14
Bank balance other than cash and cash equivalents	53,657.66	2,072.84	55,730.50	1,043.21	2,137.54	3,180.75
Trade receivables	100.41	-	100.41	221.45	-	221.45
Loans	2,78,870.16	1,76,510.04	4,55,380.20	2,30,040.95	1,50,472.45	3,80,513.40
Investments	15,768.78	38,037.24	53,806.02	6,107.17	17,396.19	23,503.36
Other financial assets	4,351.33	910.39	5,261.72	3,979.29	785.55	4,764.84
Non-financial assets						
Income tax assets (net)	-	623.33	623.33	-	592.40	592.40
Deferred tax assets (net)	-	2,359.93	2,359.93	-	2,116.67	2,116.67
Property, plant and equipment	-	1,239.03	1,239.03	-	1,081.27	1,081.27
Capital work-in-progress	-	5,204.39	5,204.39	-	5,002.73	5,002.73
Right-of-use asset	14.29	39.21	53.50	32.45	5.25	37.70
Intangible assets under development	-	3.57	3.57	-	-	-
Other intangible assets	-	22.00	22.00	-	8.76	8.76
Other non-financial assets	367.15	-	367.15	231.26	-	231.26
Total assets	**3,80,479.62**	**2,27,021.97**	**6,07,501.59**	**3,38,160.92**	**1,79,598.81**	**5,17,759.73**
LIABILITIES						
Financial liabilities						
Trade payables	1,411.85	-	1,411.85	655.98	-	655.98
Other payables	155.43	-	155.43	100.92	-	100.92
Debt securities	6,464.63	29,738.42	36,203.05	24,976.34	6,435.18	31,411.52

(₹ In Lakhs)

	As at 31 March 2022			As at 31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Borrowings (other than debt securities)	2,38,508.47	1,34,764.32	3,73,272.79	2,06,099.26	85,876.04	2,91,975.30
Subordinated liabilities	4,000.00	9,721.55	13,721.55	1,996.55	4,000.00	5,996.55
Other financial liabilities	31,121.11	14,638.32	45,759.43	49,253.17	14,000.39	63,253.56
Non-financial liabilities						
Current tax liabilities (net)	225.13	-	225.13	1,176.84	-	1,176.84
Provisions	9.60	706.19	715.79	-	396.38	396.38
Other non-financial liabilities	4,041.91	1,148.79	5,190.70	4,398.23	1,137.58	5,535.81
Total liability	**2,85,938.13**	**1,90,717.59**	**4,76,655.72**	**2,88,657.29**	**1,11,845.57**	**4,00,502.86**
Net	**94,541.49**	**36,304.38**	**1,30,845.87**	**49,503.63**	**67,753.24**	**1,17,256.87**

41. EMPLOYEE BENEFIT PLAN

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefits are as under:

(a) Defined contribution plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Company’s contribution to provident fund aggregating ₹ 129.12 lakhs (31 March 2021: ₹ 126.89 lakhs) and employee state insurance scheme aggregating ₹ 13.45 lakhs (31 March 2021: ₹ 15.75 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense.

(b) Defined benefit plan:

Gratuity

Financial assets not measured at fair value

The Company operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member’s length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The status of gratuity plan as required under Ind AS 19 is as under:

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
i. Reconciliation of opening and closing balances of defined benefit obligation		
Present value of defined benefit obligations at the beginning of the year	283.78	294.76
Current service cost	49.33	48.44
Interest cost	18.92	19.84
Benefits paid	(17.59)	(8.37)
Re-measurement (or Actuarial) (gain) / loss arising from:		
Change in demographic assumptions	(5.62)	(5.74)
Change in financial assumptions	(3.00)	-
Experience adjustments	16.41	(65.15)
Present value of defined benefit obligations at the end of the year	**342.23**	**283.78**
ii. Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at the beginning of the year	278.68	249.11
Interest income	20.27	18.78
Return on plan assets excluding amounts included in interest income	(3.31)	(3.88)
Contributions by the Company	56.35	23.04
Benefits paid	(17.59)	(8.37)
Fair value of plan assets at the end of the year	**334.40**	**278.68**
iii. Reconciliation of the present value of defined benefit obligation and fair value of plan assets		
Present value of defined benefit obligations at the end of the year	**342.23**	283.78
Fair value of plan assets at the end of the year	**334.40**	278.68
Net asset / (liability) recognized in the balance sheet as at the end of the year	**(7.83)**	**(5.10)**

iv. Composition of plan assets

100% of plan assets are administered by LIC.

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
v. Expense recognised during the Year		
Current service cost	49.33	48.44
Interest cost	(1.34)	1.06
Expenses recognised in the statement of profit and loss	**47.99**	**49.50**
vi. Other comprehensive income		
Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	(3.00)	-
Due to change in demographic assumption	(5.62)	(5.74)
Due to experience adjustments	16.41	(65.15)
Return on plan assets excluding amounts included in interest income	3.31	3.88
Components of defined benefit costs recognised in other comprehensive income	**11.10**	**(67.01)**

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
vii. Principal actuarial assumptions		
Discount rate (per annum)	6.95%	6.85%
Rate of return on plan assets (p.a.)	6.95%	6.85%
Annual increase in salary cost	8.00%	8.00%
Withdrawal rates per annum		
25 and below	20.00%	10.00%
26 to 35	15.00%	8.00%
36 to 45	10.00%	6.00%
46 to 55	5.00%	4.00%
56 and above	5.00%	2.00%

The discount rate is based on the prevailing market yields of Government of India's bond as at the balance sheet date for the estimated term of the obligations.

viii. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.The results of sensitivity analysis is given below:

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Defined benefit obligation (Base)	342.23	283.78

(₹ In Lakhs)

	Year ended 31 March 2022		Year ended 31 March 2021	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)	357.65	327.86	299.98	268.83
(% change compared to base due to sensitivity)	4.50%	-4.20%	5.71%	-5.26%
Salary growth rate (- / + 0.5%)	330.50	354.74	271.30	296.98
(% change compared to base due to sensitivity)	-3.43%	3.66%	-4.40%	4.65%
Withdrawal rate (W.R.) (W.R. x 90% / W.R. x 110%)	343.66	340.85	284.86	282.75
(% change compared to base due to sensitivity)	0.42%	-0.40%	0.38%	-0.36%

ix. Asset liability matching strategies

The Company contributes to the insurance fund based on estimated liability of next financial year end. The projected liability statements is obtained from the actuarial valuer.

x. Effect of plan on the Company's future cash flows

a) Funding arrangements and funding policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Maturity profile of defined benefit obligation

The average outstanding term of the obligations (years) as at valuation date is 9.09 years.

(₹ In Lakhs)

	Cash flows (₹)	Distribution (%)
Expected cash flows over the next (valued on undiscounted basis):		
1st Following Year	26.39	3.80%
2nd Following year	27.13	3.90%
3rd Following Year	26.53	3.80%
4th Following Year	26.65	3.80%
5th Following Year	28.02	4.00%
Sum of years 6 to 10	148.69	21.20%

The future accrual is not considered in arriving at the above cash-flows.

The expected contribution for the next year is ₹ 7.83 lakhs.

c) Other long term employee benefits

The liability for compensated absences as at 31 March 2022 is ₹ 17.05 lakhs and as at 31 March 2021 is ₹ 7.07 lakhs.

Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the provident fund Act and the gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry of Labour and Employment. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

42. FINANCIAL INSTRUMENT AND FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

This note describes the fair value measurement of both financial and non-financial instruments.

A. Measurement of fair values

i) Financial instruments - fair value

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

ii) Transfers between levels 1 and 2

There has been no transfer in between level 1 and level 2.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

iii) Valuation techniques

Loans

The Company has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last month of the year end which is an unobservable input and therefore these has been considered to be fair valued using level 3 inputs.

Investments measured at FVTPL

Fair values of market linked debentures have been determined under level 1 using quoted market prices of the underlying instruments. Fair value of investment in alternate investment funds and mutual funds have been determined under level 2 using observable input. For fair value of investment in OCPS of subsidiary, the Company has used incremental borrowing rate and applied discounted cash flow model and accordingly measured under level 3.

B. Accounting classifications and fair values

The carrying amount and fair value of financial instruments including their levels in the fair value hierarchy presented below:

(₹ In Lakhs)

As at 31 March 2022	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	4,51,322.09	-	-	-	4,51,322.09	4,51,322.09
Investments measured at FVTPL	-	-	32,583.14	26,296.65	4,021.96	2,264.53	32,583.14
	-	**4,51,322.09**	**32,583.14**				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	27,349.84	-	-	27,349.84	-	-	27,349.84
Bank balance other than cash and cash equivalents	55,730.50	-	-	55,730.50	-	-	55,730.50
Trade receivables	100.41	-	-	-	-	100.41	100.41
Loans measured at amortised cost	4,058.11	-	-	-	-	4,088.81	4,088.81
Investment measured at amortised cost	19,002.05	-	-	-	-	19,057.26	19,057.26
Other financial assets	5,261.72	-	-	-	-	5,258.15	5,258.15
	1,11,502.63	**-**	**-**				
Financial liabilities not measured at fair value[1]							
Trade payables	1,411.85	-	-	-	-	1,411.85	1,411.85
Other payables	155.43	-	-	-	-	155.43	155.43
Debt securities	36,203.05	-	-	-	-	38,322.32	38,322.32
Borrowings (other than debt securities)	3,73,272.79	-	-	-	-	3,74,970.50	3,74,970.50
Subordinated liabilities	13,721.55	-	-	-	-	14,019.98	14,019.98
Other financial liabilities	45,759.43	-	-	-	-	45,759.43	45,759.43
	4,70,524.10	**-**	**-**				

(₹ In Lakhs)

As at 31 March 2021	Carrying amount			Fair value			
	Amortised cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	3,80,513.40	-	-	-	3,80,513.40	3,80,513.40
Investments measured at FVTPL	-	-	14,721.02	11,566.97	2,029.90	1,124.15	14,721.02
	-	**3,80,513.40**	**14,721.02**				
Financial assets not measured at fair value[1]							
Cash and cash equivalents	96,505.14	-	-	96,505.14	-	-	96,505.14
Bank balance other than cash and cash equivalents	3,180.75	-	-	3,180.75	-	-	3,180.75
Trade receivables	221.45	-	-		-	221.45	221.45
Investment measured at amortised cost	6,561.51	-	-	-	-	6,564.03	6,564.03
Other financial assets	4,764.84	-	-	-	-	4,762.47	4,762.47
	1,11,233.69	**-**	**-**				
Financial liabilities not measured at fair value[1]							
Trade payables	655.98	-	-	-	-	655.98	655.98
Other payables	100.92					100.92	100.92
Debt securities	31,411.52					31,520.62	31,520.62
Borrowings (other than debt securities)	2,91,975.30	-	-	-	-	2,93,032.13	2,93,032.13
Subordinated liabilities	5,996.55	-	-	-	-	6,168.36	6,168.36
Other financial liabilities	63,253.56	-	-	-	-	63,253.56	63,253.56
	3,93,393.83	**-**	**-**				

[1] The Company has determined that the carrying values of cash and cash equivalents, bank balances (with the residual maturity up to 12 months), trade payables, short term debts and borrowings, cash credit and other current liabilities are a reasonable approximation of their fair value as these are short term in nature.

Reconciliation of level 3 fair value measurement is as follows:

(₹ In Lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Loans		
Balance at the beginning of the year	3,84,844.31	3,42,572.18
Addition during the year	3,45,406.49	2,50,842.48
Amount derecognised / repaid during the year	(2,70,623.15)	(2,06,085.98)
Amount written off	(3,010.64)	(3,420.66)
Gains/(losses) recognised in other comprehensive income	(1,001.19)	936.29
Balance at the end of the year	4,55,615.82	3,84,844.31

* The above classification also includes balance of spread receivable on assigned portfolio. (Refer note 10)

Sensitivity analysis to fair value

(₹ In Lakhs)

	Amount, net of tax	
	Increase	Decrease
31 March 2022		
Loans		
Interest rates (50 bps movement)	(897.76)	901.67
Investment in OCPS of subsidiary		
Interest rates (50 bps movement)	(26.57)	27.20
31 March 2021		
Loans		
Interest rates (50 bps movement)	(673.17)	675.78
Investment in OCPS of subsidiary		
Interest rates (50 bps movement)	(13.36)	13.68

43 CAPITAL

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the regulator, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

43.1 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

43.2 Regulatory capital

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Tier 1 Capital	1,16,420.76	1,02,662.08
Tier 2 Capital	16,520.39	8,467.87
Total Capital (Numerator)	**1,32,941.15**	**1,11,129.95**
Risk weightage assets (Denominator)	5,04,527.96	4,13,815.48
Risk weighted assets		
Tier 1 Capital Ratio (%)	23.08%	24.81%
Tier 2 Capital Ratio (%)	3.27%	2.05%
Total Capital Ratio (%)	26.35%	26.85%

Tier 1 capital consists of shareholders' equity and retained earnings excluding unrealised gain but including unrealised loss. Tier 2 capital consists of ECL on stage 1 and subordinated debt (subject to prescribed discount rates and not exceeding 50% of Tier 1).

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loan and advances, cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

44.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Company's loans and investments.

The carrying amounts of financial assets represent the maximum credit risk exposure.

(a) Loans and advances

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before sanctioning any loan. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information, the loan-to-value ratio etc.

Analysis of risk concentration

The following table shows the risk concentration of the Company's loans.

(₹ In Lakhs)

	Carrying Amount	
	As at 31 March 2022	**As at 31 March 2021**
Retail assets loans:	2,28,609.18	1,64,077.99
Two wheeler loans	25,978.81	19,548.15
Micro enterprise loans	1,04,316.10	88,992.95
Salaried personal loans	10,339.65	9,243.88
Small and medium enterprise loans	83,248.97	42,146.37
Commercial vehicle loans	4,725.65	4,146.64
RAC loans	**2,31,095.45**	**2,20,766.32**
Total	**4,59,704.63**	**3,84,844.31**

Narrative Description of Collateral

Collateral primarily include vehicles purchased by retail loan customers and machinery & property in case of SME customers. The secured exposure are secured wholly or partly by hypothecation of assets and undertaking to create a security.

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loans are categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments.

(i) ***Staging:***

As per the provision of Ind AS 109, all financial instruments are allocated to stage 1 on initial recognition. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes due by more than 90 days on its contractual payments.

For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifespan of the instrument.

As per Ind AS 109, the Company assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. The Company has staged the assets based on the days past dues criteria and other market factors which significantly impacts the loan portfolio.

Company's internal grades and staging criteria for loans are as follows:

Days past dues status	Stage	Internal grades	Provisions
Current	Stage 1	High Quality assets, negligible credit risk	12 months provision
1-30 Days	Stage 1	High Quality assets, negligible credit risk	12 months provision
31-60 Days	Stage 2	Quality assets, low credit risk	Lifetime provision
61-90 Days	Stage 2	Standard assets, moderate credit risk	Lifetime provision
91-180 Days	Stage 3	Sub-standard assets, relatively high credit risk	Lifetime provision
>180 Days	Stage 3	Low quality assets, very high credit risk	Lifetime provision

(ii) ***Grouping:***

As per Ind AS 109, Company is required to group the portfolio based on the shared risk characteristics. The Company has assessed the risk and its impact on the various portfolios and has divided the portfolio into following groups:

a. Two wheeler loans

b. Micro enterprise loans

c. Salaried personal loans

d. Small and medium enterprise loans

e. Commercial vehicle loans

f. Retail asset channel loans

(iii) ***ECL:***

ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low. ECL is calculated based on the following components:

a. Probability of default ("PD")

b. Loss given default ("LGD")

c. Exposure at default ("EAD")

d. Discount factor ("D")

For RAC loan portfolio, the Company has developed internal rating based approach for the purpose of ECL. The credit rating framework of the Company consists of various parameters based on which RAC loan portfolio is evaluated and credit rating is assigned accordingly. The credit rating matrix developed by the Company is validated in accordance with its ECL policy.

The Company has developed its PD matrix based on the external benchmarking of external reports, external ratings and Basel norms. This PD matrix is calibrated with its historical data and major events on regular time interval in accordance with its ECL policy.

Probability of default:

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from internal data of the Company calibrated with forward looking macroeconomic factors.

For computation of probability of default ("PD"), Vasicek Single Factor Model was used to forecast the PD term structure over lifetime of loans. As per Vasicek model, given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. The Company has worked out PD based on the last five years historical data.

The PDs derived from the Vasicek model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs are converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the Current year.

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.

The probability of default was calculated for 3 scenarios: upside (11%), downside (21%) and base (68%). This weightage has been decided on best practices and expert judgement. Marginal conditional probability was calculated for all 3 possible scenarios and one conditional PD was arrived as conditional weighted probability.

Loss given default:

LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

Various approaches are available to compute the LGD. The Company has considered workout LGD approach. The following steps are performed to calculate the LGD:

1) Analysis of historical credit impaired accounts at cohort level.
2) The computation consists of four components, which are:
   a) Outstanding balance (POS)
   b) Recovery amount (discounted yearly) by effective interest rate.
   c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using effective interest rate.
   d) Collateral (security) amount.

The formula for the computation is as below:

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total outstanding balance) % LGD = 1 – recovery rate

For RAC loan portfolio, the LGD has been considered based on Basel-II Framework for all the level of credit rating portfolio.

Exposure at default:

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. The Company has modelled EAD based on the contractual and behavioural cash flows till the lifetime of the loans considering the expected assignment of loans.

The Company has considered expected cash flows for all the loans at DPD bucket level for each of the segments, which was used for computation of ECL. The exposure at default is calculated for each product and for various DPD status after considering future expected assignment which is not at risk. Moreover, the EAD comprised of principal component, accrued interest and also the future interest for the outstanding exposure of retail loans. Further, the EAD for stage 3 retail loans are the outstanding exposures at the time loan is classified as Stage 3 for the first time.

Discounting:

Conditional ECL at DPD pool level was computed with the following method:

Conditional retail ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt) * discount factor (yt)

Conditional RAC ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt)

For RAC loan portfolio, the Company has calculated ECL based on borrower wise assessment of internal credit rating as per the framework of the Company, while for retail loan portfolio, the same has been calculated on collective basis.

The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of ECL provided for across the stages is summarised below:

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Stage 1	1.03%	1.58%
Stage 2	11.37%	20.12%
Stage 3	42.61%	38.61%
Amount of expected credit loss provided for	**10,019.62**	**9,921.84**

The loss rates are based on actual credit loss experience over past 5 years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company's view of economic conditions over the expected lives of the loan receivables.

(iv) Impact assessment on account of COVID-19

In accordance with the board approved moratorium policy read with RBI guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Company had granted moratorium up to six months on the payment of instalments which became due between 1 March 2020 and 31 August 2020 to all eligible borrowers. This relaxation did not automatically trigger a significant increase in credit risk. The Company continued to recognize interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period did not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company arising on account of COVID-19 and accordingly is providing for additional management overlay provision for such uncertainty. As at 31 March 2022, additional Expected Credit Loss (ECL) provision on loan assets as management overlay on account of COVID-19 stood at ₹ 3,783.71 lakh (31 March 2021: ₹ 5,622.97 lakh).

The additional ECL provision on account of COVID-19 is based on the Company's historical experience, collection efficiencies till date, internal assessment and other macro economic factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic.

(v) Modification of financial assets

The Company has modified the terms of certain loans provided to customers in accordance with RBI notification on MSME restructuring dated 6 August 2020 and 5 May 2021. Such restructuring benefits are provided to distressed customers who are impacted by COVID-19 pandemic.

Such restructuring benefits include extended payment term arrangements, moratorium and changes in interest rates. The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset (refer note 3.5). The Company monitors the subsequent performance of modified assets. The gross carrying amount of such assets held as at 31 March 2022 is ₹ 1,615.53 lakhs (31 March 2021: ₹ 446.20 lakhs). Overall provision for expected credit loss against restructured loan exposure amounts to ₹ 178.30 lakhs as at 31 March 2022 (31 March 2021: ₹ 111.92 lakhs). The Company continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets.

(b) Cash and cash equivalent and bank deposits

Credit risk on cash and cash equivalent and bank deposits is limited as the Company generally invests in term deposits with banks which are subject to an insignificant risk of change in value.

44.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company manages its liquidity by unutilised cash credit facility, term loans and direct assignment of loans.

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

The total cash credit limit available to the Company is ₹ 1,82,500 lakhs spread across 14 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

RBI has mandated minimum liquidity coverage ratio (LCR) of 50% to be maintained by December 2021, which is to be gradually increased to 100% by December 2024. The Company has LCR of 192.68% as of 31 March 2022 as against the LCR of 50% mandated by RBI.

Over the years, the Company has maintained around 20% to 25% of assets under management as off book through direct assignment transactions. It is with door to door maturity and without recourse to the Company. This further strengthens the liability management.

The table below summarises the maturity profile of the undiscounted cash flow of the Company's financial liabilities:

(₹ In Lakhs)

	1 day to 30 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
As at 31 March 2022									
Debt securities	-	-	-	-	7,658.97	35,710.89	-	-	43,369.86
Borrowings (Other than debt securities)	5,938.42	7,423.30	16,125.87	28,463.40	1,96,328.20	1,16,099.95	36,036.87	-	4,06,416.01
Subordinated liabilities	72.16	88.36	4,209.55	270.96	533.08	2,152.95	2,150.00	10,216.34	19,693.39
Payable	1,120.74	271.85	10.05	30.15	134.49	-	-	-	1,567.28
Lease liability	2.29	1.84	1.84	4.53	6.92	28.57	22.57	-	68.55
Other financial liabilities	16,186.24	982.33	2,404.35	4,333.35	7,201.88	13,103.72	1,156.35	334.68	45,702.91

(₹ In Lakhs)

	1 day to 30 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
As at 31 March 2021									
Debt securities	-	-	-	2,250.00	26,110.59	7,629.52	-	-	35,990.11
Borrowings (Other than debt securities)	6,903.87	4,486.55	10,372.48	16,962.18	1,78,139.52	71,767.48	23,569.16	2,615.96	3,14,817.20
Subordinated liabilities	-	-	129.64	2,254.11	259.29	4,118.25	-	-	6,761.29
Payable	647.44	10.13	9.80	29.41	60.12	-	-	-	756.90
Lease liability	5.99	5.45	5.33	14.51	10.37	6.62	0.76	-	49.03
Other financial liabilities	29,158.38	1,446.13	2,019.95	4,984.09	11,605.17	12,103.20	1,361.88	528.38	63,207.18

44.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investment and variable interest rate borrowings and lending.

The sensitivity analysis have been carried out based on the exposure to interest rates for lending and borrowings carried at variable rate and investments made by the Company.

(₹ In Lakhs)

Change in interest rates	Year ended 31 March 2022		Year ended 31 March 2021	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Investments	26,296.65	26,296.65	11,566.97	11,566.97
Impact on profit before tax for the year	131.48	(131.48)	57.83	(57.83)
Variable rate lending	2,31,095.45	2,31,095.45	2,20,766.32	2,20,766.32
Impact on profit before tax for the year	1,155.48	(1,155.48)	1,103.83	(1,103.83)
Variable rate borrowings	3,53,977.61	3,53,977.61	2,66,619.90	2,66,619.90
Impact on profit before tax for the year	(1,769.89)	1,769.89	(1,333.10)	1,333.10

B. Foreign currency risk

The Company does not have any instrument denominated or traded in foreign currency. Hence, such risk does not affect the Company.

45. LEASE DISCLOSURE

Where the Company is the lessee

The Company has entered into agreements for taking its office premises under leave and license arrangements. These agreements are for tenures between 11 months and 5 years and majority of the agreements are renewable by mutual consent on mutually agreeable terms, lease rentals have an escalation ranging between 5% to 15%. Leases for which the lease term is less than 12 months have been accounted as short term leases.

(₹ In Lakhs)

Contractual cash maturities of lease liabilities on an undiscounted basis	As at 31 March 2022	As at 31 March 2021
Not later than one year	17.41	41.65
Later than one year and not later than five years	51.14	7.38
Later than five years	-	-
Total undiscounted lease liabilities	**68.55**	**49.03**
Lease liabilities included in the balance sheet		
Total lease liabilities	56.52	46.38

(₹ In Lakhs)

Amount recognised in the statement of profit and loss account	Year ended 31 March 2022	Year ended 31 March 2021
Interest on lease liabilities	4.11	9.06
Depreciation charge for the year	36.54	74.72
Expenses relating to short term leases	223.97	148.70

(₹ In Lakhs)

Amount recognised in statement of cash flow	Year ended 31 March 2022	Year ended 31 March 2021
Cash outflow towards lease liability	(42.13)	(81.24)

For addition and carrying amount of right to use asset for 31 March 2022 and 31 March 2021, refer note 11(d).

Title deeds of all immovable properties of the Company are held in name of the Company. Further all the lease agreements are duly executed in favour of the Company for properties where the Company is the lessee.

46. TRANSFER OF FINANCIAL ASSETS

46.1 Transferred financial assets that are not derecognised in their entirety

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Securitisation		
Carrying amount of transferred assets	5,759.75	-
Carrying amount of associated liabilities (Borrowings - other than debt securities)	5,003.21	-
Fair value of assets (A)	5,750.45	-
Fair value of associated liabilities (B)	4,995.13	-
Net position at Fair Value (A-B)	755.31	-

46.2 Transferred financial assets that are derecognised in their entirety

The Company has assigned loans by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of exposure net of MRR to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Direct assignment		
Carrying amount of de-recognised financial asset	1,06,918.22	1,31,581.06
Carrying amount of retained financial asset	14,582.48	15,344.12

46.3 Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

47. No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2022 and 31 March 2021.

48. The Company is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2022 and 31 March 2021.

49. The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2022 and 31 March 2021.

50. All the charges or satisfaction, as applicable are registered with ROC within the statutory period.

51. The Company has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds as at 31 March 2022 are held by the Company in the form of deposits or in current accounts till the time the utilisation is made subsequently.

52. There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2022 and 31 March 2021, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March 2022 and 31 March 2021.

53. As a part of normal lending business, the Company grants loans and advances on the basis of security / guarantee provided by the Borrower/ co-borrower. These transactions are conducted after exercising proper due diligence.

Other than the transactions described above,

(a) No funds have been advanced or loaned or invested by the Company to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the Company (Ultimate Beneficiaries);

(b) No funds have been received by the Company from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

54A. The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2022 and 31 March 2021.

54B. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended 31 March 2022 and 31 March 2021.

54C. The Company has not entered into any scheme of arrangement.

55. DISCLOSURES REQUIRED IN TERMS OF ANNEXURE XVI OF THE RBI MASTER DIRECTION DNBR. PD. 008/03.10.119/2016-17 DATED 1 SEPTEMBER 2016 (UPDATED AS ON 3 MARCH 2022) "MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016 ARE MENTIONED AS BELOW:

55.1 Capital

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
i) CRAR (%)	26.35%	26.85%
ii) CRAR - Tier I capital (%)	23.08%	24.81%
iii) CRAR - Tier II capital (%)	3.27%	2.05%
iv) Amount of subordinated debt raised as Tier-II capital	12,000.00	3,300.00
v) Amount raised by issue of perpetual debt instruments	-	-

55.2 Investments

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
1. Value of investments		
(i) Gross value of investments		
(a) In India	53,861.23	23,505.88
(b) Outside India	-	-
(ii) Provisions for depreciation		
(a) In India	55.21	2.52
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	53,806.02	23,503.36
(b) Outside India	-	-
2. Movement of provisions held towards depreciation on investments.		
(i) Opening balance	2.52	-
(ii) Add : Provisions made during the year	52.69	2.52
(iii) Less : Write-off / write-back of excess provisions during the year	-	-
(iv) Closing balance	55.21	2.52

55.3 Derivatives

The Company has not entered into any derivative transactions and hence the disclosure required has not been made.

55.4 Asset liability management maturity pattern of certain items of assets and liabilities

As at 31 March 2022

(₹ In Lakhs)

	Over 1 day to 7 days	Over 8 day to 14 days	Over 15 day to 30 days	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
Bank Fixed Deposits	3,525.57	-	196.48	-	-	1.14	53,559.50	-	2,072.84	-	59,355.53
Advances	5,749.42	6,331.82	21,532.67	28,083.45	34,790.61	72,115.21	1,10,266.98	1,58,424.07	16,293.46	1,792.51	4,55,380.20
Investments	258.71	-	2,653.47	1,967.66	1,768.35	3,109.58	6,011.01	33,703.23	1,181.99	3,152.02	53,806.02
Borrowings	700.30	1,905.67	1,788.30	5,841.57	18,626.37	24,268.72	1,89,377.53	1,37,530.79	33,436.59	9,721.55	4,23,197.39
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

As at 31 March 2021

(₹ In Lakhs)

	Over 1 day to 7 days	Over 8 day to 14 days	Over 15 day to 30 days	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
Bank Fixed Deposits	23,067.82	10,653.04	4,290.76	7,809.88	1,702.06	-	1,026.92	-	2,137.54	-	50,688.02
Advances	1,969.23	4,161.17	16,094.70	21,376.05	21,989.93	62,696.52	1,01,753.35	1,30,109.48	18,519.99	1,842.98	3,80,513.40
Investments	-	-	650.18	749.53	706.86	1,851.76	2,148.82	14,051.23	666.67	2,678.31	23,503.36
Borrowings	1,625.60	1,447.75	2,748.77	3,412.55	9,343.73	16,082.01	1,98,411.74	72,670.00	21,128.11	2,513.11	3,29,383.37
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

55.5 Exposure to Real Estate Sector

(₹ In Lakhs)

Category	As at 31 March 2022	As at 31 March 2021
a) Direct exposure		
(i) Residential mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	-	-
(ii) Commercial real estate -		
Lending secured by mortgages on commercial real estates (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits;	2,293.97	2,360.93
(iii) Investments in Mortgage Backed Securities ("MBS") and other securitised exposures -		
a. Residential	-	-
b. Commercial real estate	-	-

55.6 Exposure to Capital Market

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	2,684.08	2,220.83
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows / issues;	-	-
(viii) All exposures to venture capital funds (both registered and unregistered)	-	-
Total	**2,684.08**	**2,220.83**

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

55.7 Details of financing of parent company products

Not applicable

55.8 Details of Single Borrower Limit ("SGL") / Group Borrower Limit ("GBL") exceeded by the NBFC

i) Loans and advances, excluding advance funding but including off-balance sheet exposures to any single party in excess of 15 per cent of owned fund of the NBFC:

Nil

ii) Loans and advances to (excluding advance funding but including debentures/bonds and off-balance sheet exposures) and investment in the shares of single party in excess of 25 per cent of the owned fund of the NBFC:

Nil

55.9 Unsecured advances

a) Refer note 8(B)(ii) to the standalone financial statements.

b) The Company has not granted any advances against intangible securities (31 March 2021: Nil).

55.10 Registration obtained from other financial sector regulators

The Company is registered with RBI and has all its operations in India, it has not obtained registration from any other financial sector regulators during the year.

55.11 Disclosure of penalties imposed by RBI and other regulators

During the year ended 31 March 2022, no penalties have been imposed by RBI and other regulators (31 March 2021: Nil).

55.12 Related party transactions

Refer note 36 to the standalone financial statements.

55.13 Ratings assigned by credit rating agencies and migration of ratings during the year

By Acuite Ratings & Research Limited:

(₹ In Lakhs)

INSTRUMENT	AMOUNT	CURRENT RATING	PREVIOUS RATING
Long term bank facilities	4,50,000	ACUITE AA-(Stable)	No migration of rating
Commercial paper issue	30,000	ACUITE A1+	No migration of rating

By ICRA Limited:

INSTRUMENT	AMOUNT	CURRENT RATING	PREVIOUS RATING
Subordinate debt	6,000	ICRA A (stable)	No migration of rating

By Care Ratings Limited:

(₹ In Lakhs)

INSTRUMENT	AMOUNT	CURRENT RATING	PREVIOUS RATING
Long term bank facilities	5,00,000	CARE A+ (Stable)	No migration of rating
Commercial Papers issue	25,000	CARE A1+	No migration of rating
Non Convertible Debentures	50,000	CARE A+ (Stable)	No migration of rating
Market linked debenture	7,500	CARE PP-MLD A1+ Stable	No migration of rating
Market linked debenture	20,000	CARE PP-MLD A1+ Stable	No migration of rating
Subordinate debt	10,000	CARE A+ (Stable)	No migration of rating
Market linked debenture	20,000	CARE PP-MLD A1+ Stable	No migration of rating

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

55.14 Remuneration of directors

Refer note 36 to the standalone financial statements.

55.15 Management

The annual report has a detailed chapter on Management Discussion and Analysis.

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

The Company does not have any prior period items / change in accounting policies during the current year other than disclosed in financials.

55.17 Revenue recognition

Refer note 3.1 to the standalone financial statements.

55.18 Ind AS 110 - consolidated financial statements (CFS)

The Company has prepared Consolidated Financial Statements in accordance with the requirements of Ind AS 110 - Consolidated Financial Statements.

55.19 Provisions and contingencies

The information on all provisions and contingencies is as under:

(₹ In Lakhs)

Break up of 'provisions and contingencies' shown under the head expenditure in the statement of profit and loss	As at 31 March 2022	As at 31 March 2021
Provision for depreciation on investment	52.69	2.52
Provision towards non performing assets (Stage 3 loan assets)	1,982.19	582.25
Provision made towards income tax	5,372.65	5,809.77
Provision towards standard assets (Stage 1 and 2 loan assets)	(1,884.42)	3,483.15

55.20 Draw down from reserves

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Draw down from reserves	-	-

55.21 Concentration of deposits (for deposit taking NBFCs)

Not Applicable

55.22 Concentration of advances

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Total advances to twenty largest borrowers	1,25,937.89	1,20,996.73
Percentage of advances to twenty largest borrowers to total advances of the NBFC	27.66%	31.80%

55.23 Concentration of exposures

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Total exposure to twenty largest borrowers / customers	1,36,070.67	1,27,510.83
Percentage of exposures to twenty largest borrowers / customers to total exposure of the NBFC on borrowers / customers	29.59%	33.50%

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

55.24 Concentration of NPAs

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Total exposure to top four NPA accounts	767.51	498.45

55.25 Sector-wise NPAs

(₹ In Lakhs)

Sector	% of NPA to Total Advances in that sector as at 31 March 2022	% of NPA to Total Advances in that sector as at 31 March 2021
(i) Agriculture and allied activities	3.49%	2.32
(ii) MSME	4.66%	4.55
(iii) Corporate borrowers	0.14%	0.29
(iv) Services	6.46%	6.40
(v) Unsecured personal loans	5.66%	3.25
(vi) Auto loans	6.62%	3.39
(vii) Other personal loans	-	-

55.26 Movement of NPAs

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
(i) Net NPAs to net advances (%)	1.34%	1.06%
(ii) Movement of NPAs (gross)		
(a) Opening balance	6,442.50	6,291.85
(b) Additions during the year	9,979.81	2,970.58
(c) Reductions during the year	5,932.91	2,819.93
(d) Closing balance	10,489.40	6,442.50
(iii) Movement of net NPAs		
(a) Opening balance	3,954.90	4,386.50
(b) Additions during the year	6,012.22	1,840.79
(c) Reductions during the year	3,947.52	2,272.39
(d) Closing balance	6,019.61	3,954.90
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	2,487.60	1,905.35
(b) Provisions made during the year	3,967.59	1,129.79
(c) Write-off / write-back of excess provisions	1,985.39	547.54
(d) Closing balance	4,469.79	2,487.60

55.27 Overseas assets (for those with joint ventures and subsidiaries abroad)

Nil

55.28 Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Nil

55.29 Disclosure of customers complaints

		As at 31 March 2022	As at 31 March 2021
(a)	No. of complaints pending at the beginning of the year	0	0
(b)	No. of complaints received during the year	55	11
(c)	No. of complaints redressed during the year	54	11
(d)	No. of complaints pending at the end of the year	1	0

56. DISCLOSURES RELATING TO SECURITISATION AND TRANSFER OF LOAN EXPOSURE

The information of securitisation and transfer of loan exposure by the Company as required by RBI circular RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 and RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021 is as under:

(a) For Securitisation Transaction by originator (non-STC transaction)

(₹ In Lakhs)

Sr. No.	Particulars	As at 31 March 2022	As at 31 March 2021
1	No of SPEs holding assets for securitisation transactions originated by the originator	1	-
2	Total amount of securitised assets as per books of the SPEs	5,003.21	-
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	499.10	-
	• Others	1,057.91	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	285.70	-
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-
5	Sale consideration received for the securitised assets;	8,922.41	-
	Gain/loss on sale on account of securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
	Over collateralisation	1,057.91	-
	Excess Interest spread	285.70	-
	Cash collateral	499.10	-
7	Performance of facility provided		

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

(₹ In Lakhs)

Sr. No.	Particulars	As at 31 March 2022	As at 31 March 2021
	Over collateralisation		
	(a) Amount paid	1,057.91	-
	(b) Repayment received	-	-
	(c) Outstanding amount	1,057.91	-
	Excess Interest spread		
	(a) Amount paid	499.82	-
	(b) Repayment received	214.12	-
	(c) Outstanding amount	285.70	-
	Cash collateral		
	(a) Amount paid	499.10	-
	(b) Repayment received	-	-
	(c) Outstanding amount	499.10	-
8	Average default rate of portfolios observed in the past.		
	(a) loans to NBFCs	0.40%	-
9	Amount and number of additional/top up loan given on same underlying asset.	-	-
10	Investor complaints		
	(a) Directly/Indirectly received and;	-	-
	(b) Complaints outstanding	-	-

(b) For Securitisation Transaction by originator (STC transaction) - Not applicable

(c) Details of loans not in default transferred through assignment during the year ended 31 March 2022

(₹ In Lakhs)

Particulars	Year ended 31 March 2022
Aggregate principal outstanding of loans transferred (₹ in lakh)	1,32,939.72
Weighted average residual maturity (in months)	19
Weighted average holding period (in months)	6
Average retention of beneficial economic interest (MRR) (%)	13%
Average coverage of tangible security (%)	24%
Rating wise distribution of loans transferred	Unrated

(d) Details of loans not in default acquired through assignment during the year ended 31 March 2022

(₹ In Lakhs)

Particulars	Year ended 31 March 2022
Aggregate principal outstanding of loans acquired (₹ in lakh)	20,335.06
Weighted average residual maturity (in months)	26
Weighted average holding period (in months)	16
Average retention of beneficial economic interest (MRR) by originator (%)	10%
Average coverage of tangible security (%)	5%
Rating wise distribution of loans acquired	Unrated

(e) Details of non-performing financial assets purchased / sold

The Company has not purchased or sold non-performing financial assets during the year (previous year Nil).

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

57. DISCLOSURE ON LIQUIDITY RISK PURSUANT TO RBI CIRCULAR DATED 4 NOVEMBER 2019 ON 'LIQUIDITY RISK MANAGEMENT FRAMEWORK FOR NON-BANKING FINANCIAL COMPANIES AND CORE INVESTMENT COMPANIES' IS AS FOLLOWS:

57.1 Funding concentration based on significant counterparty[1] (both deposits and borrowings)

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Number of significant counterparties	19	17
Amount	3,63,039.34	3,02,053.27
Percentage of funding concentration to total deposits	Not Applicable	Not Applicable
Percentage of funding concentration to total liabiities[2]	76%	75%

[1] Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No. 102/ 03.10.001/ 2019-20 dated November 4, 2019 on 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies'.

[2] Total liabilities represents total liabilities as per balance sheet.

57.2 Top 20 large deposits

Not Applicable to the Company as it does not accept public deposits.

57.3 Top 10 borrowings

(₹ In Lakhs)

	As at 31 March 2022	As at 31 March 2021
Total amount of top 10 borrowings	2,87,933.36	2,56,590.17
Percentage of amount of top 10 borrowings to total borrowings	68%	78%

57.4 Funding concentration based on significant instrument/product[3]

(₹ In Lakhs)

Name of instrument/product	As at 31 March 2022	Percentage of total liabilities	As at 31 March 2021	Percentage of total liabilities
Term Loans	2,17,896.89	46%	1,45,854.60	36%
Cash credit / Overdraft / Working capital demand loan	1,52,080.72	32%	1,47,120.69	37%
Market linked Debenture	36,500.00	8%	6,500.00	2%
Subordinate-debentures	14,000.00	3%	6,000.00	1%
Securitisation	5,003.21	1%	-	0%
Non convertible debentures	-	0%	25,000.00	6%

[3]Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies'.

57.5 Stock ratio

(₹ In Lakhs)

		As at 31 March 2022	As at 31 March 2021
(i)	Commercial paper as a percentage of total public funds[4]	Not applicable	Not applicable
(ii)	Commercial paper as a percentage of total liabilities	Not applicable	Not applicable
(iii)	Commercial paper as a percentage of total assets	Not applicable	Not applicable
(iv)	Non convertible debentures (original maturity of less than one year) as a percentage of total public funds	Not applicable	Not applicable
(v)	Non convertible debentures (original maturity of less than one year) as a percentage of total liabilities	Not applicable	Not applicable
(vi)	Non convertible debentures(original maturity of less than one year) as a percentage of total assets	Not applicable	Not applicable
(vii)	Other short term liabilities* as a percentage of total public funds	63%	81%
(viii)	Other short term liabilities as a percentage of total liabilities	57%	67%
(ix)	Other short term liabilities as a percentage of total assets	44%	52%

[4]Public funds as defined in Master Direction - Non-Banking Financial Company -Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

* Excludes security deposits received from borrowers

57.6 Institutional set-up for liquidity risk management

Refer note 44.2 of the standalone financials statements.

Liquidity coverage ratio

(₹ In Lakhs)

Particulars			Quarter ended 30 June 2021		Quarter ended 30 September 2021		Quarter ended 31 December 2021		Quarter ended 31 March 2022	
			Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets										
1	Total High Quality Liquid Assets (HQLA)		21,984.44	21,984.44	12,035.69	12,035.69	10,149.04	10,149.04	11,241.05	11,241.05
	Cash Outflows									
2	Deposits (for deposit taking companies)		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3	Unsecured wholesale funding		-	-	-	-	-	-	-	-
4	Secured wholesale funding		7,387.03	8,495.09	9,148.66	10,520.96	10,504.84	12,080.57	14,470.93	16,641.57
5	Additional requirements, of which		-	-	-	-	-	-	-	-
	(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
	(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations		18,116.33	20,833.78	7,594.19	8,733.32	5,748.21	6,610.44	5,820.90	6,694.04
7	Other contingent funding obligations		-	-	-	-	-	-	-	-
8	**Total cash outflows**		**25,503.37**	**29,328.87**	**16,742.85**	**19,254.27**	**16,253.05**	**18,691.01**	**20,291.84**	**23,335.61**
	Cash inflows									
9	Secured lending		-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures		26,634.93	19,976.20	26,146.22	19,609.67	30,473.56	22,855.17	30,969.27	23,226.95
11	Other cash inflows		43,105.03	32,328.77	65,912.15	49,434.11	56,231.38	42,173.54	20,987.85	15,740.89
12	**Total cash inflows**		**69,739.96**	**52,304.97**	**92,058.37**	**69,043.78**	**86,704.94**	**65,028.70**	**51,957.12**	**38,967.84**

		Total Adjusted Value	Total Adjusted Value	Total Adjusted Value	Total Adjusted Value
13	Total HQLA	21,984.44	12,035.69	10,149.04	11,241.05
14	Total net cash outflows	7,332.22	4,813.57	4,672.75	5,833.90
15	Liquidity coverage ratio (%)	299.83%	250.04%	217.20%	192.68%

(₹ In Lakhs)

High Quality Liquid Assets (HQLA)		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	Assets to be included as HQLA without any haircut	21,984.44	21,984.44	12,035.69	12,035.69	10,149.04	10,149.04	11,241.05	11,241.05
2	Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-
3	Assets to be considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-
4	Approved securities held as per the provisions of section 45 IB of RBI Act	-	-	-	-	-	-	-	-
Total HQLA		**21,984.44**	**21,984.44**	**12,035.69**	**12,035.69**	**10,149.04**	**10,149.04**	**11,241.05**	**11,241.05**

The Liquidity Coverage Ratio (LCR) was not applicable to the Company for the financial year 2020-21 as the asset size of the Company was less than ₹ 5,000 crores.

The LCR is one of the key parameters closely monitored by RBI to enable a more resilient financial sector. The objective of the LCR is to promote an environment wherein balance sheet carry a strong liquidity for short term cash flow requirements. To ensure strong liquidity NBFCs are required to maintain adequate pool of unencumbered High-Quality Liquid Assets (HQLA) which can be easily converted into cash to meet their stressed liquidity needs for 30 calendar days. The LCR is expected to improve the ability of financial sector to absorb the shocks arising from financial and/or economic stress, thus reducing the risk of spill over from financial sector to real economy.

The Liquidity Risk Management of the Company is managed by the Asset Liability Committee (ALCO) under the governance of Board approved Liquidity Risk Framework and Asset Liability Management policy. The LCR levels for the balance sheet date is derived by arriving the stressed expected cash inflow and outflow for the next calendar month. To compute stressed cash outflow, all expected and contracted cash outflows are considered by applying a stress of 15%. Similarly, inflows for the Company is arrived at by considering all expected and contracted inflows by applying a haircut of 25%.

HQLA primarily includes cash on hand, bank balances in current accounts.

The LCR is computed by dividing the stock of HQLA by its total net cash outflows over one-month stress period. LCR guidelines requires NBFCs to maintain minimum LCR of 50% as on 31 March 2022 which is gradually required to be increased to 100% by 1 December 2024.

58. DISCLOSURE IN ACCORDANCE WITH RBI NOTIFICATION NO. RBI/2020-21/17 DOR.NO.BP. BC/4/21.04.048/2020-21 DATED 6 AUGUST 2020 AND RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 DATED 5 MAY 2021 ARE AS FOLLOWS:

(₹ In Lakhs)

Amount recognised in the statement of profit and loss account	Year ended 31 March 2022	Year ended 31 March 2021
No. of accounts restructured*	424	425
Amount**	1,590.09	446.20

* Cumulative no. of accounts restructured having outstanding as on date

** Including MRR portion on assigned loans

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

Disclosure of restructured accounts as required by the NBFC Master Directions issued by RBI

(₹ In Lakhs)

Type of Restructuring - others+		Asset classification				
		Standard	Sub-Standard	Doubtful	Loss	Total
Restructured Accounts as on 1 April of the FY (opening figures)	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon*	-	-	-	-	-
Fresh restructuring during the year	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	26.40	-	-	26.40
	Provision thereon*	-	6.21	-	-	6.21
Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon*	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon*	-	-	-	-	-
Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon*	-	-	-	-	-
Write-offs / Settlements / Recoveries of restructured accounts during the FY	No. of borrowers	-	-	-	-	-
	Amount outstanding	-	(0.96)	-	-	(0.96)
	Provision thereon*	-	(1.36)	-	-	(1.36)
Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	-	1	-	-	1
	Amount outstanding	-	25.44	-	-	25.44
	Provision thereon*	-	4.85	-	-	4.85

'+ Since the disclosure of restructured advance account pertains to section 'Others', the first two sections, namely, 'Under CDR Mechanism' and 'Under SME Debt Restructuring Mechanism' as per format prescribed in the guidelines are not included above.

* Provisions considered as per ECL.

59. INFORMATION AS REQUIRED IN TERMS OF PARAGRAPH 19 OF THE RBI MASTER DIRECTION DNBR. PD. 008/03.10.119/2016-17 DATED 1 SEPTEMBER 2016 "MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016 ARE MENTIONED AS BELOW:

Liabilities side :

59.1 Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid

(₹ In Lakhs)

		Year ended 31 March 2022	
		Amount outstanding	Amount overdue
(a) Debentures	: Secured	38,482.47	-
	: Unsecured	14,017.67	-
(other than falling within the meaning of Public deposits*)			
(b) Deferred credits		-	-
(c) Term loans		2,18,353.10	-
(d) Inter-corporate loans and borrowing		-	-
(e) Commercial paper		-	-
(f) Other loans:			
From banks		1,52,536.11	-

*Please see note 1 below

59.2 Break-up of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid)

(₹ In Lakhs)

(a) In the form of unsecured debentures	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c) Other public deposits	-	-

*Please see note 1 below

Assets side:

59.3 Break-up of loans and advances including bills receivables (other than those included In (4) below)

(₹ In Lakhs)

Particulars	Amount outstanding
(a) Secured	3,32,180.00
(b) Unsecured	1,23,230.90

59.4 Break up of leased assets and stock on hire and other assets counting towards asset financing activities

(₹ In Lakhs)

Particulars	Amount outstanding
(i) Lease assets including lease rentals under sundry debtors:	
(a) Financial lease	NA
(b) Operating lease	NA
(ii) Stock on hire including hire charges under sundry debtors :	
(a) Assets on hire	NA
(b) Repossessed assets	NA
(iii) Other loans counting towards asset financing activities	
(a) Loans where assets have been repossessed	178.54
(b) Loans other than (a) above	NA

59.5 Break-up of investments :

(₹ In Lakhs)

		Amount outstanding
Current investments :		
1 Quoted :		
(i) Shares :	(a) Equity	-
	(b) Preference	-
(ii) Debentures and bonds		4,113.03
(iii) Units of mutual funds		-
(iv) Government securities		-
(v) Others (please specify)		-
2 Unquoted :		
(i) Shares :	(a) Equity	-
	(b) Preference	-
(ii) Debentures and bonds		1,097.47
(iii) Units of mutual funds		-
(iv) Government securities		-
(v) Others (please specify)		-

(₹ In Lakhs)

		Amount outstanding
Long term investments :		
1 Quoted :		
(i) Shares :	(a) Equity	-
	(b) Preference	-
(ii) Debentures and bonds		26,017.87
(iii) Units of mutual funds		463.25
(iv) Government securities		-
(v) Others (Alternate investment fund and pass through certificates)		17,684.26
2 Unquoted :		
(i) Shares :	(a) Equity	2,220.83
	(b) Preference	2,264.53
(ii) Debentures and bonds		-
(iii) Units of mutual funds		-
(iv) Government securities		-
(v) Others (please specify)		-

59.6 Borrower group-wise classification of assets financed as in 59.3 and 59.4 above:

(₹ In Lakhs)

			Amount outstanding
Please see Note 2 below	**Amount net of provisions**		
Category	**Secured**	**Unsecured**	**Total**
1. Related parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	3,27,689.39	1,17,701.89	4,45,391.28
Total	**3,27,689.39**	**1,17,701.89**	**4,45,391.28**

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

Please see note 3 below (₹ In Lakhs)

Category	**Market value / break up or fair value or NAV**	**Book value (net of provisions)**
1. Related parties **		
(a) Subsidiaries (refer note below)	4,984.34	4,485.36
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	49,320.66	49,320.66
Total	**54,305.00**	**53,806.02**

** As per Ind AS issued by Ministry Of Corporate Affairs (refer note 3 below)

Note: Subsidiary company being unlisted, value is derived based upon the net asset value as shown in the subsidiary company balance sheet as on 31 March 2022.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

59.8 Other information

(₹ In Lakhs)

	Amount outstanding
(i) Gross non-performing assets	
(a) Related parties	-
(b) Other than related parties	10,489.40
(ii) Net non-performing assets	
(a) Related parties	-
(b) Other than related parties	6,019.61
(iii) Assets acquired in satisfaction of debt	-

Notes:

1. As defined in point xxvii of paragraph 3 of Chapter - II of these Directions.
2. Provisioning norms shall be applicable as prescribed in these Directions.
3. All Ind AS issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term (amortised cost in the case of Ind AS) or current (at fair value in the case of Ind AS) in (5) above.

60. DISCLOSURES AS REQUIRED IN TERMS OF RBI NOTIFICATION NO. DOR (NBFC).CC.PD.NO.109/22.10.106/2019-20 DATED 13 MARCH 2020 ON IMPLEMENTATION OF IND AS ARE MENTIONED AS BELOW :

As at 31 March 2022

(₹ In Lakhs)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Performing assets						
Standard	Stage 1	4,40,162.23	4,517.13	4,35,645.09	1,745.82	2,771.31
	Stage 2	9,053.00	1,029.43	8,023.57	168.29	861.14
Subtotal		**4,49,215.23**	**5,546.57**	**4,43,668.66**	**1,914.11**	**3,632.46**
Non-performing assets ("NPA")						
Substandard	Stage 3	10,489.40	4,469.79	6,019.61	1,079.14	3,390.65
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**-**	**-**	**-**	**-**	**-**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**10,489.40**	**4,469.79**	**6,019.61**	**1,079.14**	**3,390.65**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning ("IRACP") norms	Stage 1	4,500.00	3.26	4,496.74	-	3.26
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**4,500.00**	**3.26**	**4,496.74**	**-**	**3.26**
Total	Stage 1	4,44,662.23	4,520.39	4,40,141.84	1,745.82	2,774.57
	Stage 2	9,053.00	1,029.43	8,023.57	168.29	861.14
	Stage 3	10,489.40	4,469.79	6,019.61	1,079.14	3,390.65
Grand total		**4,64,204.63**	**10,019.62**	**4,54,185.01**	**2,993.25**	**7,026.37**

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

As at 31 March 2021

(₹ In Lakhs)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Performing assets						
Standard	Stage 1	3,70,475.42	5,839.61	3,64,635.81	1,497.24	4,342.37
	Stage 2	7,926.39	1,594.45	6,331.94	30.92	1,563.53
Subtotal		**3,78,401.81**	**7,434.06**	**3,70,967.75**	**1,528.16**	**5,905.90**
Non-performing assets ("NPA")						
Substandard	Stage 3	6,442.50	2,487.60	3,954.90	722.03	1,765.57
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**-**	**-**	**-**	**-**	**-**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**6,442.50**	**2,487.60**	**3,954.90**	**722.03**	**1,765.57**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning ("IRACP") norms	Stage 1	135.00	0.18	134.82	-	0.18
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**135.00**	**0.18**	**134.82**	**-**	**0.18**
Total	Stage 1	3,70,610.42	5,839.79	3,64,770.63	1,497.24	4,342.55
	Stage 2	7,926.39	1,594.45	6,331.94	30.92	1,563.53
	Stage 3	6,442.50	2,487.60	3,954.90	722.03	1,765.57
Grand total		**3,84,979.31**	**9,921.84**	**3,75,057.47**	**2,250.19**	**7,671.65**

* Computed on the value as per the IRACP norms.

The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard assets provisioning), as at 31 March 2022 and 31 March 2021 and accordingly, no amount is required to be transferred to impairment reserve.

The disclosure requirement of the policy for sales out of amortised cost business model portfolios of the Company is not applicable to the Company.

Notes

Forming part of Standalone Financial Statement for the year ended 31 March 2022 (Contd.)

61. THE DISCLOSURES AS REQUIRED BY THE MASTER DIRECTION - MONITORING OF FRAUDS IN NBFCS ISSUED BY RBI DATED 29 SEPTEMBER 2016

There were no instances of frauds reported during the year ended 31 March 2022. (Previous year: 1 case amounting to ₹ 1,751.19 lakhs).

62. The Company has complied with the RBI circular dated 12 November 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications'. On 15 February 2022, RBI allowed deferment till 30 September 2022 of Para 10 of this circular pertaining to upgrade of Non performing accounts. However, the Company has not opted for this deferment.

63. Figures of previous year has been regrouped / reclassified, wherever necessary, to correspond with the figures of the current year.

In terms of our report of even date attached
For Mukesh M Shah & Co.
Chartered Accountants
Firm's Registration No: 106625W

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Chandresh S. Shah
Partner
Membership No: 042132

Darshana S. Pandya
(Director & Chief Executive Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Riddhi B. Bhayani
(Company Secretary & Compliance Officer)
(Membership No: A41206)

Ankit Jain
Chief Financial Officer

Ahmedabad
4 May 2022

Ahmedabad
4 May 2022

GENERAL INFORMATION

Our Company was incorporated as 'MAS Financial Services Limited', a public limited company under the Companies Act, 1956, with a certificate of incorporation issued by the Assistant Registrar of Companies, Gujarat (Dadra & Nagar Haveli) on May 25, 1995, at Ahmedabad. Our Company received a certificate for commencement of business on May 29, 1995, from the Assistant Registrar of Companies, Gujarat (Dadra & Nagar Haveli) at Ahmedabad. For further details, see the section titled, "***Organisational Structure of our Company***" on page 179.

The Equity Shares of our Company were listed on BSE Limited and the NSE Limited on October 18, 2017. Our Company has received in-principle approvals to list the Equity Shares to be issued pursuant to the Issue from each BSE and NSE on June 19, 2024, under Regulation 28(1) of the SEBI Listing Regulations. We will apply for final listing and trading approvals of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges after Allotment of the Equity Shares in the Issue.

Our Registered and Corporate Office is located at 6, Ground Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad Gujarat– 380 009, India.

The CIN of the Company is L65910GJ1995PLC026064.

The website of our Company is "www.mas.co.in".

The authorised share capital of the Company is ₹ 2,000,000,000 (Rupees Two Thousand Million only) divided into 200,000,000 (Two Hundred Million) Equity Shares of ₹ 10 (Rupees ten only) each.

The Issue was authorised and approved by the Board pursuant to the resolution dated January 17, 2024, and by the members pursuant to the special resolution dated February 9, 2024.

In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

Copies of our Memorandum of Association and Articles of Association will be available for inspection between 10:30 am to 5:30 pm on any weekday (except Saturdays and public holidays) at our Registered & Corporate Office.

Except as disclosed in this Placement Document, our Company has obtained all necessary consents, approvals and authorisations as may be required in connection with the Issue.

There has been no material change in the financial or trading position of our Company since March 31, 2024, the date of the Fiscal 2024 Audited Consolidated Financial Statements included in this Placement Document.

Except as disclosed in this Placement Document, there are no material litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see "***Legal Proceedings***" on page 229.

As on the date of this Placement Document, M/s Mukesh M. Shah & Co., Chartered Accountants, having firm registration no. 106625W is the Statutory Auditor of our Company.

No change in the control of our Company will occur consequent to the Issue.

Our Company confirms that it is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations, SCRA and the SCRR.

The Floor Price is ₹ 301.31 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations, as certified by our Statutory Auditor, M/s Mukesh M. Shah & Co., Chartered Accountants. Our Company has offered a discount of 4.99% on the Floor Price in accordance with the approval of our Board resolution dated January 17, 2024, and the shareholders of the Company accorded through a special resolution dated February 9, 2024, and Regulation 176(1) of the SEBI ICDR Regulations.

Our Company and the BRLMs accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including our website, would be doing so at their own risk.

Riddhi Bhaveshbhai Bhayani is the Company Secretary and Chief Compliance Officer of our Company. Her details are as follows:

Riddhi Bhaveshbhai Bhayani
Address: 6, Narayan Chambers
Ground Floor, Behind Patang Hotel
Ashram Road, Ahmedabad - 380 009
Gujarat, India
Tel: **079-41106638**
E-mail: **Riddhi_Bhayani@mas.co.in**

[*Remainder of page intentionally left blank*]

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made at the sole and absolute discretion of our Company, in consultation with the BRLMs, to Eligible QIBs. The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below.

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital held (%)[(1)(2)(3)]
1.	Bandhan Multi Cap Fund	0.39%
2.	Bandhan Multi Asset Allocation Fund	0.06%
3.	Bandhan Flexi Cap Fund	0.52%
4.	Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund	3.37%
5.	Nomura Singapore Limited	0.04%
6.	Citigroup Global Markets Mauritius Private Limited	0.08%
7.	BNP Paribas Financial Markets	0.04%
8.	Bajaj Allianz Life Insurance Company Ltd	0.19%
9.	Subhkam Ventures I Pvt Ltd	0.07%
10.	Samsung India Securities Master Investment Trust Equity	0.09%
11.	Samsung India Small and Mid Cap Focus Securities Master Inv Trust Equity	0.08%
12.	BOFA Securities Europe SA - ODI	0.08%
13.	India Acorn Fund Ltd	0.06%
14.	White Oak India Equity Fund II	0.02%
15.	White Oak India Select Equity Fund	0.02%
16.	White Oak India Equity Fund V	0.02%
17.	White Oak India Equity Fund VI	0.01%
18.	Ashoka Whiteoak ICAV- Ashoka Whiteoak India Opportunities Fund	0.43%
19.	Dendana Investments (Mauritius) Limited	0.01%
20.	Ashoka India Equity Investment Trust Plc	0.11%
21.	Rajasthan Global Securities Private Limited	0.10%
22.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Banking and Financial Services Fund	0.37%
23.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life ESG Integration Strategy Fund	0.08%
24.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Bal Bhavishya Yojna	0.22%
25.	Morgan Stanley Asia (Singapore) Pte. - ODI	0.34%
26.	TATA AIG General Insurance Company Limited	0.29%
27.	SBI General Insurance Company Limited	0.19%
28.	PNB Metlife India Insurance Company Limited	0.10%
29.	Morgan Stanley Asia (Singapore) Pte.	0.14%
30.	East Bridge Capital Master Fund Limited	0.19%
31.	ICICI Prudential Banking & Financial Services Fund	0.67%
32.	Sun Life Aditya Birla India Fund	0.29%
33.	Baroda BNP Paribas Small Cap Fund	0.40%
34.	Baroda BNP Paribas Value Fund	0.48%
35.	Baroda BNP Paribas Banking & Financial Services Fund	0.08%

(1) *Based on beneficiary position as on June 19, 2024.*

(2) *Subject to receipt of funds and allotment in the Issue.*

(3) *The post-Issue shareholding (in percentage terms) of the proposed Allottees has been disclosed on the basis of their respective PAN, except in case of Mutual Funds, insurance companies, and Eligible FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID have been considered.*

[*Remainder of page intentionally left blank*]

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

Signed by:

____

Kamlesh C. Gandhi
Chairman and Managing Director
DIN: 00044852

Date: June 21, 2024
Place: Ahmedabad

DECLARATION

We, the Board of the Company, certify that:

1. the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;
2. the compliance with the Companies Act, 2013 and the rules thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and
3. the monies received under the Issue shall be used only for the purposes and objects indicated in this Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Signed by:

____

Kamlesh C. Gandhi
Chairman and Managing Director
DIN: 00044852

I am authorized by the Finance Committee, a committee of the Board of the Company, *vide* resolution June 21, 2024 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

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

Signed:

____

Kamlesh C. Gandhi
Chairman Managing Director
DIN: 00044852

Date: June 21, 2024
Place: Ahmedabad

MAS FINANCIAL SERVICES LIMITED

CIN: L65910GJ1995PLC026064

Registered & Corporate Office
6, Ground Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad – 380 009.

Contact Person

Riddhi Bhaveshbhai Bhayani
Designation: Company Secretary and Chief Compliance Officer
Address:
6, Narayan Chambers
Ground Floor, Behind Patang Hotel
Ashram Road, Ahmedabad - 380 009
Gujarat, India
Tel: +91 79 4110 6638
E-mail: riddhi_bhayani@mas.co.in

BOOK RUNNING LEAD MANAGERS

Motilal Oswal Investment Advisors Limited
Motilal Oswal Tower
Rahimtullah Sayani Road
Opposite Parel ST Depot
Prabhadevi, Mumbai - 400 025
Maharashtra, India

Equirus Capital Private Limited
12th Floor, C Wing, Marathon Futurex
N. M. Joshi Marg, Lower Parel
Mumbai - 400 013
Maharashtra, India

STATUTORY AUDITORS OF OUR COMPANY

M/s Mukesh M. Shah & Co., Chartered Accountants
7th Floor, Heritage Chambers, Behind Bikanerwala Sweets
Near Azad Society, Nehru Nagar
Ahmedabad - 380015

LEGAL COUNSEL TO THE COMPANY
As to Indian law

IndusLaw
2nd Floor, Block D
The MIRA, Mathura Road
New Delhi 110065, India

LEGAL COUNSELS TO THE BOOK RUNNING LEAD MANAGERS
As to Indian law

JSA Advocates & Solicitors
B-303, Ansal Plaza
Hudco Place, August Kranti Marg
New Delhi – 110049, India

Special Counsel as to International Law

Duane Morris & Selvam LLP
16 Collyer Quay, #17-00
Singapore 049318

APPLICATION FORM

APPLICATION FORM

Form No.:

Date:

MAS FINANCIAL SERVICES LIMITED
Registered and Corporate Office: 6, Narayan Chambers, Ground Floor, Behind Patang Hotel, Ashram Road, Ahmedabad 380 009, Gujarat, India;
CIN: L65910GJ1995PLC026064
Tel.: +91 79 41106500**; Email:** mfsl@mas.co.in**; Website:** www.mas.co.in
LEI: 335800XTN7OKZBXR4P70
ISIN: INE348L01012

Name of the Bidder:

QUALIFIED INSTITUTIONS PLACEMENT OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE, AGGREGATING UP TO APPROXIMATELY ₹ [●] MILLION UNDERTAKEN IN ACCORDANCE WITH CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY MAS FINANCIAL SERVICES LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ [●] AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which: (a) are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) are not restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; and (c) hold a valid and existing registration under the applicable laws in India (as applicable), and (d) are eligible to invest in the Issue and submit this Application Form. In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; (ii) a multilateral or bilateral development financial institution eligible to participate in the Issue under applicable laws, including the FEMA Rules (defined below) and (iii) Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 (the "SEBI FPI Regulations") and any other applicable law (other than individuals, corporate bodies and family offices), that are eligible to participate in the Issue ("Eligible FPIs), can submit this Application Form. Further, in terms of the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended, foreign venture capital investors ("FVCIs") are not permitted to participate in the Issue.

The Equity Shares offered in the Issue have not been and will not be registered, listed or otherwise qualified in any jurisdiction, except India. In particular, the Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in 'offshore transactions' as defined in and in reliance on Regulation S under the U.S. Securities Act ("Regulation S"). For the selling restrictions in certain other jurisdictions, see the section titled "Selling Restrictions" in the accompanying preliminary placement document dated [●], 2024 (the "PPD"). See "Transfer Restrictions" in the PPD for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA RULES READ WITH THE RESTRICTION SPECIFIED IN THE "ISSUE PROCEDURE" SECTION OF THE PRELIMINARY PLACEMENT DOCUMENT, IN THE ISSUE, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE, AS PRESCRIBED IN THE FEMA RULES AND SHALL HAVE TO BE IN CONFORMITY WITH THE APPLICABLE PROVISIONS OF THE FEMA RULES ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

STATUS (Please tick for applicable category)

To,
The Board of Directors
MAS FINANCIAL SERVICES LIMITED
Registered and Corporate Office: 6, Narayan Chambers,
Ground Floor, Behind Patang Hotel, Ashram Road, Ahmedabad 380 009, Gujarat, India

Dear Sirs,

FI	Scheduled Commercial Bank and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds
NIF	National Investment Fund	**FPI**	Eligible Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Funds**
SI-NBFC	Systematically Important Non – Banking Financial Companies	**OTH**	Others ________________ (Please specify)
Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "same group" or "common control", see "Application Form" under Issue Procedure section of the PPD. *Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue. ** Sponsor and Manager should be Indian owned and controlled.			

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a Promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the Promoters of the Company, directly or indirectly and this Application Form does not directly or indirectly represent the Promoter or promoter group or persons related to the Promoter. Further, we confirm that we do not have any rights under a shareholders' agreement or voting agreement entered into with Promoters or persons related to Promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company.

We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules, nor an FVCI. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**SEBI Takeover Regulations**"). We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Application Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We note that the Company is entitled, in consultation with Motilal Oswal Investment Advisors Limited and Equirus Capital Private Limited (collectively, the "**BRLMs**" or the "**Book Running Lead Managers**"), in its sole discretion, to accept or reject this Application Form without assigning any reason thereof. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, the Placement Document (when issued) and the confirmation of allocation note ("**CAN**") (when issued) and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Application Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Application Amount for the Equity Shares applied for in the Issue has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this duly completed Application Form prior to the Issue Closing Date and such Application Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the Book Running Lead Managers; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or in case of rejection of Bids or non-allocation of Equity Shares or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Application Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Application Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We further acknowledge and agree that (i) our names, addresses, nationalities, contact details, email IDs, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Managers; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Gujarat (Dadar & Nagar Haveli) at Ahmedabad (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of BSE Limited and National Stock Exchange of India Limited (together, the "**Stock Exchanges**") and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the Reserve Bank of India ("**RBI**") and other applicable laws. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020

By signing and/or submitting this Application Form, we hereby confirm and agree (i) that the representations, warranties, acknowledgements and agreements as provided in the sections entitled "Notice to Investors", "Representations by Investors", "Issue Procedure", "Selling Restrictions" and "Transfer Restrictions " of the PPD and (ii) the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the Book Running Lead Managers, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and/or submitting this Application Form, we also hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section entitled "Risk Factors" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the Book Running Lead Managers or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document (when provided), this Application Form, the CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchange; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Company, in consultation with the Book Running Lead Managers, and the submission of this Application Form and payment of the corresponding Application Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Managers; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the Book Running Lead Managers. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations; (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office; (10) we agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below; (11) we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares; (12) we have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares; (13) no action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction; (14) we satisfy any and all relevant suitability standards for investors in Equity Shares, (15) we acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws and that the Equity Shares are only being offered and sold only outside the United States in in "offshore transactions" as defined in and in reliance on Regulation S; and (15) we are located outside the United States (as defined in Regulation S) and we are not submitting this Application Form as a result of any "directed selling" efforts (as defined in Regulation S).

We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB.

BIDDER DETAILS (In Block Letters)	
NAME OF BIDDER*	
NATIONALITY	
REGISTERED ADDRESS	
CITY AND CODE	

BIDDER DETAILS (In Block Letters)			
COUNTRY			
PHONE NO.		FAX NO.	
MOBILE NO.			
EMAIL ID			
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO.		
FOR MF	SEBI MF REGISTRATION NO		
FOR AIFs***	SEBI AIF REGISTRATION NO.		
FOR VCFs***	SEBI VCF REGISTRATION NO.		
FOR SI-NBFC	RBI REGISTRATION DETAILS		
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS.		
FOR PENSION FUNDS	PFRDA REGISTRATION DETAILS.		

*Name should exactly match with the name in which the beneficiary account is held. Application Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the BRLMs.
** In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.
*** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

NO. OF EQUITY SHARES BID FOR		PRICE PER EQUITY SHARE (RUPEES)		APPLICATION AMOUNT (RUPEES)	
(In Figures)	(In Words)	(In Figures)	(In Words)	(In Figures)	(In Words)

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the Book Running Lead Managers will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document

DEPOSITORY ACCOUNT DETAILS				
Depository Name (Please ✓)		National Security Depository Limited		Central Depository Services (India) Limited
Depository Participant Name				
DP – ID				
Beneficiary Account Number				(16-digit beneficiary account. No. to be mentioned above)

The demographic details like address, bank account details, etc., will be obtained from the Depositories as per the beneficiary account given above. However, for the purpose of refund, if any, only the bank details as mentioned below, from which the Application Amount has been remitted for the Equity Shares applied for in the Issue, will be considered.

PAYMENT DETAILS | REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER
By 3.00 p.m. (IST), [●], 2024

BANK ACCOUNT DETAILS FOR PAYMENT OF APPLICATION AMOUNT THROUGH ELECTRONIC FUND TRANSFER			
Name of the Account	MAS Financial Services Ltd - QIP Escrow Account	**Account Type**	Escrow Account
Name of Bank	Axis Bank Limited	**Address of the Branch of the Bank**	Axis House, 6th Floor, C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025 Maharashtra, India
Account No.	924020015136069	**IFSC**	UTIB0000003
LEI Number	335800XTN7OKZBXR4P70	**Email**	vishal.lade@axisbank.com

The Application Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of MAS Financial Services Ltd - QIP Escrow Account. Payment of the entire Application Amount should be made along with the Application Form on or before the closure of the Issue Period, i.e., prior to the Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the Book Running Lead Managers shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

DETAILS OF CONTACT PERSON			
Name:			
Address:			
Tel. No:		Fax No:	
Mobile No.	____ Email: ____		

OTHER DETAILS	
PAN	
Date of Application	
Signature of Authorised Signatory (may be signed either physically of digitally)	

ENCLOSURES ATTACHED

- ☐ Copy of PAN Card or PAN allotment letter**
- ☐ FIRC
- ☐ Copy of the SEBI registration certificate as a Mutual Fund
- ☐ Copy of the SEBI registration certificate as an Eligible FPI
- ☐ Copy of the SEBI registration certificate as an AIF
- ☐ Copy of the SEBI registration certificate as a VCF
- ☐ Certified copy of certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank
- ☐ Copy of the IRDAI registration certificate
- ☐ Intimation of being part of the same group
- ☐ Certified true copy of the power of attorney
- ☐ Other, please specify __________________

*A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.
**Please note that the Bidder should not mention the GIR number or any other identification number instead of the PAN, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961, as the application is liable to be rejected on this ground.

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD.
Note 2: This Application Form may be rejected if any information provided is incomplete or inadequate, at the discretion of the Company, in consultation with the BRLMs.
Note 3: The duly filed Application Form along with all enclosures shall be submitted to the BRLMs either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in the PPD.

The Application Form and the PPD sent to you and the Placement Document which will be sent to you in electronic form, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.

(Note: The format of the Application Form included herein above is indicative and for illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Company, in consultation with the BRLMs, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format above.)