MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED

ANNUAL REPORT 2024-25

Corporate Identification No.	:	U74900GJ2007PLC051383
Registered Office	:	4th Floor, Narayan Chambers B/h. Patang Hotel, Ashram Road, Ahmedabad – 380 009. Gujarat.

Board of Directors:

Mr. Kamlesh Gandhi	:	Chairman & Managing Director
Mrs. Darshana Pandya	:	Director & Chief Operating Officer
Mr. Subir Nag	:	Independent Director
Mr. Umesh Shah	:	Independent Director
Mrs. Daksha Shah	:	Independent Director

Chief Financial Officer	:	Mr. Chintan Pandya (appointed w.e.f. October 1, 2024) Mr. Ankit Jain (up to September 30, 2024)
Company Secretary	:	Mr. Darshil Hiranandani

Auditors:

M/s. MAAK & Associates
Chartered Accountants
Ratnanjali Square, 601-604, 15,
100 Feet Anand Nagar Rd, Near Gloria Restaurant,
Satellite, Ahmedabad – 380 015

Registrar & Share Transfer Agent:

KFin Technologies Pvt Ltd
Tower B Plot No: 31 & 32, Selenium,
Financial District, Nanakramguda, Gachibowli
Hyderabad, Telangana - 500 032
Toll Free No: 1-800-3094-001 Email: karisma@kfintech.com

DIRECTORS' REPORT

To,
The Members,
MAS Rural Housing & Mortgage Finance Limited
Ahmedabad.

Your Directors have pleasure to present the Eighteenth (18th) Annual Report of your Company together with the Audited Statement of Accounts for the year ended on March 31, 2025.

The Company's financial performance for the year under review along with previous year's figures is given hereunder:

SUMMARISED FINANCIAL HIGHLIGHTS:

(Amount in INR)

Particulars	**March 31, 2025**	**March 31, 2024**
Interest Income	69,60,43,235	54,80,60,565
Gain on Assignment of Financial Assets	6,28,95,743	5,34,52,874
Fees and Commission Income	1,85,50,801	1,14,96,998
Net Gain on Fair Value Changes	1,02,47,930	69,69,472
Income from Operations & Other Sources	2,30,88,605	46,14,047
Total Income	**81,08,26,314**	**62,45,93,956**
Total Expenditure	68,99,57,876	52,88,43,194
Profit before Depreciation and Taxes	12,78,35,395	10,06,76,627
Depreciation and Amortization	69,66,957	49,25,865
Profit before Taxes	**12,08,68,438**	**9,57,50,762**
Provision for Taxation (including Deferred Tax)	2,52,56,402	1,99,47,900
Profit after Taxes	**9,56,12,036**	**7,58,02,862**
Profit brought forward from previous year	22,34,89,815	18,05,12,656
Add/(Less) : Item of other comprehensive income recognised directly in retained earnings	(2,21,655)	53,164
Profit available for Appropriation	**31,88,80,196**	**25,63,68,682**
Appropriations		
Reserves u/s. 29-C of the NHB Act, 1987 and Special Reserve u/s 36(1) (viii) of Income Tax Act, 1961	2,69,80,000	1,98,60,000
Dividend Paid (including Interim dividend)	1,30,06,217	1,30,18,867
Surplus Balance Carried to Balance Sheet	**27,88,93,979**	**22,34,89,815**

BUSINESS PERFORMANCE:

The portfolio at the end of the year 2024-25 was INR 768.09 Cr., which increased by 28.81% as compared to the previous year. The quality of the portfolio remained robust during the period which has always remained the main plank of the Company. The stage III assets net of provisions of the Company during the period under review were 0.65% as compared to the previous year being 0.66%. This performance continues to give us the confidence to achieve our stated objective of growth of anywhere between 30-35% going forward. The Company is excited about the huge affordable housing market in the country but is cognizant of the fact that extending credit where it is due should be the prime motto in our approach to asset creation. We are constantly vigilant on all the dynamic aspects of this business so as to realise our objective of creating value for all its stake holders on a very large scale. Needless to mention that it is with the deep sense of satisfaction that we extend our services to all home seekers thus, realizing their goal of having their dream home.

During the year under review the Interest Income of the Company was INR 69.60 Cr. Further, the total income of the Company remained 81.08 Cr.

The profit after taxes stands up to INR 9.56 Cr. during the year compared to the profits of INR 7.58 Cr. during the Previous Year which shows an increase of 26.14% profits compared to the Previous Year. The Company's average borrowing rates increased from 9.65% p.a. to 9.74% p.a. due to increase in RBI's Repo Rate by 250 basis points in the previous year, the effect of which was felt in the current year due to MCLR resets.

The current government's various initiatives are expected to further expand the housing segment in order to realise the dream of housing for all.

The Company is committed to deliver quality credit to this sector and is on the mission:

"To be a very significant provider of efficient financial services in the housing loan segment, thereby being the catalyst in realizing the dreams of the millions of households, especially among the LIG and MIG class in semi urban and rural areas and create value on a very large scale."

RURAL INITIATIVE:

The rural initiative continues to remain one of the major focuses of the Company. The Company believes and practices the policy of adapting to the ground level realities as fast as possible. Rural housing finance is undoubtedly a huge market, characterized by number of challenges ranging from financial literacy to acceptable titles of the property. However we are constantly endeavoring to find sustainable solutions to each of the challenges, we face with an uncompromised dispensation of extending credit where it is due.

We firmly believe that once the business cycle is set, regular business may be expected from all the areas of operations. The Company follows the business model of serving such villages through dedicated relationship officers who are responsible to offer them customized housing financing solution. Based on the experience of these villages necessary change in the business model will be implemented to explore the latent potential of the segment.

SYSTEMS AND OPERATIONS:

The current year also sharpened our learning curve to a considerable extent. The feedback from the customers, relationship officers and the vigilant analysis of the credit team enabled us to frame a well-articulated credit screens which we very firmly believe will be a major lever to serve the targeted segment effectively. The technology adoption drive right from the loan origination to timely disbursement post the requisite credit assessment is expected to yield desired results especially by improving on turnaround time and efficient operations. Various efforts are undertaken such as training the relationship officers, the branch credit officers, and the credit team at the central processing unit.

Adequate care is taken for providing efficient post disbursement services to the customers.

Various educative programs organized by NHB (National Housing Bank) give us in depth insight of the housing finance activities, process, appraisal techniques and the focus of the government in this sector.

RESOURCES:

The Total Equity of the Company as on March 31, 2025 was INR 141.17 Cr. Number of institutions have shown keen interest in participating in the future debt and the capital requirement of the Company. The Company is quite optimistic to tie up their financial requirement for the year 2025-26.

DIRECT ASSIGNMENT OF MORTGAGE POOL RECEIVABLES:

Majority of the Company's loan book portfolio qualifies under the Priority Sector Lending (PSL) mortgage loan portfolio, as per the notification issued by RBI from time to time. During the financial year under review, the Company has assigned/co-lent receivables of its mortgage loan assets aggregating to Rs. 87.18 crores, being investors' share. Total assigned pool outstanding as at March 31, 2025 was Rs. 202.11 crores.

REFINANCE FROM NATIONAL HOUSING BANK:

The NHB Refinance department has sanctioned Refinance facility to the Company under various schemes for a term ranging from 5 years to 15 years repayment tenure.

As on March 31, 2025 the outstanding balance on NHB Refinance amounts to Rs. 17.26 Crores.

CREDIT RATINGS:

The Credit ratings for various Borrowings/FD of the Company are given herein below:

Name of the Rating Agency	Rated Facility	Rating as on March 31, 2025	Rating as on March 31, 2024
Care Rating limited	Long Term Bank Facilities	Care A; Positive	Care A; Positive
	Non-Convertible Debentures	Care A; Positive	Care A; Positive

THE NATIONAL HOUSING BANK (NHB) AND THE RESERVE BANK OF INDIA (RBI) COMPLIANCES:

Pursuant to the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by the Reserve Bank of India dated February 17, 2021 and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by the Reserve Bank of India dated October 19, 2023, the Company complies with said guidelines and also continues to comply with the guidelines issued by RBI regarding accounting standards, capital adequacy, concentration of credit, credit rating, 'Know Your Customer'- (KYC), fair practices code and capital market exposures. The Company has provided for impairment of loans and advances as per IND AS 109 prescribed under section 133 of the Companies Act, 2013 and as per the RBI Guidelines. The National Housing Bank Act, 1987, empowers RBI/NHB to levy a penalty on Housing Finance Companies for contravention of the Act or any of its directions. Various inspection observations of NHB were satisfactorily complied and resolved and reported to the Board. The RBI/NHB has not levied any penalty on MRHMFL during the year; however pursuant to the advisory received from the National Housing Bank dated June 5, 2025, the Company has recalculated the capital adequacy ratios for the previous year pursuant to the directions received from the National Housing Bank (NHB) during the inspection for FY 2023–24. The CRAR has been revised to 35.37% from the earlier reported 36.38%, reflecting a difference of 1.01%. This revision is on account of a correction in the EIS receivables related to an assignment transaction. The discrepancy arose due to a clerical oversight while transitioning from reporting figures in thousands to lakhs during the period ended March 2024. The revised figures for the previous year have accordingly been disclosed.

Company is having a valid NHB License for carrying on business of Housing Finance Company, bearing registration certificate No. 02.0067.08, dated January 7, 2008 and further the Company has complied with the provisions of NHB Directions/ circulars, as applicable.

As per the Master Circular- Returns to be submitted by Housing Finance Companies (HFCs) and various Circulars / Guidelines / Notifications issued by NHB, the Company has duly complied and submitted all the required monthly / quarterly / half yearly NHB reports / returns, intimation of opening / closing (shifting / relocation) of branches within prescribed time-limit during the FY 2024-25. The Company is regular in filing the online returns on the Centralised Reporting and Management Information Systems (CRaMIS) portal of NHB.

The Company being a financial institution is also registered for taking SARFAESI Action under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act") and the same has been notified by NHB.

HUMAN RESOURCE:

MAS believes in Human Capital Management which creates a strong culture that fosters employee development and commitment to business goals. With a committed team, we have not only been able to enhance customer experience but also stakeholder's value. We respect that our each team member comes with unique capabilities, complimentary talents, experiences and thinking and collectively as a team, we perfectly complement each other. We are proud of our homegrown leaders who have helped company achieve new heights. The workforce talent of the Company is more than 650 employees at the end of March 31, 2025.

The broad competencies that make us a strong team are our great learning curve which helps us to constantly evolve and set new targets which helps people in self-development along with the company and by development we don't mean just a specific competence , it is more of a broader, generic, ongoing growth. Along with development, we believe that collaborative problem solving leads to better outcomes. The zeal of team continued to be high in sustaining growth year on year of disbursements and in maintaining healthy recoveries. We are confident that we will always achieve Excellence through our endeavors.

DIVIDEND:

Your Directors recommend a final dividend at a fixed rate of 6% p.a. to the preference shareholders amounting to INR 1,09,04,110.68/- (Rupees One Crore Nine Lakh Four Thousand One Hundred Ten Decimal Six Eight Only) and a final dividend at the rate of 0.41% to the Equity Shareholders amounting to INR 10,02,178.21/- (Rupees Ten Lakh Two Thousand One Hundred and Seventy Eight decimal Twenty One only) for the financial year ended on March 31, 2025.

TRANSFER OF UNCLAIMED DIVIDEND AND UNCLAIMED SHARES:

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (including amendments and modifications, thereof), the company does not have any unpaid or unclaimed dividends or shares that were required to be transferred to the Investor Education and Protection Fund during the year under review.

CHANGE IN NATURE OF BUSINESS:

The Company continues to operate in the same business and there is no change in the nature of business during the period under review.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments that would affect the financial position of the company from the end of the financial year to which the financial statements relate and the date of the Director's Report

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Your Company has always responded in a responsible manner to the growing needs of the communities in which it operates and believes in giving back to society in some measure that is proportionate to its success in business. During the year, your Company has undertaken a number of initiatives that contribute to society at large, in the area Education.

Education is believed to be the stepping stone to improve the quality of life, especially for the poor and the most vulnerable. In view of the same, the Company has identified various bright students who wish to pursue higher studies but are not financially sound and financed them for achieving their dreams. In order of development of the society, to curb the said causes and to achieve 100% Literacy Rate, the Company takes active interest in the education of these students and we care about providing better and quality education. The Company supports them by providing school bags, stationeries, lunch boxes, water bottles, etc and other such necessary accomplishment to ensure that the parents and the students do not have to take burden of these additional costs and stay focused while studying. A good school infrastructure makes it possible for the children that live in rural areas to study and in addition tends to improve the attendance and interest of students and teachers in learning. The Management Team at MAS Rural Housing & Mortgage Finance Limited is proactively involved and connected with schools located at the outskirts of Ahmedabad and Gandhinagar to analyze infrastructure provided to the students and how organization can support them to make it better.

The CSR Report for the Financial Year 2024-25 is annexed to this report as "***Annexure – A***".

AUDITORS:

Statutory Auditors:

In terms of the transitional provisions applicable to Statutory Auditors under the Companies Act, 2013, M/s. MAAK & Associates, Chartered Accountants (Firm Registration No. 135024W), Ahmedabad were appointed as the statutory auditors of the Company for a period of 5 (five) years in the 15th Annual General Meeting (AGM) of the Company held on June 29, 2022.

However, Ministry of Corporate Affairs, vide its Notification dated 7th May, 2018 amended provisions of Rule 3(7) of Companies (Audit and Auditors) Rules, 2014 and accordingly, provisions of requirement of ratification of appointment of auditor at every general meeting is dispensed with. Therefore, at the ensuing general meeting members are not required to ratify Auditor's appointment and M/s. MAAK & Associates, Chartered Accountants, Ahmedabad (FRN: 135024W), will continue to act as auditors of the Company till the conclusion of the 20th AGM of the Company to be held in the year 2027.

Secretarial Auditors:

In the Board Meeting held on April 17, 2024, M/s. Parth P Shah & Associates, Practicing Company Secretaries were appointed as Secretarial Auditor of the Company for the financial year 2024-25.

SECRETARIAL AUDIT REPORT:

Pursuant to Section 204 of the Companies Act, 2013, the unqualified Secretarial Audit Report for the Financial Year ended March 31, 2025 given by Mr. Parth P. Shah, Practicing Company Secretary is annexed to this Report as an "***Annexure – B***".

EXPLANATION OR COMMENTS BY BOARD ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS:

(i) By the auditor in his report;

There is no qualification, reservation or adverse remark or disclaimer in audit report issued by the auditors of the Company.

(ii) By the company secretary in practice in his secretarial audit report;

There is no qualification, reservation or adverse remark or disclaimer in audit report issued by the auditors of the Company.

FRAUDS REPORTED BY THE AUDITOR:

During the Year under review, no frauds were reported by the Auditor (Statutory Auditor, Secretarial Auditor) to the Audit Committee / Board.

COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARDS :

The Company has duly followed the applicable Secretarial standards, relating to Meeting of the Board of Directors (SS-1) and General Meeting (SS-2), issued by the Institute of Company Secretaries of India (ICSI).

PUBLIC DEPOSITS:

The Company is a Housing Finance Company registered with NHB not accepting public deposits and is prohibited from accepting public deposits and therefore the Company has not accepted deposits from public during the year under review.

ANNUAL RETURN:

The Annual Return of the Company as on March 31, 2025 is available on the Company's website and can be accessed at https://www.mrhmfl.co.in/annual_reports.html#left-tab2

INFORMATION OF BOARD OF DIRECTORS, AND ITS MEETINGS:

- **Composition and Category of Directors on date of this report is:**

Name of the Director / Key Managerial Personnel	No. of other Directorships*	No. of Board Meetings attended during 2024-25	Attendance at the AGM held on 04/09/2024
Whole-time Directors			
Mr. Kamlesh Gandhi Chairman & Managing Director DIN: 00044852	6	4	Yes
Mrs. Darshana Pandya Director & Chief Operating Officer DIN: 07610402	4	4	Yes

Independent Directors			
Mr. Subir Nag Independent Director DIN: 02169915	3	3	No
Mr. Umesh Shah Independent Director DIN: 07685672	1	4	Yes
Mrs. Daksha Shah Independent Director DIN: 00376899	2	4	Yes
Key Managerial Personnel			
Mr. Darshil Hiranandani Company Secretary	Nil	4	Yes
Mr. Ankit Jain Chief Financial Officer Up to September 30, 2024	Nil	2	Yes
Mr. Chintan Pandya Chief Operating Officer & Chief Financial Officer wef October 1, 2024	Nil	2	Yes

* Excluding Directorship of MAS Rural Housing & Mortgage Finance Limited;

We believe that our Board needs to have an appropriate mix of Executive and Independent Directors to maintain its independence, and separate its functions of governance and management. Further, Mrs. Darshana Pandya, Director & Chief Operating Officer of the Company, is designated as Woman Director for the Company in terms of second proviso to the Section 149 (1) of the Companies Act, 2013. The Composition of Board fulfills the regulatory requirements.

All the Directors meet the fit and proper criteria stipulated under the RBI Master Directions, as amended from time to time. There have been no delays in filing the necessary disclosures, returns and necessary forms with respect to Foreign Direct Investment for the financial year under review.

- **Details of Directors or Key Managerial Personnel (KMP) who were appointed or have resigned during the year:**

During the year under review there was no change in the Directors of the Company.

During the year under pursuant to the advisory received from the National Housing Bank ("NHB") and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, except for directorship in a subsidiary, Key Managerial Personnel shall not hold any office (including directorships) in any other NBFC-ML or NBFC-UL, Mr. Ankit Jain resigned from the position of Chief Financial Officer as he held the position of KMP (Chief Financial Officer) in the Holding Company – MAS Financial Services Limited.

Pursuant to the resignation of Mr. Ankit Jain, advisory received from the National Housing Bank ("NHB") and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023; Mr. Chintan Pandya was appointed as the Chief Financial Officer of the Company who also holds the position of the Chief Operating Officer of the Company.

All the directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of section 164 & 165 of the Companies Act, 2013.

- **Directors eligible for retirement by rotation:**

In accordance with the requirement of Companies Act, 2013 and pursuant to the applicable provisions of Articles of Association, Mrs. Darshana Pandya, Director of the Company is eligible to retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

The Board of Directors in its meeting held April 23, 2025, on the recommendations of the Nomination and Remuneration Committee (NRC), further recommends to the members of the Company to re-appointment of Mrs. Darshana Pandya (DIN: 07610402), as director liable to retire by rotation.

- **Board Meetings:**

Regular meetings of the Board are held at least once in a quarter to review the Quarterly Results and other items on the agenda, and also on the occasion of Annual General Meeting (AGM). Additional Board meetings are convened to discuss and decide on various business policies, strategies and other businesses. The Company Secretary drafts the Agenda for each meeting, along with explanatory notes, in consultation with the Directors, and distributes these in advance to the Directors.

The gap between two consecutive meetings was not more than one hundred and twenty days as provided in section 173 of the Act.

Every Board Member can suggest the inclusion of additional items in the agenda.

The Company had 4 Board Meetings during the financial year under review.

Sr. No.	Date of Meeting	Total Number of Directors as on the date of Meeting	Number of Directors attended
1.	April 17, 2024	5	4
2.	July 17, 2024	5	5
3.	October 23, 2024	5	5
4.	January 22, 2025	5	4

The Board is assisted by Mr. Darshil Hiranandani, Company Secretary, who serves in the capacity of Secretary to the Board.

Independent Directors and Evaluation of Directors and the Board:

In terms of Section 149 of the Companies Act, 2013 and rules made there under, the Company has three Non-Promoter Independent Directors in line with the Companies Act, 2013. The Company has received necessary declaration from each independent director under Section 149 (7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013.

With the objective of enhancing the effectiveness of the board, the Nomination and Remuneration Committee formulated the methodology and criteria to evaluate the performance of the board and each director. The evaluation of the performance of the board is based on the approved criteria such as the board composition, strategic planning, role of the Chairman, non-executive directors and other senior management, assessment of the timeliness and quality of the flow of information by the Company to the board and adherence to compliance and other regulatory issues.

The Board of Directors of the Company were satisfied with the outcome of the performance evaluation process of the Directors, Board and its Committees. They were of the view that the Directors have been discharging their roles and responsibilities as expected by the Board and the regulatory provisions and the Board is duly constituted representing various expertise, skill sets and qualification required for the banking business. There was no observation during the performance evaluation in the current year.

A separate meeting of Independent Directors was held on March 29, 2025 to review the performance of Non-Independent Directors and Board as whole.

INFORMATION OF COMMITTEE AND ITS MEETINGS

- **Audit Committee:**

Our Audit Committee comprised of 3 Directors as on March 31, 2025:

a. Mr. Umesh Shah - Chairman
b. Mrs. Daksha Shah - Member
c. Mrs. Darshana S. Pandya - Member

The composition of committee inter alia meets with the requirement of Section 177 of the Companies Act, 2013.

The Scope of Audit Committee is enhanced in accordance with the Companies Act, 2013.

The Company has established a vigil mechanism and overseas through the Committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of co employees and the Company. The board has approved a policy for vigil mechanism which has been hosted on the website of the Company. The weblink for the same is www.mrhmfl.co.in

The Company had 4 Audit Committee Meetings during the Financial Year under review:

Sr. No.	Date of Meeting	Total Number of Members as on the date of Meeting	Number of Members attended
1.	April 17, 2024	3	3
2.	July 17, 2024	3	3
3.	October 22, 2024	3	3
4.	January 22, 2025	3	3

- **Nomination and Remuneration Committee:**

The Company constituted its Remuneration Committee on 6th October, 2011 and the nomenclature of the Remuneration Committee was changed to "Nomination and Remuneration Committee" on 20th February, 2015 pursuant to section 178 of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 by way of resolution passed in accordance with, provisions of the Companies Act, 2013.

Our Nomination and Remuneration Committee comprised of 3 Directors as on March 31, 2025:

a. Mr. Umesh Shah - Chairman
b. Mrs. Daksha Shah - Member
c. Mr. Subir Nag - Member

Mr. Darshil Hiranandani, Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

The Company had 2 Nomination & Remuneration Committee Meeting during the Financial Year under review:

Sr. No.	Date of Meeting	Total Number of Members as on the date of Meeting	Number of Members attended
1.	April 17, 2024	3	2
2.	October 22, 2024	3	3

The composition of committee inter alia meets with the requirement of section 178 of the Companies Act, 2013. Further, criteria for making payment, if any, to nonexecutive directors are provided under the Nomination and Remuneration Policy of the Company which is hosted on the website of the Company viz; www.mrhmfl.co.in

The role and responsibilities, Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other related matters are in conformity with the requirements of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required by section 134(3)(c) read along with section134(5) of the Act, the Board of Directors state that:

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

(b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.

(c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(d) The directors have prepared the annual accounts on a going concern basis.

(e) The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

(f) The directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

REGISTRAR AND SHARE TRANSFER AGENT:

During the year under review, KFin Technologies Limited was the Registrar and Transfer Agent of the Company.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149:

The Company has received declarations from each Independent Director of the Company under section 149 (7) of the Companies Act, 2013 that they meet the criteria of independence as prescribed under sub section (6) of section 149 of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The Company being a Housing Finance Company registered with National Housing Bank with the principal business, inter alia, of Housing Finance, the provisions of Section 186 except sub-section (1) are not applicable to it. However, there are no investments made during the year in any Company in accordance with the provisions of Section 186(1) of the Companies Act, 2013 and hence no particulars thereof as envisaged under Section 134(3)(g) are covered in this Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188:

The particulars of Contracts or Arrangements made with related parties pursuant to Section 188 during the year are furnished in "***Annexure – C***" (Form AOC-2) and is attached to the report.

AMOUNT, IF ANY, WHICH THE BOARD PROPOSES TO CARRY TO ANY RESERVES:

During the year under review INR 2,69,80,000/- transferred to reserve fund under Section 29-C of NHB Act, 1987 & Special Reserve U/s 36(1)(viii) of Income-tax Act, 1961.

CAPITAL:

1. AUTHORISED SHARE CAPITAL:

The Members in the Extra-Ordinary General Meeting held on Monday, February 17, 2025 reclassified the Authorised Share Capital from:

INR 45,00,00,000-/ (Rupees Forty Five Crores only) divided into 4,50,00,000 (Four Crores and Fifty Lakh) Shares of INR 10/- each, which is further divided as INR 24,00,00,000/- (Rupees Twenty Four Crores Only) divided into 2,40,00,000 [Two Crores Forty Lakh] Equity shares of INR 10/- each and INR 21,00,00,000/- [Rupees Twenty One Crores Only] divided into 2,10,00,000 [Two Crores and Ten Lakh] Preference Shares of INR 10/- each *to* INR 45,00,00,000-/ (Rupees Forty Five Crores only) divided into 4,50,00,000 (Four Crores and Fifty Lakh) Shares of INR 10/- each, which is further divided as INR 28,00,00,000/- (Rupees Twenty Eight Crores Only) divided into 2,80,00,000 [Two Crores Eighty Lakh] Equity shares of INR 10/- each and INR 17,00,00,000/- [Rupees Seventeen Crores Only] divided into 1,70,00,000 [One Crore and Seventy Lakh] Preference Shares of INR 10/- each.
The Authorised Share Capital as on March 31, 2025 was:

INR 45,00,00,000-/ (Rupees Forty Five Crores only) divided into 4,50,00,000 (Four Crores and Fifty Lakh) Shares of INR 10/- each, which is further divided as INR 28,00,00,000/- (Rupees Twenty Eight Crores Only) divided into 2,80,00,000 [Two Crores Eighty Lakh] Equity shares of INR 10/- each and INR 17,00,00,000/- [Rupees Seventeen Crores Only] divided into 1,70,00,000 [One Crore and Seventy Lakh] Preference Shares of INR 10/- each.

2. PAID UP SHARE CAPITAL:

Pursuant to the resolution passed by the Members in the General Meeting of the Company dated August 29, 2019 and March 29, 2023 respectively; the Company converted its 33,33,330 6% Optionally Convertible Preference Shares ("OCPS") to 3,33,333 Equity Shares of INR 10.00 each on September 12, 2024.

Further, the Company issued 12,41,463 Equity Shares of INR 10/- each fully paid up at a premium of INR 151.10/- per share on Right basis on March 24, 2025.

The Paid-up Share Capital as on March 31, 2025 was:

INR 41,11,00,410/- (Rupees Forty One Crore Eleven Lakh Four Hundred Ten Only) divided into 2,44,43,371 Equity Shares of INR 10/- each and 1,66,66,670 6% Optionally Convertible Preference Shares of INR 10/- each.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Conservation of Energy and Technology Absorption:

Since the Company is operating in service sector, the provisions of Section 134(3)(m) of the Companies Act, 2013 regarding conservation of energy and Technology Absorption are not applicable.

Foreign Exchange earnings and outgo:

The Company has no Foreign Exchange earnings and outgo.

ADEQUACY OF INTERNAL FINANCIAL CONTROL:

The Companies Act, 2013 read with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 re-emphasizes the need for an effective Internal Financial Control system in the Company which should be adequate and shall operate effectively. The Company has devised proper system of internal financial control which is commensurate with size and nature of Business. Even, the Board had appointed Internal Audit advisors in order to ensure proper internal financial control for the Financial Year 2024-25. Further, the Statutory Auditors of the Company also ensure adequacy of the Internal Financial Controls for the Company and during the period under review the same is found satisfactory.

RISK MANAGEMENT:

Company's Risk Management framework provides the mechanism for risk assessment and mitigation. The Company has a risk management policy approved by the Board for identifying, evaluating, monitoring and minimizing the identifiable risks in the organization. The Company also has Asset Liability Management Committee (ALCO), Risk Management Committee and Audit Committee for overseeing the risk management measures.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

We have invested in a new Company, incorporated on August 05, 2022 amount of Rs. 15,00,000/- for 30% holding in Equity Shares named MASFIN Insurance Broking Private Limited.

Pursuant to the provision of Section 129(3) of the Companies Act, 2013, the performance and financial position of Subsidiaries, Associates and Joint Venture companies are described in Form AOC-1 which is annexed herewith as "***Annexure – E***".

PARTICULARS OF EMPLOYEES:

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a 'Policy for Prevention of Sexual Harassment' to prohibit, prevent or deter any acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment, thereby providing a safe and healthy work environment, in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 and the rules thereunder.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Details of complaints of sexual harassment as prescribed under rule 8(5)(x) of the Companies (Accounts) Rules, 2014 are as follows:

Sr. No.	Particulars	No. of Complaints
1.	Number of complaints of sexual harassment received in the year	Nil
2.	Number of complaints disposed off during the year	Nil
3.	Number of cases pending for more than ninety days	Nil

COMPLIANCE WITH MATERNITY BENEFIT ACT 1961

We are dedicated to supporting our employees by providing industry-leading benefits, including accidental insurance and maternity/paternity benefits as per the applicable laws. We have a board-approved Employee Health & Safety Policy, which reflects our commitment to maintaining a safe and healthy work environment for all employees. As part of this initiative, we conducted training sessions focused on health and safety practices to further enhance workplace well-being. We have complied with the provisions relating to the Maternity Benefit Act 1961.

DISCLOSURE FOR MAINTENANCE OF COST RECORDS:

The provision of Application of Cost Record in Compliance of Companies (Accounts) Rules, 2014 & in respect of section 148(1) of the Companies Act, 2013 is not applicable to the Company.

GENERAL DISCLOSURE:

Your Directors state that the Company has made disclosures in this report for the items prescribed in section 134(3) of the Act and Rule 8 of The Companies (Accounts) Rules, 2014 to the extent the transactions took place on those items during the year.

Your Directors further state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

a. Issue of Equity Shares with differential rights as to dividend, voting or otherwise;
b. Issue of shares (including sweat equity shares) to employees of the Company under any scheme and ESOS;
c. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

ACKNOWLEDGEMENTS:

Your Directors sincerely express their deep appreciation to employees at all levels and its core team in special who so selflessly work for the company with immense dedication. Your Directors also extend their deep appreciation to NHB, RBI, lenders, customers and shareholders for their sustained support and co-operation and hope that the same will continue in future. I understand, we have miles to go…… and together we can and we will……

For & On behalf of the Board of Directors of
MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED

KAMLESH C. GANDHI
CHAIRMAN & MANAGING DIRECTOR
DIN: 00044852

Date : July 16, 2025
Place : Ahmedabad

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- **Industry Structure and Developments:**

The housing finance industry in India witnessed significant structural and policy-driven developments during the financial year 2024–25, driven by continued momentum in economic recovery, sustained demand for residential real estate, and proactive regulatory oversight. The industry continued to play a pivotal role in the government's agenda for affordable housing and financial inclusion, while also adapting to evolving market dynamics and digital innovations.

Market Structure and Dynamics

The housing finance sector remains a key component of the broader financial services ecosystem, comprising Housing Finance Companies (HFCs), Non-Banking Financial Companies (NBFCs), and commercial banks. During FY 2024–25, the sector experienced stable credit growth, supported by low delinquencies in the affordable and mid-income housing segments. HFCs continued to maintain a strong presence in Tier II and Tier III cities, leveraging their domain expertise and customer-focused approach.

The year also saw enhanced consolidation and realignment, with a few mid-sized HFCs exploring strategic mergers or partnerships to scale operations, optimize capital allocation, and comply with evolving regulatory norms. Larger players demonstrated greater resilience and continued to expand their loan books, buoyed by strong underwriting standards and robust asset quality.

Technological Advancements

FY 2024–25 was marked by accelerated digital transformation across the housing finance value chain. Leading HFCs increasingly leveraged AI-driven credit assessment tools, paperless onboarding processes, and automated loan servicing platforms to improve customer experience, reduce operational costs, and enhance portfolio monitoring. Fintech collaborations gained traction, enabling more agile and inclusive lending, especially in underserved regions.

The adoption of Account Aggregator (AA) framework and continued improvements in public digital infrastructure (such as DigiLocker, CKYC, and UPI) played a key role in enabling seamless credit evaluation and faster disbursals.

Government of India's Introduction of PMAY 2.0

In FY 2024–25, the Government of India introduced Pradhan Mantri Awas Yojana 2.0 (PMAY 2.0)—a strategic continuation and expansion of its flagship housing initiative aimed at realizing the vision of "Housing for All". Building on the achievements of PMAY (Urban and Rural) since its inception in 2015, PMAY 2.0 seeks to address the evolving housing needs of the nation, while embedding sustainability, resilience, and inclusivity at the core of affordable housing development.

Key Features of PMAY 2.0

1. **Inclusivity and Focus on Vulnerable Groups:**
   PMAY-U 2.0 provides financial assistance to EWS (up to Rs. 3 lakh), LIG (Rs. 3 lakh to Rs. 6 lakh), and MIG (Rs. 6 lakh to Rs. 9 lakh) income groups. The scheme prioritizes widows, persons with disabilities, senior citizens, and other marginalized communities. Houses are to be registered in the name of the female head of the household or jointly, promoting women empowerment. The scheme targets 1 crore housing units, ensuring inclusivity in both rural and semi-urban settings.

2. **Digital-First Implementation**
   A strengthened digital governance framework has been deployed under PMAY 2.0, with an integrated portal for beneficiary registration, real-time monitoring, and geotagging of projects, improving transparency and accountability.

3. **Inclusive Financing Mechanism**
   The scheme emphasizes collaboration with banks, NBFCs, and Housing Finance Companies (HFCs) to ensure a wider and deeper credit delivery network. Enhanced credit guarantees for lending institutions and increased support for self-constructed homes are notable inclusions.

4. **Focus on Rental Housing and Urban Poor**
   In alignment with the Model Tenancy Act, PMAY 2.0 also includes measures to promote Affordable Rental Housing Complexes (ARHCs) for urban migrants and workers, thereby addressing mobility-linked housing demand.

5. **Special Preference under the Scheme.**
   Preference under the Scheme will be given to Widows, single women, Persons with Disabilities, Senior Citizens, Transgenders, persons belonging to Scheduled Castes/Scheduled Tribes, Minorities and other weaker and vulnerable sections of the society. Special focus will be given to Safai Karmi, Street Vendors identified under PMSVANidhi Scheme and different artisans under Pradhan Mantri-Vishwakarma Scheme, Anganwadi workers, building and other construction workers, residents of slums/chawls and other groups identified during operation of PMAY-U 2.0.

Coverage:

All Statutory Towns as per Census 2011 and towns notified subsequently and areas falling within the boundary of Notified Planning Areas, Notified Planning/ Development area under the jurisdiction of Industrial Development Authority/Special Area Development Authority/Urban Development Authority or any such Authority under State legislation which is entrusted with the functions of urban planning and regulations shall be included for the coverage under the Scheme for all verticals.

The Cities/Towns and areas falling under Notified Planning Areas, Notified Planning/Development area under the jurisdiction of Industrial Development Authority/Special Area Development Authority/Urban Development Authority or any such Authority, where PMAY-U is being implemented will continue to be covered under PMAY-U 2.0. Cities/towns which were not part of PMAY-U may also be included in PMAY-U 2.0 with due approval of MoHUA.

Implications for the Housing Finance Sector

The launch of PMAY 2.0 is expected to significantly stimulate demand for affordable housing finance, especially in Tier II and Tier III cities. The revised subsidy framework and emphasis on formal credit inclusion are likely to expand the addressable customer base for Housing Finance Companies (HFCs). Moreover, the integration of sustainable construction norms opens new avenues for green housing finance products and ESG-linked lending.

The continued policy support reaffirms the government's commitment to inclusive urbanization and provides a stable, long-term growth outlook for stakeholders across the housing value chain.

- **Opportunities & Threats:**

OPPORTUNITIES

- **Continued Policy Support for Affordable Housing**
  The launch of PMAY 2.0 and extended fiscal incentives for first-time homebuyers provide strong tailwinds for the housing finance sector. Enhanced credit-linked subsidies and tax benefits under Section 80EEA continue to stimulate end-user demand, particularly in the EWS and LIG segments.

- **Expanding Urbanization and Demographic Demand**
  Rapid urban migration, a growing middle class, and nuclear family structures are driving sustained housing demand, especially in Tier II and Tier III cities. This offers HFCs an opportunity to deepen market penetration beyond metropolitan regions.

- **Digital Transformation and Fintech Collaborations**
  Increased adoption of digital lending platforms, AI-driven underwriting, and Account Aggregator (AA) frameworks have opened avenues for cost-efficient and faster loan processing. Collaborations with fintechs enable access to underserved segments and facilitate scalable operations.

- **Green and Sustainable Housing Finance**
  PMAY 2.0's emphasis on sustainable housing and government-led green certification standards are expected to create a new sub-segment within housing finance, offering HFCs an opportunity to develop green loan products and align with ESG investment trends.

- **Regulatory Clarity and Financial Inclusion Mandates**
  Streamlined regulatory frameworks and the RBI's efforts to harmonize norms across NBFCs and HFCs have created a more stable operating environment. Simultaneously, initiatives to formalize informal income groups (e.g., gig workers) expand the eligible borrower pool.

THREATS

- **Inflationary Pressures on Construction Costs**
  Persistent inflation in input materials such as cement, steel, and labor may increase overall project costs, leading to delays or price escalations, potentially dampening new homebuyer enthusiasm.

- **Asset Quality Pressures in Informal Segment**
  Lending to customers with informal income or limited credit history, while offering high growth potential, also exposes HFCs to higher credit risk. Portfolio vulnerability in this segment remains a challenge, especially in the absence of robust risk underwriting frameworks.

- **Increased Competition from Banks and Fintechs**
  The re-entry of large banks into the affordable housing finance segment, coupled with digitally agile fintech startups, is intensifying competitive pressures. HFCs may face margin compression and the need for differentiated customer engagement strategies.

- **Rising Interest Rate Environment**
  While policy rates have largely stabilized, any future upward movements in borrowing costs could affect loan affordability and housing demand, especially among interest rate-sensitive borrower segments.

In summary, while the housing finance industry in FY 2024–25 continues to benefit from supportive policy measures, favorable demographics, and digitization, it must also navigate macroeconomic headwinds, competitive intensity, and evolving regulatory expectations. Institutions with strong capital buffers, digital capabilities, and prudent risk frameworks are best positioned to capitalize on emerging opportunities.

- **Outlook:**

The outlook for the housing finance industry in India remains structurally robust and optimistic, supported by favorable macroeconomic conditions, policy continuity, and the growing aspiration for home ownership. As the nation progresses toward its long-term goal of "Housing for All," the role of Housing Finance Companies (HFCs) and related financial institutions is expected to become increasingly pivotal in enabling inclusive, sustainable, and technology-led housing growth.

Key Growth Drivers

1. Policy and Regulatory Support

The launch of Pradhan Mantri Awas Yojana 2.0 (PMAY 2.0) has reaffirmed the Government of India's commitment to expanding access to affordable and environmentally sustainable housing. The scheme's extended tenure through 2030 and its enhanced focus on credit facilitation, rental housing, and green construction are expected to unlock new demand, particularly in semi-urban and rural geographies.

2. Favorable Demographics and Urbanization Trends

Rising urban migration, a youthful population, and the shift toward nuclear families are sustaining long-term demand for residential housing. Tier II and Tier III cities, in particular, are expected to be the next engines of growth, offering substantial opportunity for geographic expansion of housing finance services.

3. Technological Advancements

The ongoing digital transformation across the lending ecosystem—spanning customer onboarding, credit evaluation, disbursal, and collections—is enabling greater efficiency, faster turnaround times, and enhanced customer experience. HFCs that embrace innovation and data-driven decision-making are well-positioned to expand their reach and improve operational scalability.

4. Evolving Customer Segments

With rising formalization of the informal economy, gig workers, self-employed individuals, and small business owners are emerging as important borrower segments. Financial institutions that can tailor lending products to meet the needs of these non-traditional customers will gain a strategic advantage.

Risks and Headwinds

While the medium- to long-term prospects are promising, the industry must remain vigilant against near-term challenges including:

- Interest rate sensitivity affecting borrower affordability and loan demand.
- Regulatory tightening related to capital adequacy, asset classification, and risk provisioning, which may impact profitability, particularly for smaller HFCs.
- Competitive intensity from banks, fintechs, and digital NBFCs, which could pressure margins and customer retention.
- Macroeconomic uncertainties, including inflation and geopolitical factors, which could indirectly influence consumer sentiment and investment in real estate.

Strategic Outlook

Overall, the housing finance industry is poised for measured yet resilient growth in FY 2025 and beyond. The interplay of progressive government initiatives, financial inclusion imperatives, and evolving customer preferences presents an enabling environment for HFCs to strengthen their value proposition. Institutions that demonstrate prudence in risk management, agility in technology adoption, and alignment with sustainable housing goals will be best positioned to navigate volatility and lead the next phase of growth in the sector.

Overview

We, MAS Rural Housing & Mortgage Finance Limited ("MRHMFL") are a housing finance company registered with National Housing Bank. MRHMFL has an endeavour to realize the dream of millions of Indian Households to "OWN A HOME". The focus is to serve the middle income segment of the society, which we reckon as one of the key drivers of the housing industry. This segment is largely characterized by the informal but credit worthy class. This class is spread across the length and breadth of the country, be it urban, semi-urban or rural.

Extending "Credit where it is due" remains the main plank, as far as credit delivery is concerned in consistent with the endeavour of the group since the last two decades of building quality assets.

Mission of MRHMFL is to be a very significant provider of efficient financial services in the housing loan segment, thereby being a catalyst in realizing the dreams of the millions of households, especially among the LIG and MIG class in semi urban and rural areas and create value on a very large scale.

- **Focusing on fundamentals – A key for navigating through tough times:**

- Over the years we have learnt, experienced and practiced: "focusing on fundamentals." This has enabled us to navigate through various crisis, may be liability/asset led. Registering a steady growth accompanied by very high quality of assets even during this trying time is the testimony to our focus on fundamentals. On the liability side, utmost care is taken on maintaining the right asset-liability mix while focusing on creating quality assets leading to very negligible credit losses. This has helped the company to grow profitably and steadily but solidly. This according to us lays a very strong foundation for future scalability. It is worth mentioning that this type of working is highly respected by our lenders and investors.

- **Loan Products**

MRHMFL's major focus has been to provide home loans to individuals and families for purchase, construction and extension and renovation. MRHMFL provides loans to individuals who are salaried, self-employed professionals, self- employed non-professionals and agriculturist. MRHMFL also provides construction finance to developers who are developing housing projects and commercial properties on the basis of detailed evaluation of the project. Apart from home loans MRHMFL provides loan for purchase, construction of commercial property on non-agricultural land situated within municipal/local development authority limits.

MRHMFL also offers home loans under the Affordable Housing Fund (AHF) scheme wherein loans are given in urban areas for families having annual household income up to INR 6 lakh. Since NHB offers refinance at concessional rate of interest under the scheme, the ultimate rate of interest applicable on loans to beneficiaries is regulated with a cap on the spread.

MRHMFL has also signed an MOU with the NHB which is the Central Nodal Agency under the Pradhan Mantri Awas Yojana 2.0 (PMAY 2.0) for the Interest Subsidy Scheme for EWS/LIG/MIG categories. The subsidy received from the Government through the Central Nodal Agency under this scheme, is being passed on to the beneficiaries by way of prepayment with a reduction in their instalments.

- **Marketing Efforts**

To ensure a deeper geographic reach, MRHMFL has been sourcing retail business through Direct Sales Team, Builder Tie-ups and third party channels by appointment of MRHMFL Referral Associates. Referral Associates only sources the loans while MRHMFL retains control over the credit, legal and technical appraisals.

MRHMFL is operating in four states - Gujarat, Maharashtra, Madhya Pradesh and Rajasthan. MRHMFL has 91 branches across these four states.

MRHMFL conducts outreach programmes from its retail offices to potential taluka places. The outreach marketing programme also serves as collection centre for collecting instalments besides providing services of enquiry handling and file opening.

MRHMFL has also conducted direct marketing activities like loan melas at lead source points of 1) Urban areas viz Industrial Development Corporations / Office Complexes / Under construction sites / Prominent Places and 2) Rural, Villages at Milk Dairy / Gram Panchayat Office Premises / places of referrals where there are good footfalls of prospective customers.

MRHMFL has also started its marketing activities through various social media handles and also provides the Product Information messages are sent to Builders, Developers, DSA etc through social media and SMSs.

The Company has expanded the business in Gujarat Rural Regions viz – Central Gujarat / Saurashtra / South Gujarat in 2023-24 which had started giving us additional business and will scale up in 2024-25.

The Company continues to enhance its presence in Tier-II, Tier III and Rural areas. Accordingly company has opened 6 branches in FY 2024-25 and planned further 25 branches in the first half of FY 2025-26.

- **Disbursements**

MRHMFL disbursed INR **272.59** Crores during the year as against INR 264.63 Crores in the previous year. MRHMFL disbursed loans of INR **156.75** Crores (previous year INR 161.51 Crores) for home purchase and renovation.

MRHMFL disbursed home loans to **1944** families (previous year 2024 families) and the average home loan to individuals was maintained at INR 0.08 Crores.

MRHMFL disbursed loans of INR **97.43** Crores (previous year INR 71.99 Crores) for purchase of Non Residential Property/Commercial Property.

- **Loans**

The loan approval process at MRHMFL is decentralized with varying approval limits. Approvals of lending proposals are carried out by retail sanctioning committees/persons up to the limits delegated.

Approvals beyond certain limits are referred to the Committee of Management.

During the year, MRHMFL's total outstanding loans increased to INR 768.09 Crores from INR 596.29 Crores, showing a growth of 28.81% as compared to the previous year.

MRHMFL's total outstanding home loans to individuals of INR 545.10 crores constitute 70.97% of the total outstanding loans. Loans to individuals for non-residential premises (NRP) of INR 201.79 Crores constituted 26.27% of the total outstanding loans. The outstanding loans to developers of INR 21.20 Crores constituted 2.76% of the total outstanding loans.

- **Provision for Impairment of Loans**

The Company has recognised impairment loss on loans based on the ECL model as required by Ind AS 109. Accordingly, MRHMFL has made a provision for impairment of INR 2.29 Crore towards Stage I loans and INR 2.66 Crore towards Stage II loans.

MRHMFL's Stage III loan assets as at March 31, 2025 were INR 7.25 Crores on which MRHMFL has made a provision of INR 2.23 Crores.

MRHMFL therefore carries a total provision of INR 7.18 Crores on its total assets as per IND AS 109.

- **<u>RBI and NHB Guidelines and Prudential Norms</u>**

MRHMFL has complied with the guidelines issued by RBI and NHB regarding accounting guidelines, prudential norms for capital adequacy, concentration of credit, credit rating, Know Your Customer (KYC) guidelines and Anti Money Laundering (AML) Standards, Fair Practices Code, grievance redressal mechanism, recovery of dues. The Company has provided for impairment of loans and advances as per IND AS 109 prescribed under section 133 of the Companies Act, 2013 and as per the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

MRHMFL's total borrowings as at March 31, 2025 of INR 457.11 Crores were within the permissible limit of RBI and NHB Directions.

MRHMFL's CAR as at March 31, 2025 was 34.73% as against prescribed limit of 15%. The Capital Adequacy on account of Tier I Capital was 29.77% while the Capital Adequacy on account of the Tier II Capital was 4.96%.

- **<u>Principal Business Criteria for HFC's</u>**

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

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

RBI vide its circular number RBI/2020-21/73/DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 defined the principal business criteria for HFC's. The Company has complied and is meeting the aforesaid principal business criteria for HFC.

Particulars	As on March 31, 2025 (Amount)
Total Assets	611.02
Less : Intangible assets	1.87
Net total assets	609.15
Housing Finance	373.00
Housing Finance for Individuals	351.79
Percentage of housing finance to total assets (netted off intangible assets	61.23%
Percentage of individual housing finance to total assets (netted off intangible assets)	57.75%
Percentage of individual housing finance to housing finance	94.31%

- **<u>Risks & Concerns</u>**

Risk Management is the process by which the company identifies, measures, monitors and controls its risk exposure in order to ensure that risks are within the tolerance level set by the company and are clearly understood at relevant levels across the Company.

Asset Liability Management Committee [ALCO]

For management of Market Risk, the Board has constituted the Asset Liability Management Committee (ALCO). It functions on the basis of a policy detailing the objectives & scope of Asset Liability Management in the company, duly approved by the Board. The role of ALCO is to:

a. Review at periodic intervals the Liquidity Risk through Structural Liquidity and Dynamic Liquidity, Interest Rate Risk sensitivity.
b. Review the pricing of various products of the company.
c. Evaluate new business products, any variants of the existing products or any cost cutting measure, with particular focus on the pricing aspects, and make suitable recommendations to the company.

Credit Risk Management

For management of credit risk, the board has constituted Credit Policy. Operational team functions on the basis of a policy detailing the objective and scope. The Company has adopted mechanism of categorization of borrowers in different categories on the basis of their profile and risk attached.

The Company has recognized following risk mitigants:

- Adjusting the cost of credit according to the credit strength of the borrower.

- Credit tightening, or reducing the amount of credit available to higher risk applicants;
- Diversification or increasing the portfolio mix of borrowers.
- Interest rate sensitivity analysis.

Operational Risk

Operational Risk is the chances of loss associated with Company's operations. Examples of such loss events are (I) external fraud, (ii) internal fraud, (iii) damage to physical assets, (iv) loss on account of faulty business practices and procedures, (v) business disruption and system failures (vi) Employment practices and workplace safety (vii) Execution Delivery and Process Management etc.

Operational Risk of the company is overseen by the Director & COO along with internal members of the company set up for the purpose. Internal control system would be set up led by the Internal Audit Head. Major discrepancies if any would be reported to audit committee by the Internal Audit Head.

The Company has recognized following risk mitigants:

- **Task Segregation**: Effective segregation of tasks and duties reduces internal theft and risks related to fraud. This prevents one individual from taking advantage of the numerous aspects of transactions and business processes or practices.

- **Curtailing complexities in business processes:** Reducing complexity in different business processes radically mitigates operational risks. Curtailing manual activities and the number of people and exceptions that rise during the implementation of business processes is important.

- **Reinforcing organizational ethics:** Creating a strong ethical compass within the organization is highly effective in mitigating operational risks management. Organizational ethics can be reinforced by combining personal values and principles of the workforce with the ideology of the organization.

- **The right people for the right job:** Having the right people in the right jobs can reduce issues pertaining to business process execution and skill and technology usage. This also results in appropriate workforce utilization, adherence to timelines, enhanced quality, and fewer errors and process breakdowns.

- **Monitoring and evaluations at regular intervals:** Business processes are more effective with well-designed performance indicators in place. Key Performance Indicators (KPIs) are critical for timely detection and mitigation of risks, provided they are continuously monitored and reviewed. This helps to identify discrepancies proactively and manage them accordingly.

- **Periodic risk assessment:** Periodic assessments of all facets of operational risks bring more relief to organizational management. It is imperative to be risk-ready by gauging regulatory obligations, IT assets, skills, competencies, processes and business decisions.

- **Look back and learn:** Risk incidents and various remedial activities employed in the past make way for some of the most effective strategies to counter future risks. Previous risk occurrences help to implementing a stronger, proactive operational risk management framework. It also supports real-time amendments that suit the current operating scenario.

Market Risk

Market risk is the potential loss due to changes in market prices or values. It is also known as systematic risk or un-diversifiable or volatility risk. This type of risk is both unpredictable and impossible to completely avoid.

- Making adequate Loss provisions to cover expected losses.
- Screening alternative courses of action by performing a risk assessment, and enforcing a threshold criterion for acceptable risk. Alternatives that fail to meet the set criterion are rejected.
- Assessment of potential demands for liquidity during a stressful period relative to the potential sources of liquidity.
- Expanding the size and number of available sources, for example, the interbank market.

- **Central Registry**

The Government of India has set up the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) under section 21 of the SARFAESI Act, 2002 to have a central database of all mortgages created by lending institutions. The object of this registry is to compile and maintain data relating to all transactions secured by mortgages. All Banks & Housing Finance Companies (HFCs) which fall under the purview of SARFAESI Act are required to register with CERSAI and submit the data in respect of all properties mortgaged in its favour.

- **Internal Audit and Control**

MRHMFL has an adequate system of internal control in place which has been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliance with regulations and for ensuring reliability of financial reporting. MRHMFL has documented procedures covering all financial and operating functions.

MRHMFL has robust internal audit programme, where the internal auditors, an in-house team of internal audit led by the internal audit head along with the support of an independent firm of chartered accountants, conduct a planned audit with a view to not only test adherence to laid down policies and procedures but also to suggest improvements in processes and systems. Their audit program is agreed upon by the Audit Committee. Internal audit observations and recommendations are reported to the Audit Committee, which monitors the implementation of such recommendations.

- **Statement of Profit and Loss**

  Key elements of the statement of profit and loss for the year ended March 31, 2025 are:

❖ Profit before tax grew by 26.24% and Profit after tax grew by 26.14% as against the previous year.

❖ Current year tax provision amounted to INR 2.53 Crore as compared to INR 1.99 Crore in the previous year. The effective income tax rate for the current year was 20.90% against 20.83% in the previous year.

❖ Pre-tax return on average assets was 2.21% in the current year as against 2.29% in the previous year. Post-tax return on average assets was 1.75% as against 1.81% in the previous year.

❖ The Earnings Per Share (Basic) was INR 4.14 for the current year against INR 3.57 for the previous year.

- **Material developments in Human Resources / Industrial Relations front, including number of people employed:**

  The Company believes that the quality and dynamism of its human capital has enabled it to significantly enhance customer experience and stakeholder's value. In order to sustain its growth the company works relentlessly towards being customer-focused, performance-driven and ready for the future. The workforce talent of the Company is more than 650 employees at the end of March 31, 2025. The talent management strategy of the Company strives to deliver its unique talent promise of 'building holistic business leaders. The enthusiasm of staff members continued to be high in sustaining positive growth of disbursements and in maintaining healthy recoveries. With the high level of commitment and loyalty by staff members, MRHMFL is confident to face the challenges of the tougher market conditions.

  Our Health and Safety norms are an important part of how we run our Company safely. It helps us safeguard the health and safety of our employees, customers, other stakeholders and visitors. Our dedication to health and safety at work focuses on continuous improvement of occupational health and safety practises. We make conscious and concerted efforts and investments to raise awareness at workplace, fostering a community with workers committed to health and safety standards.

- **Cautionary Statement**

  The statements made in this report describing the Company's objectives, estimations, expectations or projections, outlooks constitute forward-looking statements within the meaning of applicable securities laws and regulations. Actual results may differ from such expectations, projections, among others, whether express or implied. The statements are based on certain assumptions and future events over which the Company has no direct control. The Company assumes no responsibility to publicly amend, modify and revise any of the statements on the basis of any subsequent developments, information or events.

ANNEXURE - A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES
[Pursuant to clause (o) of Sub-Section 3 of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

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

Corporate Social Responsibility is a Company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large.

MAS Group has always been actively involved in various **C**orporate **S**ocial **R**esponsibility (CSR) activities. We are committed to make a difference by placing priority on giving back to our community and believe that businesses can only be successful when they are engaged in making the world a better place.

During the year, the Company has undertaken various initiatives in the area of Education.

2. **Composition of CSR Committee:**

Not Applicable, as the amount spent under CSR is less than Rs. 50 Lakh.

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

Weblink of Company's CSR policy and CSR projects are provided below. However, Company has not constituted CSR Committee as the amount to be spent on CSR is less than Rs. 50 lakhs and accordingly company is not required to provide the weblink of composition of CSR Committee.

Composition of CSR Committee	:	Not Applicable
Company's CSR Policy	:	www.mrhmfl.co.in
CSR Projects'	:	www.mrhmfl.co.in

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable**

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable**

6. **Average Net Profit of the Company as per Section 135(5): Rs. 7,81,49,428.00/-**

7. **(a) Two percent of average net profit of the company as per section 135(5): Rs. 15,62,989.00/-**
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
   (c) Amount required to be set off for the financial year, if any: NIL
   (d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 15,62,989.00/-

8. **(a) Details of CSR amount spent or unspent for the financial year:**

<table>
<tr><th rowspan="3">Total Amount Spent for the Financial Year. (in Rs.)</th><th colspan="5">Amount Unspent (in Rs.)</th></tr>
<tr><th colspan="2">Total Amount transferred to Unspent CSR Account as per Section 135(6)</th><th colspan="3">Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)</th></tr>
<tr><th>Amount</th><th>Date of Transfer</th><th>Name of Fund</th><th>Amount</th><th>Date of Transfer</th></tr>
<tr><td>15,62,989.00</td><td colspan="2">Not Applicable</td><td colspan="3">Not Applicable</td></tr>
</table>

(b) Details of CSR amount spent against Ongoing Projects for the financial year:

<table>
<tr><th>1</th><th>2</th><th>3</th><th>4</th><th colspan="2">5</th><th>6</th><th>7</th><th>8</th><th>9</th><th>10</th><th colspan="2">11</th></tr>
<tr><th rowspan="2">Sr. No.</th><th rowspan="2">Name of the Project</th><th rowspan="2">Item from the list of activities in Schedule VII to the Act.</th><th rowspan="2">Local Area (Yes/No)</th><th colspan="2">Location of the Project</th><th rowspan="2">Project Duration</th><th rowspan="2">Amount allocated for the project (in Rs. Crores)</th><th rowspan="2">Amount spent in the current financial Year (in Rs. Crores)</th><th rowspan="2">Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs. Crores)</th><th rowspan="2">Mode of Implementation – Direct (Yes/No)</th><th colspan="2">Mode of Implementation - Through Implementing Agency</th></tr>
<tr><th>State</th><th>District</th><th>Name</th><th>CSR Registration Number</th></tr>
<tr><td colspan="13">Not Applicable</td></tr>
</table>

(c) Details of CSR amount spent against other than Ongoing Projects for the financial year:

1	2	3	4	5		6	7	8	
Sr. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local Area (Yes/No)**	**Location of the Project**		**Amount spent for the project (in Rs.)**	**Mode of Implementation – Direct (Yes/No)**	**Mode of Implementation - Through Implementing Agency**	
				State	**District**			**Name**	**CSR Registration Number**
1.	MAS Shiksha Abhiyan	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Gujarat	Ahmedabad and Gandhinagar	15,71,049	Yes	Not Applicable	
	TOTAL					15,71,049			

(d) Amount spent in Administrative Overheads: Nil
(e) Amount spent on Impact Assessment, if applicable: NA
(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 15,71,049/-
(g) Excess amount for set-off, if any: NA

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of Transfer	
Not Applicable							

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed /Ongoing.
Not Applicable								

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

(a) Date of creation or acquisition of capital asset(s).
(b) Amount of CSR spent for creation or acquisition of capital asset.
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): Not Applicable

Kamlesh Gandhi
Chairman & Managing Director
DIN: 00044852

Date : July 16, 2025
Place : Ahmedabad

ANNEXURE - B TO DIRECTORS' REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014]

To,
The Members,
MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED
CIN: U74900GJ2007PLC051383

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the records of MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2025 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliances mechanism in place to the extent , in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and record maintained by MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED (CIN: U74900GJ2007PLC051383) for the financial year ended on March 31, 2025 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under;
ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

2. The provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report:

i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
iv. The Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021;
v. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; and
vi. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
vii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

3. Other laws as applicable specifically to the Company:

i. Reserve Bank of India Act, 1934.
ii. National Housing Bank (NHB) Act, 1987;
iii. Housing Finance Companies (NHB) Directions, 2010;
iv. Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (w.e.f. February 17, 2021);
v. Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

4. The provisions and guidelines prescribed under the Securities Contracts (Regulation) Act, 1956 ('SCRA') and rules made there under were **not applicable** to the Company during the Financial Year under report.

5. The provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings were **not applicable** to the Company during the Financial Year under report.

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We report further that the compliance of applicable Labour laws and financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.

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

All decisions at Board Meetings & Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or the Committees of the Board, as the case may be.

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

We further report that during the audit period there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place: Ahmedabad
Date: June 30, 2025

FOR, PARTH P SHAH & ASSOCIATES
PRACTICING COMPANY SECRETARIES

Parth P Shah
Proprietor
FCS No.: 11871
C P No.: 18640
Peer Review Certificate No.: 1949/2022
UDIN: F011871G000683993

This Report is to be read with my letter of even date which is annexed as Annexure A and Forms an integral part of this report

ANNEXURE-A to MR-3

To
The Members,
MAS Rural Housing & Mortgage Finance Limited
CIN: U74900GJ2007PLC051383

Our report of even date is to be read along with this letter:

MANAGEMENT RESPONSIBILITY:

I. Maintenance of secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively is the responsibility of the management of the Company. our responsibility is to express an opinion on these secretarial records based on our audit;

II. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for our opinion;

III. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company, related party transactions figures and AS-18 disclosures of the Company provided to us or verified compliances of laws other than those mentioned above;

IV. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;

V. We have obtained Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.

VI. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad
Date: June 30, 2025

FOR, PARTH P SHAH & ASSOCIATES
PRACTICING COMPANY SECRETARIES

Parth P Shah
Proprietor
FCS No.: 11871
C P No.: 18640
Peer Review Certificate No.: 1949/2022
UDIN: F011871G000683993

ANNEXURE - C TO DIRECTORS' REPORT

MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED

FORM NO. AOC -2

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

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

I. Details of Contracts or Arrangements or Transactions at Arms length basis for the year ended March 31, 2025.

Sl No.	Particulars	Details
a.	Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration number	L65910GJ1995PLC026064
b.	Name(s) of the related party & nature of relationship	MAS Financial Services Limited (MFSL) Holding Company
c.	Nature of contracts / arrangements / transaction	Availing of Services
d.	Duration of the contracts / arrangements / transaction	One Year
e.	Salient terms of the contracts or arrangements or transaction including actual / expected contractual amount, if any.	MFSL agrees to provide MRHMFL within the premises the amenities, services, facilities- Usage of commercial premises of MFSL, furniture's & fixtures including computers, telephone lines, networks, use of water and water supply, and other necessary amenities for carrying on business activities smoothly.
f.	Date of approval by the Board	July 17, 2024
g.	Amount paid as advances, if any	No such amount was paid as advances.

Sl. No.	Particulars	Details
a.	Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration number	L65910GJ1995PLC026064
b.	Name(s) of the related party & nature of relationship	MAS Financial Services Limited Holding Company
c.	Nature of contracts/arrangements/transaction	Availing of Services
d.	Duration of the contracts/arrangements/transaction	Two Years
e.	Salient terms of the contracts or arrangements or transaction including actual / expected contractual amount, if any.	MRHMFL appoints MFSL as recovery agent to collect outstanding instalments and other dues from its customers and MFSL in consideration accepts appointment and agrees to provide the said service under the terms and conditions as set forth.
f.	Date of approval by the Board	March 27, 2023
g.	Amount paid as advances, if any	No such amount was paid as advances.

Sl. No.	Particulars	Details
a.	Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration number	L65910GJ1995PLC026064
b.	Name(s) of the related party & nature of relationship	MAS Financial Services Limited Holding Company
c.	Nature of contracts/arrangements/transaction	Availing of Services
d.	Duration of the contracts/arrangements/transaction	One Year
e.	Salient terms of the contracts or arrangements or transaction including actual / expected contractual amount, if any.	The Executive Management of MAS Financial Services Limited will share several intellectual services to MAS Rural Housing & Mortgage Finance Limited to carry out the Operations of the Company effectively. Since the remuneration for their services is paid by MAS Financial Services Limited and considering various parameters to look in to the activities of the Company, MRHMFL will pay an amount decided by the Board of Directors as Cross Charge payment to share the Cost of Remuneration of the Executive Management.
f.	Date of approval by the Board	July 17, 2024
g.	Amount paid as advances, if any	No such amount was paid as advances.

Sl. No.	Particulars	Details
a.	Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration number	L65910GJ1995PLC026064
b.	Name(s) of the related party & nature of relationship	MAS Financial Services Limited Holding Company
c.	Nature of contracts/arrangements/transaction	Providing Services
d.	Duration of the contracts/arrangements/transaction	One Year
e.	Salient terms of the contracts or arrangements or transaction including actual / expected contractual amount, if any.	MRHMFL is appointed as a servicer to collect and receive payments in respect of the Receivables and the Assigned Assets, and to provide certain other services.
f.	Date of approval by the Board	July 17, 2024
g.	Amount paid as advances, if any	No such amount was paid as advances.

II. Details of Contracts or Arrangements or Transactions not at Arms length basis.

Sl No.	Particulars	Details
a.	Name(s) of the related party & nature of relationship	N.A.
b.	Nature of contracts/arrangements/transaction	N.A.
c.	Duration of the contracts/arrangements/transaction	N.A.
d.	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
e.	Justification for entering into such contracts or arrangements or transactions.	N.A.
f.	Date of approval by the Board	N.A.
g.	Amount paid as advances, if any	N.A.
h.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A.

For & On behalf of the Board of Directors of
MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED

KAMLESH C. GANDHI
CHAIRMAN & MANAGING DIRECTOR
DIN: 00044852

Date : July 16, 2025
Place : Ahmedabad

ANNEXURE - D

POLICY ON RELATED PARTY TRANSACTIONS

1) Prelude

The Company is a Housing Finance Company registered with the National Housing Bank, and is engaged in providing home loans rural, semi-urban and urban areas.

The Companies Act, 2013 ("the Act") places a lot of emphasis on Related Party Transactions. Provisions of the Act along with the relevant Rules governing Related Party Transactions have come into effect from April 1, 2014.

Section 177(4) of the Act deals with approval or any subsequent modification of transactions of the Company with related parties by the Audit Committee.

All Related Party Transactions pursuant to section 188 of the Act which are not in the ordinary course of business and/or not on an Arm's length basis require prior approval of the Board and if such transactions cross the threshold limits prescribed under the Act, such transactions also require the approval of shareholders of the Company by ordinary resolution and the Related Parties with whom transactions are being entered shall abstain from voting on such resolution(s).

It also requires specified related party transactions to be disclosed in the Board's Report along with the justification for entering into such transactions.

As per the requirements of Notification No. NHB. HFC. CG-DIR.1/MD&CEO/2016 issued by the National Housing Bank (NHB) vide which the NHB notified the Housing Finance Companies-Corporate Governance (National Housing Bank) Directions, 2016, and as per Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dt. February 17, 2021 the company shall disclose the policy on dealing with Related Party Transactions on its website and also in the Annual Report.

2) Objective of the Policy

The objective of this policy is to set out (a) the materiality thresholds for related party transactions and (b) the manner of dealing with the transactions between the Company and its related parties based on the Act, and any other laws and regulations as may be applicable to the Company; and (c) lay down guiding principles and mechanism to ensure proper approval, disclosure and reporting of transactions as applicable, between the company and any of its related parties in the best interest of the Company.

3) Applicability and Legal Framework

This Policy on Related Party Transactions shall be governed by the Act read with Rules made thereunder, as may be in force from time to time and regulations, if any, of RBI/NHB in this regard. Any references to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other statutory provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).

4) Definitions

"Arm's length transaction ('ALP')" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

"Related Party", with reference to a Company, shall have the same meaning as defined in Section 2(76) of the Companies Act, 2013.

"Related Party Transaction" (RPT) means – for the purpose of Companies Act, 2013, specified transactions mentioned in clause (a) to (g) of sub-section 1 of Section 188 of the Act.

5) Policy on Related Party Transactions:

All Related Party Transactions (before being entered into) must be reported to the Audit Committee for its approval in accordance with this Policy.

The Audit Committee shall periodically review this policy and may recommend amendments to this Policy from time to time as it deems appropriate.

6) Identification of potential related parties and transactions

Identification of related parties shall be as prescribed under section 2(76) of the Companies Act, 2013 and identification of related party transactions shall be as prescribed under section 188 of the Companies Act, 2013.

7) Approval of Related Party Transactions

a) Prior Approval of Audit Committee

All Related Party Transactions of the Company as prescribed under the Act shall require prior approval of Audit Committee, whether at a meeting or by way of a Resolution by circulation.

i) All Related Party Transactions will be submitted to the Audit Committee for prior approval irrespective of whether such transactions are in the ordinary course of business and/or at arm's length or not.
ii) Where the Company has entered into a master agreement with a related party, which stipulates details of every transaction like nature of the transaction, basis of pricing, credit terms, etc. the prior approval once given by the Audit Committee would suffice and Audit Committee would only note the transactions that are entered into pursuant to such master agreement and will not require any further approval of the Audit Committee unless there is any change in the terms of the master agreement.

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:

a) The Audit Committee shall, after obtaining the approval of the Board of Directors, specify the criteria for granting the omnibus approval in line with the Policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature.
b) The criteria for making omnibus approval shall include the following which shall be approved by the Board:-

    i) Maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year.
    ii) The maximum value per transaction which can be allowed.
    iii) Extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval.
    iv) Review, at such interval as the Audit Committee may deem fit, related party transaction entered into by the Company pursuant to each of the omnibus approval made.
    v) Transactions which cannot be subject to the omnibus approval by the Audit Committee.

    The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:-

    a. Repetitiveness of the transactions (in past or in future)
    b. Justification for the need of omnibus approval.

c) The Audit Committee shall satisfy itself on the need for omnibus approval and that such approval is in the interest of the Company;
d) Such omnibus approval shall specify (i) the name/s of the related party (ii) nature and duration of transaction/period of transaction (iii) maximum amount of transaction that can be entered into, (iv) the indicative base price/current contracted price and the

formula for variation in the price if any and (v) such other conditions as the Audit Committee may deem fit;

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding INR one crore per transaction.

The Audit Committee shall review on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.

Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of one financial year.

Such omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.

b) Approval of the Board of Directors of the Company:

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business and at arm's length basis, are placed before the Board for its approval. In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

1. Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
2. Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
3. Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.

c) Approval of the Shareholders of the Company:

All kinds of transactions specified under Section 188 of the Act which (a) are not in the ordinary course of business and at arm's length basis; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 are placed before the shareholders for its approval.

8) Disclosures

MRHMFL shall disclose, in the Board's report, transactions prescribed in section 188(1) of the Act with related parties, which are not in ordinary course of business or arm's length basis along with the justification for entering into such transaction.

9) Related Party Transactions not approved under this Policy

In the event the Company becomes aware of a transaction with a related party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all of the relevant facts and circumstances regarding the related party transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the related party transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Audit Committee under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate. In any case, where the Audit Committee determines not to ratify a related party transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the related party etc. In connection with any review/approval of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

****

ANNEXURE - E

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries /associate companies/joint ventures

Part "A": Subsidiaries / Associate Companies: Not applicable

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

1.	Name of associates/Joint Ventures	MASFIN INSURANCE BROKING PRIVATE LIMITED
2.	Latest audited Balance Sheet Date	31/03/2024
3.	Shares of Associate/Joint Ventures held by the company on the year end Number Amount of Investment in Associates/Joint Venture Extend of Holding%	1,50,000 30% of the Paid Up Capital
4.	Description of how there is significant influence	The Executive Management of the Company is same (Common Directors)
5.	Reason why the associate/joint venture is not consolidated	The accounts of the Associate Company are consolidated with our Holding Company – MAS Financial Services Limited
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	N.A.
7.	Profit/Loss for the year	
	(i) Considered in Consolidation	N.A.
	(ii) Not Considered in Consolidation	N.A.

1. Names of associates or joint ventures which are yet to commence operations: MASFIN INSURANCE BROKING PRIVATE LIMITED
2. Names of associates or joint ventures which have been liquidated or sold during the year: NIL

For & On behalf of the Board of Directors of
MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED

KAMLESH C. GANDHI
CHAIRMAN & MANAGING DIRECTOR
DIN: 00044852

Date **:** July 16, 2025
Place **:** Ahmedabad

ANNEXURE - F

1. Corporate Governance

The disclosures pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 under Corporate Governance are as follows:

1.1 Composition of Board

Sl. No.	Name of Director	Director since	Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Directorships*	Remuneration			No. of shares held in and convertible instruments held in the NBFC
					Held	Attended		Salary and other compensation	Sitting Fee	Commission	
1.	Mr. Kamlesh Gandhi	25/05/1995	Chairman & Managing Director	00044852	4	4	6	0.00	0.00	0.00	28,16,419 Equity Shares
2.	Mrs. Darshana Pandya	14/12/2016	Executive Director	07610402	4	4	4	0.00	0.00	0.00	100 Equity Shares
3.	Mr. Subir Nag	30/12/2015	Independent Director	02169915	4	3	3	0.00	1,05,000.00	0.00	Nil
4.	Mrs. Daksha Shah	17/01/2024	Independent Director	00376899	4	4	1	0.00	4,25,000.00	0.00	Nil
5.	Mr. Umesh Shah	25/10/2023	Independent Director	07685672	4	4	2	0.00	4,25,000.00	0.00	Nil

* Excluding Directorship of MAS Rural Housing & Mortgage Finance Limited;

- Details of change in composition of the Board during the current and previous financial year.

Sl. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Effective date
No changes during the year under review.				

Note:

1. Where an independent director resigns before expiry of her/his term, the reasons for resignation as given by her/him shall be disclosed: Not applicable
2. Details of any relationship amongst the directors inter-se shall be disclosed: Not applicable

1.2 Committees of the Board and their composition

(i) Names of the committees of the Board

- Audit Committee
- Nomination and Remuneration Committee:
- Risk Management Committee

(ii) Summarized terms of reference of the Committees along with following details.

Sr. No	Name of the Committee	Terms of Reference
1.	Audit Committee	i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company; ii) review and monitor the auditor's independence and performance, and effectiveness of audit process; iii) examination of the financial statement and the auditors' report thereon; iv) approval or any subsequent modification of transactions of the company with related parties; Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as may be prescribed;

		Provided further that in case of transaction, other than transactions referred to in section 188, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board: v) scrutiny of inter-corporate loans and investments; vi) valuation of undertakings or assets of the company, wherever it is necessary; vii) evaluation of internal financial controls and risk management systems; viii) Monitoring the end use of funds raised through public offers and related matters.
2.	Nomination and Remuneration Committee	1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down under the provisions of Companies Act, 2013 2. Recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. 3. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. 4. The Nomination and Remuneration Committee while formulating the policy shall ensure that — a. the level and composition of

		remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully; b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
3.	Risk Management Committee	1. To review and assess the risk management system and policy of the Company from time to time and recommend for amendment of modification thereof; 2. To frame, devise and monitor risk management plan and policy of the Company; 3. To review and recommend potential risk involved in any new business plans and processes;

1. **Audit Committee**

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Umesh Shah	April 1, 2024	Independent Director	4	4	Nil
2.	Mr. Daksha Shah	April 1, 2024	Independent Director	4	4	Nil
3.	Mrs. Darshana Pandya	January 29, 2021	Executive Director	4	4	100 Equity Shares

2. **Nomination and Remuneration Committee**

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mr. Umesh Shah	April 1, 2024	Independent Director	2	2	Nil
2.	Mr. Daksha Shah	April 1, 2024	Independent Director	2	2	Nil
3.	Mr. Subir Nag	December 14, 2016	Independent Director	2	1	Nil

3. Risk Management Committee

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
1.	Mrs. Darshana Pandya	March 7, 2017	Executive Director	4	4	100 Equity Shares
2.	Mr. Umesh Shah	April 1, 2024	Independent Director	4	4	Nil
3.	Mr. Daksha Shah	April 1, 2024	Independent Director	4	4	Nil

1.3 General Body Meetings

- Details of the date, place and special resolutions passed at the General Body Meetings

Sl. No.	Type of Meeting (Annual/ Extra Ordinary)	Date and Place	Special resolutions passed
1.	Annual General Meeting	The Annual General Meeting of the Company was held on 04/09/2024 at 5th Floor, Narayan Chambers, B/H Patang Hotel, Ashram Road, Ahmedabad - 380009	NA

Sl. No.	Type of Meeting (Annual/ Extra Ordinary)	Date and Place	Resolutions passed
2.	Extra Ordinary General Meeting	The Extra Ordinary General Meeting of the Company was held on 17/02/2025 at 5th Floor, Narayan Chambers, B/H Patang Hotel, Ashram Road, Ahmedabad – 380 009	1. Increase in Authorised Share Capital by way of reclassification of the Authorised Share Capital & consequently amendment of clause "V" of Memorandum of Association of the Company.

1.4 Details of non-compliance with requirements of Companies Act, 2013

During the year, the Company has complied with all the requirements of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.

1.5 Details of penalties and strictures

NBFCs should disclose details of penalties or stricture imposed on it by the Reserve Bank or any other statutory authority or regulator: Not applicable

2. Breach of covenant

There is no breach in terms of covenants in respect of loans availed by us including incidence of default.

3. Divergence in Asset Classification and Provisioning

i. The additional provisioning requirements assessed by the Reserve Bank exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period: Not applicable

ii. The additional Gross NPAs identified by the Reserve Bank exceeds 5 percent of the reported Gross NPAs for the reference period: Not applicable

Sr. No.	Particulars	Amount
1.	Gross NPAs as on March 31, 20xx as reported by the NBFC	Not applicable
2.	Gross NPAs as on March 31, 20xx as assessed by the Reserve Bank	
3.	Divergence in Gross NPAs (2-1)	
4.	Net NPAs as on March 31, 20xx as reported by the NBFC	
5.	Net NPAs as on March 31, 20xx as assessed by the Reserve Bank	
6.	Divergence in Net NPAs (5-4)	
7.	Provisions for NPAs as on March 31, 20xx as reported by the NBFC	
8.	Provisions for NPAs as on March 31, 20xx as assessed by the Reserve Bank	
9.	Divergence in provisioning (8-7)	
10.	Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 20xx	
11.	Reported Net Profit after Tax (PAT) for the year ended March 31, 20xx	
12.	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 20xx after considering the divergence in provisioning	

* March 31, 20XX is the close of the reference period in respect of which divergences were assessed.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAS RURAL HOUSING AND MORTGAGE FINANCE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **MAS Rural Housing and Mortgage Finance Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 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 Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the 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, 2025 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibility under those Standards is further described in Auditor's Responsibility 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 ICAI together with the independence requirement that is relevant to our audit of standalone financial statements under the provisions of the Act and the rule made there, 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters

MAAK & ASSOCIATES FRN: 135024W CHARTERED ACCOUNTANTS were addressed in the context of our audit, of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion, on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

<table>
<tr><th>Key audit matters</th><th>Auditor's Response</th></tr>
<tr><td></td><td></td></tr>
<tr><td colspan="2">1. Impairment of Loans</td></tr>
<tr><td>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") and Loss Given Default ("LGD"). 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</td><td><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:
• 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 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</td></tr>
</table>

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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. 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.	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. **<u>Test of Details:</u>** Key aspects of our testing included: • Sample testing over key inputs, data and assumptions impacting ECL calculations to assess completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied. • Model calculations testing through re-performance, where possible. • Test of details of post model adjustments, considering the size and complexity of management overlays , to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data. • Assessing disclosures - We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining ECL. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear.
2. **Information Technology - IT Systems and controls**	
The Company is dependent on its Information Technology ("IT") systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environments. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and	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: • Selectively recomputing interest calculations and maturity dates;

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data. On account of the pervasive use of its IT systems, the testing of the general computer controls of the IT systems used in financial reporting was considered to be a Key Audit Matter	• 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) • 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.

Other Information

The company's management and board of directors are responsible for the other information. The other information comprises Board's Report on corporate governance and Business Responsibility report but does not include the standalone financial statement and our auditor's report thereon.

Our opinion on the financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of 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 procedures or otherwise appear to be materially misstated.

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 on that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, Profit (including other comprehensive income), changes in equity and cash flows of the Company in

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accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of directors is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether 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 aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these standalone financial statements.

As a 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 risk of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedure responsive to those risks, and obtain 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 the one resulting from error, as fraud may involve collusion, forgery, intentional, omission, misrepresentation, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has an adequate internal financial control 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 the 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, make 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.

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Other Matter (OM)

Exemption has been claimed by the company under Companies Act, 2013 as well as IND AS Frameworks from the requirement of preparation of consolidated financial statements as it meets the conditions prescribed thereon.

Accordingly, our present opinion on the current financial statements, as presented herein, remains unmodified.

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information which to the best of our knowledge and belief was necessary for the purpose of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act;

   f) With respect to the adequacy of the internal financial controls with reference to financial statements 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/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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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. There is no pending litigation on the company therefore the same is not required to be disclosed.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 55 to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note 55 to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us 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 Note 36 to the standalone financial statements

(a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing

Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination, which included test checks, the company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software except that, audit trail feature was 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. Further, the audit trail for the prior financial year has been preserved by the Company as per the statutory requirements for record retention.

3. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

Date:23rd April 2025
Place: Ahmedabad
UDIN: 25133926BMJGWC3384

For M A A K & Associates
(Chartered Accountants).
FRN: 135024W

M A A K & ASSOCIATES CHARTERED ACCOUNTANTS FRN: 135024W AHMEDABAD

Marmik G. Shah
Partner
M. No.: 133926

Annexure A to the Independent Auditors' Report of MAS Rural Housing & Mortgage Finance Limited

(Referred to in our report of even date)

With reference to Annexure A referred to in the Independent Auditors' report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March 2025, we report the following:

I. **In Respect of Fixed Assets**

(a)

(A) As per the information provided by the management, the Company has maintained proper records showing full particulars including quantitative details and the situation of Fixed Assets on the basis of available information.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) As per the information and explanations given to us, 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 lease agreement provided to us, we report that, 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) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year, the clause for revaluation of Property, Plant and Equipment (including Right of Use assets) or intangible assets or both is not applicable.

(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 or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under. Refer Note 51 to the standalone financial statements.

II. **In Respect of Inventories**

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

(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, the Company has filed quarterly returns or statements with such banks which are in agreement with the unaudited books of account. Also, refer Note 15.1 to the standalone financial statements.

III. **Compliance under section 189 of The Companies Act, 2013**

(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 to the Standalone Financial Statements for summarized 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 to the Standalone Financial Statements for summarized 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.

IV. **Compliance under sections 185 and 186 of The Companies Act, 2013**

According to the information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments, and providing guarantees and securities, as applicable.

V. **Compliance under section 73 to 76 of The Companies Act, 2013 and Rules framed thereunder while accepting Deposits**

As per the information and explanation given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

VI. **Maintenance of cost records**

The Company is not required to maintain cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-sectiwon (1) of section 148 of the Companies Act, 2013.

VII. **Deposit of Statutory Dues**

(a) The company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, Goods and Services tax, Cess and other statutory dues applicable to the Company with the appropriate authorities except for a delay in the payment of advance tax.

(b) No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

(c) According to the records of the Company, no dues are outstanding of employees' state insurance, income-tax, sales-tax, duty of custom, duty of excise, Cess and other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

VIII. **Unrecorded income disclosed in tax assessments**

There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

IX. **Repayment of Loans and Borrowings**

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 willful 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. Unutilized funds are held by the Company in the form of deposits or in current accounts till the time of subsequent utilization.

(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 associate company.

(f) The Company has not raised any loans during the year on the pledge of securities held in its associate company.

X. **Utilization of Money Raised by Public Offers for which they raised**

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

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

XI. **Reporting of Fraud during the Year**

(a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

(c) As represented to us by the Management, there were no whistleblower complaints received by the Company during the year.

XII. **Compliance by Nidhi Company Regarding Net Owned Fund to Deposits Ratio**

As per information and records available, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

XIII. **Related party compliance with Section 177 and 188 of companies Act – 2013**

According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

XIV. **Internal Audit Systems**

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

(b) We have considered, 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. **Non-cash transactions**

According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013.

XVI. **Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934**

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 provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, Clause 3 (xvi) (a) of the Order is not applicable to the Company.

(b) The Company is Housing Finance Company Registered with National Housing Bank and is not required to obtain a Certificate of Registration (CoR) from 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 in regulations made by Reserve Bank of India and accordingly, clause 3 (xvi) (c) of the Order is not applicable to the Company.

(d) According to information and explanations given to us, we report that the Group does not have any Core Investment Company (CIC).

XVII. **Cash Losses**

The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

XVIII. **Resignation of Statutory Auditor**

There has been no resignation of the statutory auditors of the Company during the year.

XIX. **Material Uncertainty**

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. Unspent CSR expenditure

In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx) (a) and 3(xx) (b) of the Order are not applicable.

XXI. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

Date:23rd April 2025
Place: Ahmedabad
UDIN: 25133926BMJGWC3384

For M A A K & Associates
(Chartered Accountants)
FRN: 135024W

M A A K & ASSOCIATES CHARTERED ACCOUNTANTS FRN: 135024W AHMEDABAD

Marmik G. Shah
Partner
M. No.: 133926

Annexure B to the Auditor's Report

Report on the Internal Financial Controls under Clause (f) 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 RURAL HOUSING AND MORTGAGE FINANCE LIMITED** ("the Company") as of March 31st, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls 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. 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 judgment, including the assessment of the risks of 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 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 standalone 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 standalone 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 31st, 2025, 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.

Date: 23rd April 2025
Place: Ahmedabad
UDIN: 25133926BMJGWC3384

For M A A K & Associates
(Chartered Accountants)
FRN: 135024W

Marmik G. Shah
Partner
M. No.: 133926

SHAS RURAL HOUSING & MORTGAGE FINANCE LIMITED

STANDALONE BALANCE SHEET AS AT 31 MARCH 2025

(₹ in lakhs)

Particulars	Note No.	As at 31 March 2025	As at 31 March 2024
ASSETS			
Financial assets			
Cash and cash equivalents	5	1,050.10	3,428.37
Bank Balance other than cash and cash equivalents	6	2,201.48	150.33
Trade Receivables	7	1.06	1.93
Loans	8	56,023.30	45,460.11
Investments	9	888.74	15.00
Other Financial assets	10	335.14	305.58
Total Financial Assets		60,499.82	49,361.32
Non-Financial Assets			
Deferred tax Assets (Net)	11	187.15	185.69
Property, Plant and Equipment	12	240.83	259.40
Right-of-use Asset	12	53.49	37.40
Other Intangible assets	12	0.44	0.06
Other non-financial assets	13	120.48	89.85
Total Non-Financial Assets		602.39	572.40
Total Assets		61,102.21	49,933.72
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Payables			
(I)Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		5.29	2.66
(ii) total outstanding dues of trade payables other than micro enterprises and small enterprises	14	752.85	538.87
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of other payables other than micro enterprises and small enterprises		131.42	77.18
Borrowings (Other than Debt Securities)	15	45,392.92	37,651.81
Other financial liabilities	16	581.97	508.93
Total Financial Liabilities		46,864.45	38,779.45
Non-Financial Liabilities			
Current tax liabilities (Net)		45.56	41.41
Provisions	17	2.95	1.81
Other non-financial liabilities	18	72.00	27.52
Total Non-Financial Liabilities		120.51	70.74
Total Liabilities		46,984.96	38,850.19
EQUITY			
Equity Share Capital	19	2,444.34	2,286.86
Instruments entirely equity in nature	20	1,666.67	2,000.00
Other Equity	21	10,006.24	6,796.67
Total Equity		14,117.25	11,083.53
Total Liabilities and Equity		61,102.21	49,933.72

The notes referred to above form an integral part of these financial statements

In terms of our report attached
For M A A K & Associates
Chartered Accountants
(FRN: 135024W)

MAAK & ASSOCIATES
FRN: 135024W
AHMEDABAD
CHARTERED ACCOUNTANTS

Marmik Shah
Partner
Membership No.133926

Place: Ahmedabad
Date: 23 April 2025

For and on behalf of the Board of Directors of SHAS Rural Housing and Mortgage Finance Limited

Darshana S. Pandya
(Director & Chief Operating Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Darshil Hiranandani
(Company Secretary)
(Membership No: A47986)

Chintan J. Pandya
(Chief Financial Officer)

Place: Ahmedabad
Date: 23 April 2025

SMAS RURAL HOUSING & MORTGAGE FINANCE LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31 MARCH 2025

(₹ in lakhs)

	Particulars	Note No.	Year ended 31 March 2025	Year ended 31 March 2024
I.	**Revenue from operations**			
	Interest Income	22	6,960.43	5,480.60
	Gain on assignment of financial assets		628.96	534.53
	Fees and commission Income		185.51	114.97
	Net gain on fair value changes	23	102.48	69.69
	Total Revenue from operations		7,877.38	6,199.79
	Other Income	24	230.89	46.14
	Total Income		8,108.27	6,245.93
II.	**Expenses**			
	Finance Costs	25	4,041.63	3,254.74
	Impairment on financial instruments	26	225.32	106.99
	Employee Benefit Expenses	27	1,883.73	1,319.71
	Depreciation, Amortization and Impairment	28	69.67	49.26
	Other expenses	29	679.23	557.78
	Total Expenses		6,899.58	5,288.48
III.	**Profit Before Tax**		1,208.69	957.45
IV.	**Tax Expense:**			
	Current Tax	11	300.60	217.40
	Short / (Excess) Provision For Tax Relating to Prior Years	11	(16.71)	(3.79)
	Net current tax expense		283.89	213.61
	Deferred tax credit	11	(31.32)	(14.14)
	Net tax expense		252.57	199.47
V.	**Profit for the year (III - IV)**		956.12	757.98
VI.	**Other comprehensive income / (expense)**			
	(A) Items that will not be reclassified to profit or loss:			
	Remeasurement of the defined benefit liabilities		(2.96)	0.71
	Income tax impact on above		0.75	(0.18)
	Total		(2.21)	0.53
	(B) Items that will be reclassified to profit or loss:			
	Loans and Advances through other comprehensive Income		121.60	(249.14)
	Income tax impact on above		(30.61)	62.71
	Total		90.99	(186.43)
	Other comprehensive Income / (expense)		88.78	(185.90)
VII.	**Total comprehensive income for the year (V + VI)**		1,044.90	572.08
VIII.	**Earnings per equity share (of ₹ 10 each):**	30		
	Basic (in ₹)		4.14	3.57
	Diluted (in ₹)		4.14	3.57
	The notes referred to above form an integral part of these financial statements			

In terms of our report attached
For M A A K & Associates
Chartered Accountants
(FRN: 113428W)

For and on behalf of the Board of Directors of
SMAS Rural Housing and Mortgage Finance Limited

MAAK & ASSOCIATES
FRN: 135024W
AHMEDABAD
CHARTERED ACCOUNTANTS

Marmik Shah
Partner
Membership No.133926

Darshana S. Pandya
(Director & Chief Operating Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Da[illegible] Hiranandani
(Company Secretary)
(Membership No: A47986)

Chintan J. Pandya
(Chief Financial Officer)

Place: Ahmedabad
Date: 23 April 2025

Place: Ahmedabad
Date: 23 April 2025

MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2025

(₹ in lakhs)

A. Equity Share Capital

Equity Share of ₹ 10 each issued, subscribed and fully paid	
Restated balance at 31 March 2023	**2,122.64**
Changes in equity share capital during the year	164.22
Balance at 31 March 2024	**2,286.86**
Changes in equity share capital during the year	157.48
Balance at 31 March 2025	**2,444.34**

B. Instruments entirely Equity in Nature

6% Optionally Convertible Preference Shares ("OCPS")	
Restated balance at 31 March 2023	**2,000.00**
Changes in equity share capital during the year	-
Balance at 31 March 2024	**2,000.00**
Changes in equity share capital during the year	(333.33)
Balance at 31 March 2025	**1,666.67**

C. Other Equity

Particulars	Reserves and Surplus						OCI	Total
	Statutory Reserve fund u/s. 29-C of NHB Act,1987	Special Reserve u/s 36(i)(viii) of Income Tax Act, 1961	Securities Premium	Equity component of compound financial instruments - OCPS	Employee cost on discount on shares issued by Holding Company	Retained Earnings	Loans and advances through OCI	
Restated balance at 31 March 2023	99.42	881.86	1,212.36	73.76	6.80	1,805.12	310.64	4,389.96
Profit for the year	-	-	-	-	-	757.98	-	757.98
Re-measurement of defined benefit plans (net of taxes)	-	-	-	-	-	0.53	-	0.53
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(57.39)	(57.39)
Dividend on Equity Shares	-	-	-	-	-	(10.19)	-	(10.19)
Dividend on OCPS	-	-	-	-	-	(120.00)	-	(120.00)
Issue of Equity Shares			1,835.78	-				1,835.78
Transfer to Statutory Reserve fund u/s. 29-C of NHB Act,1987	58.60	-	-	-	-	(58.60)	-	-
Transfer to Special Reserve u/s 36(i)(viii) of Income Tax Act, 1961	-	140.00	-	-	-	(140.00)	-	-
Balance at 31 March 2024	158.02	1,021.86	3,048.14	73.76	6.80	2,234.84	253.25	6,796.67
Profit for the year	-	-	-	-	-	956.12	-	956.12
Issue of Equity Shares and Conversion of OCPS	-	-	2,175.85	-	-	-	-	2,175.85
Re-measurement of defined benefit plans (net of taxes)	-	-	-	-	-	(2.21)	-	(2.21)
Other comprehensive income (net of taxes)	-	-	-	-	-	-	209.87	209.87
Dividend on Equity Shares	-	-	-	-	-	(10.06)	-	(10.06)
Dividend on OCPS	-	-	-	-	-	(120.00)	-	(120.00)
Transfer to Statutory Reserve fund u/s. 29-C of NHB Act,1987	79.80	-	-	-	-	(79.80)	-	-
Transfer to Special Reserve u/s 36(i)(viii) of Income Tax Act, 1961	-	190.00	-	-	-	(190.00)	-	-
Balance at 31 March 2025	237.82	1,211.86	5,223.99	73.76	6.80	2,788.89	463.12	10,006.24

In terms of our report attached
For M A A K & Associates
Chartered Accountants
(FRN: 113428W)

MAAK & ASSOCIATES
FRN: 135024W
AHMEDABAD
CHARTERED ACCOUNTANTS

Marmik Shah
Partner
Membership No.133926

Place: Ahmedabad
Date: 23 April 2025

For and on behalf of the Board of Directors of
MAS Rural Housing and Mortgage Finance Limited

Darshana S. Pandya
(Director & Chief Operating Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Darshil Hiranandani
(Company Secretary)
(Membership No: A47986)

Chintan J. Pandya
(Chief Financial Officer)

Place: Ahmedabad
Date: 23 April 2025

MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

(₹ in lakhs)

	Particulars	Year ended 31 March 2025		Year ended 31 March 2024	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit Before Tax		1,208.69		957.45
	Adjustments for :				
	Depreciation and Amortisation	69.67		49.26	
	Finance Costs	4,041.63		3,254.74	
	Impairment on financial assets	225.32		106.99	
	Interest Income	(6,960.43)		(5,480.60)	
	Profit on Sale of Property, Plant & Equipments	-		(4.00)	
	Gain on derecognition of leased asset	-	(2,623.81)	(1.53)	(2,075.14)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(1,415.12)		(1,117.69)
	Changes in Working Capital:				
	Adjustments for (increase)/decrease in operating assets:				
	Loans and Advances	(10,467.25)		(12,132.39)	
	Trade Receivables	0.87		1.60	
	Deposits given as Collateral	7.57		(17.83)	
	Bank balance other than cash and cash equivalents	2.45		(2.64)	
	Other financial and non-financial asset	(22.37)		(46.66)	
	Adjustments for increase/(decrease) in operating liabilities:				
	Trade Payables	270.85		314.67	
	Security Deposits from Borrowers	(67.03)		(60.48)	
	Advance from Borrowers	(8.54)		(1.05)	
	Other financial and non-financial liabilities	74.23		67.08	
	Provisions	1.14	(10,208.08)	0.76	(11,876.94)
	CASH GENERATED FROM / (USED IN) OPERATIONS		(11,623.20)		(12,994.63)
	Finance Costs paid	(3,950.81)		(3,403.62)	
	Income Tax Paid (Net)	(279.74)		(192.37)	
	Interest Income Received	6,651.92	2,421.37	5,162.26	1,566.27
	NET CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)		(9,201.83)		(11,428.36)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Capital expenditure on Property, Plant & Equipments and Intangible Assets	(41.79)		(233.42)	
	Proceeds from sale of Property, Plant & Equipments and Intangible Assets	-		11.22	
	Change in Earmarked balances with banks and other free deposit	(2,053.60)		3,004.82	
	Purchase of investments	(5,968.08)		(4,480.56)	
	Redemption of investments	5,273.72		5,861.27	
	NET CASH FLOW GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)		(2,789.75)		4,163.33
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from issue of equity shares	2,000.00		2,000.00	
	Repayment of principal component of lease liability	(7.40)		(8.83)	
	Proceeds from borrowings	17,500.00		20,500.00	
	Repayments of borrowings	(10,315.54)		(9,666.34)	
	Net Increase / (Decrease) in Working Capital Borrowings	566.31		(2,033.73)	
	Dividends paid	(130.06)		(130.19)	
	NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)		9,613.31		10,660.91
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(2,378.27)		3,395.88
	Cash and Cash Equivalents at the beginning of the year		3,428.37		32.49
	Cash and Cash Equivalents at the end of the year (Refer Note 1 below)		1,050.10		3,428.37

MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

(₹ in lakhs)

Notes

	Particulars	As at 31 March 2025	As at 31 March 2024
1	Cash and bank balances at the end of the year comprises:		
	(a) Cash on Hand	32.79	19.91
	(b) Balances with banks	988.73	2,408.15
	Total	**1,021.52**	**2,428.06**
	Bank deposits with original maturity of 3 months or less	28.58	1,000.31
	Cash and Cash Equivalents as per Balance Sheet	**1,050.10**	**3,428.37**

2 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 on Statement of Cash Flows specified under Section 133 of the Companies Act, 2013.

3 The Company as at 31 March 2025 has undrawn borrowing facilities amounting to ₹ 633.69 lakhs that may be available for future operating activities and to settle capital commitments.

4 **Change in liabilities arising from financing activities**

Particulars	As at 31 March 2024	Cash Flows	Non-cash changes*	As at 31 March 2025
Borrowings other than debt securities	37,651.81	7,750.77	(9.66)	45,392.92
Total liabilities from financing activities	**37,651.81**	**7,750.77**	**(9.66)**	**45,392.92**

Particulars	As at 31 March 2023	Cash Flows	Non-cash changes*	As at 31 March 2024
Borrowings other than debt securities	29,000.92	8,799.94	(149.05)	37,651.81
Total liabilities from financing activities	**29,000.92**	**8,799.94**	**(149.05)**	**37,651.81**

* Non-cash changes includes the effect of recording and reclassification of financial liability at amortized cost, amortization of processing fees, etc.

The notes referred to above form an integral part of these financial statements

In terms of our report attached
For M A A K & Associates
Chartered Accountants
(FRN: 113428W)

For and on behalf of the Board of Directors of
MAS Rural Housing and Mortgage Finance Limited

MAAK & ASSOCIATES
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Marmik Shah
Partner
Membership No.133926

Darshana S. Pandya
(Director & Chief Operating Officer)
(DIN - 07610402)

Kamlesh C. Gandhi
(Chairman & Managing Director)
(DIN - 00044852)

Darshil Hiranandani
(Company Secretary)
(Membership No: A47986)

Chintan J. Pandya
(Chief Financial Officer)

Place: Ahmedabad
Date: 23 April 2025

Place: Ahmedabad
Date: 23 April 2025

1. CORPORATE INFORMATION

MAS Rural Housing & Mortgage Finance Limited ("The Company") is a public company incorporated under the provisions of Companies Act, 1956. It is registered as a Non Deposit taking Housing Finance Company with the National Housing Bank ("NHB") and regulated by Reserve Bank of India ("RBI"). The Company 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 the company are spread all over Gujarat, Maharashtra, Madhya Pradesh & Rajasthan.

The Company's registered office is at 4th Floor, Narayan Chambers, B/h Patang Hotel, Ashram Road, Ahmedabad, Gujarat, India - 380009.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (the "Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the "Act") and the guidelines issued by NHB and Reserve Bank of India ("RBI") to the extent applicable.

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.

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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 and judgements

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively in the period in which the estimates are revised and future periods are affected.

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 the 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 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 44.

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, 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 Company's lending portfolios.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

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 probability of 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 3.16.

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. The 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 42.

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	8.2, 26, 46
3	Property, plant and equipment	12(a)
4	Financial instrument	44
5	Intangible assets	12(b)
6	Leases	12(c), 47
7	Retirement and other employee benefits	27, 43
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 Fair Value through Other Comprehensive Income ("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 the EIR to the gross carrying amount of financial assets.

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3.2 Financial Instrument - Initial Recognition

[A] Date of recognition

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

[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 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 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.

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Accordingly, the 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 FVTOCI 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. Since, the loans and advances are held to sale and collect contractual cash flows, they are measured at FVOCI.

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 effective interest method.

3.4 Reclassification of financial assets

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

3.5 Derecognition of financial assets and liabilities

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

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

[B] Derecognition of financial assets other than due to substantial modification

i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

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

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.

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3.6 Impairment of financial assets

[A] Overview of the ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets 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.

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

Stage 1: Stage 1 consists of accounts having Days Past Due ("DPD") upto 30 days. 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: Stage 2 consists of loans accounts having DPD above 30 but upto 90. 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.

[B] The calculation of ECLs

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

PD The Probability of Default 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 The Exposure at Default 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

LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

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 has calculated Probability of Default (PDs), Exposure at Default (EAD) and Loss Given Default (LGDs) to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed.

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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.

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 exceeds 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.

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 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.

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 Recognition of other income and expenses

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 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] Interest income on Bank deposits & Other Income

Interest income on Bank deposits is accounted on accrual basis. Other Operating Income such as Service Charges, Document Charges etc. are recognised on accrual basis.

[B] Fees and commission income

Fees and commission income such as stamp and document charges, guarantee commission, service income etc. are recognised on point in time basis.

[C] Finance costs

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 Equipments

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) Office Equipment - 3 to 15 years
ii) Furniture and Fixtures - 10 years
iii) 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 other intangible assets include the value of software and trademark. 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 using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

The estimated useful lives are as follows:
i) Software: 3 years
ii) Trademark: 10 years

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.

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3.13 Impairment of non financial assets - property, plant and equipment and intangible assets

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

3.14 Leasing

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 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 to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective Income Tax authorities.

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. Actuarial gains and losses arising due to differences in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation, are recognized in the Other Comprehensive Income (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 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 not recognised and disclosed only when an inflow of economic benefits is probable.

3.17 Taxes

[A] Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. 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 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 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 Company has a legally enforceable right for such set off.

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[C] Goods and services tax / value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/ value added taxes 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 ordinary equity holders) by the weighted average number of equity shares outstanding during the period.

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 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 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.

3.20 (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 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2025

(₹ in lakhs)

	Particulars	As at 31 March 2025	As at 31 March 2024
5	**Cash and Cash Equivalents**		
	Cash on Hand	32.79	19.91
	Balances with Banks:		
	In Current/ Cash Credit Accounts	988.73	2,408.15
	In Fixed Deposit Accounts		
	Bank deposits with original maturity of less than 3 months	28.58	1,000.31
	Total Cash and Cash Equivalents	1,050.10	3,428.37
6	**Bank Balance other than cash and cash equivalents**		
	In Current Accounts (Refer Note 1 below)	0.19	2.64
	In Fixed Deposit Accounts		
	Deposits given as security against borrowings and other commitments (Refer Note 2 below)	2,201.29	147.69
	Total Bank Balance other than cash and cash equivalents	2,201.48	150.33

Notes:
1. Balance represents balance with banks in earmarked account i.e. "Collection and Payout Account".
2. Represents bank deposits against overdraft facility except balance amounting to ₹ 201.29 lakhs as regular deposit.

7 **Trade Receivables**

Particulars	As at 31 March 2025	As at 31 March 2024
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	1.06	1.93
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total trade receivables	1.06	1.93

Notes:
1. Impairment allowance recognised on trade receivables is ₹ Nil (31 March 2024: ₹ 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 aging schedule

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	
As at 31 March 2025						
(i) Undisputed Trade receivables – considered good	0.94	-	0.12	-	-	1.06
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
As at 31 March 2024						
(i) Undisputed Trade receivables – considered good	1.81	0.12	-	-	-	1.93
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

(₹ in lakhs)

	Particulars	As at 31 March 2025			As at 31 March 2024		
		At FVOCI	At amortised cost	Total	At FVOCI	At amortised cost	Total
8	Loans						
	(A) Term Loans	35,371.09	20,488.64	55,859.73	30,298.04	15,113.90	45,411.94
	Add: Accrued Interest	242.21	185.83	428.04	191.35	107.56	298.91
	(A) Term Loans - Gross	35,613.30	20,674.47	56,287.77	30,489.39	15,221.46	45,710.85
	Less: Impairment loss allowance	-	(264.47)	(264.47)	-	(250.74)	(250.74)
	Total (A) - Net	35,613.30	20,410.00	56,023.30	30,489.39	14,970.72	45,460.11
	(B) (i) Secured by tangible assets	35,605.13	20,666.74	56,271.87	30,489.39	15,221.46	45,710.85
	(ii) Unsecured	8.17	7.73	15.90	-	-	-
	Total (B)-Gross	35,613.30	20,674.47	56,287.77	30,489.39	15,221.46	45,710.85
	Less: Impairment loss allowance	-	(264.47)	(264.47)	-	(250.74)	(250.74)
	Total (B)-Net	35,613.30	20,410.00	56,023.30	30,489.39	14,970.72	45,460.11
	(C) (I) Loans in India						
	(i) Public Sector	-	-	-	-	-	-
	(ii) Private Sector	35,613.30	20,674.47	56,287.77	30,489.39	15,221.46	45,710.85
	Total (C)-Gross	35,613.30	20,674.47	56,287.77	30,489.39	15,221.46	45,710.85
	Less: Impairment loss allowance	-	(264.47)	(264.47)	-	(250.74)	(250.74)
	Total (C) (I) -Net	35,613.30	20,410.00	56,023.30	30,489.39	14,970.72	45,460.11
	(C) (II) Loans outside India	-	-	-	-	-	-
	Less: Impairment loss allowance	-	-	-	-	-	-
	Total (C) (II)- Net			-			-
	Total C(I) and C(II)	35,613.30	20,410.00	56,023.30	30,489.39	14,970.72	45,460.11

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 2025	% to the total Loans and Advances in the nature of loans	As at 31 March 2024	% to the total Loans and Advances in the nature of loans
Promoter	-	0.00%	-	0.00%
Directors	-	0.00%	-	0.00%
KMPs	-	0.00%	-	0.00%
Related parties	-	0.00%	-	0.00%

Notes:

1. Loans granted by the Company are secured or partly secured by Registered / Equitable mortgage of property, other Securities, assignments of Life Insurance policies and /or Company guarantees and/or Personal guarantees and /or Undertaking to create a security and/ or Cash Collateral.

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.

Particulars	As at 31 March 2025	As at 31 March 2024
3. Percentage of loans against gold to total assets	0.00%	0.00%

8.1 **An analysis of changes in the gross carrying amount of loans is given below***

Particulars	As at 31 March 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	43,028.71	2,466.73	477.23	45,972.67	32,020.36	1,737.49	250.05	34,007.90
Changes in opening credit exposures (net of repayment and excluding write off)	(13,199.11)	(415.60)	(1.02)	(13,615.73)	(12,072.53)	(405.56)	3.82	(12,474.27)
New assets originated (net of repayment)**	24,287.03	98.89	-	24,385.92	24,162.57	365.54	-	24,528.11
Transfers from Stage 1	(1,802.85)	1,623.88	178.97	-	(1,441.27)	1,287.33	153.94	-
Transfers from Stage 2	1,067.37	(1,206.22)	138.85	-	348.57	(532.43)	183.86	-
Transfers from Stage 3	16.35	1.96	(18.31)	-	12.72	35.98	(48.70)	-
Amounts written off	(6.31)	(11.45)	(127.16)	(144.92)	(1.71)	(21.62)	(65.74)	(89.07)
Gross carrying amount closing balance	53,391.19	2,558.19	648.56	56,597.94	43,028.71	2,466.73	477.23	45,972.67

* 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 lakhs)

8.2 **Reconciliation of ECL balance is given below:**

Particulars	As at 31 March 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	91.06	349.63	145.09	585.78	148.96	259.40	74.05	482.41
Changes in opening credit exposures (net of repayment and excluding write off)	261.42	(206.22)	9.22	64.42	127.79	(89.00)	(7.56)	31.23
New assets originated (net of repayment)**	100.74	10.51	-	111.25	40.04	50.83	-	90.87
Transfers from Stage 1	(229.24)	168.41	60.83	-	(226.17)	179.54	46.63	-
Transfers from Stage 2	4.64	(52.94)	48.30	-	0.42	(56.26)	55.84	-
Transfers from Stage 3	0.08	0.20	(0.28)	-	0.02	5.12	(5.14)	-
Amounts written off	(0.03)	(3.23)	(39.80)	(43.06)	-	-	(18.73)	(18.73)
ECL allowance - closing balance	228.67	266.36	223.36	718.39	91.06	349.63	145.09	585.78

The contractual amount outstanding on loans that have been written off during the year, but were still subject to enforcement activity is ₹ 144.92 lakhs at 31 March 2025 (31 March 2024: ₹ 89.07 lakhs).

8.3 **Credit quality of loan assets**

The table below shows the gross carrying amount of loans based on the Company's internal grading model 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 46.1.

Particulars	As at 31 March 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal grade								
Performing								
High quality assets	53,391.20	-	-	53,391.20	43,028.71	-	-	43,028.71
Quality assets	-	1,057.42	-	1,057.42	-	977.20	-	977.20
Standard assets	-	1,500.77	-	1,500.77	-	1,489.54	-	1,489.54
Non- performing	-	-	-	-	-	-	-	-
Sub standard assets	-	-	134.46	134.46	-	-	62.59	62.59
Low quality assets	-	-	514.09	514.09	-	-	414.63	414.63
Total	53,391.20	2,558.19	648.55	56,597.94	43,028.71	2,466.74	477.22	45,972.67

Particulars	As at 31 March 2025			As at 31 March 2024		
	At FVTPL	At cost	Total	At FVTPL	At cost	Total
9 **Investments**						
Investments in:						
Associate Company (Refer note below)	-	15.00	15.00	-	15.00	15.00
Market linked debentures	873.74	-	873.74	-	-	-
Total – Gross (A)	873.74	15.00	888.74	-	15.00	15.00
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	873.74	15.00	888.74	-	15.00	15.00
Total (B)	873.74	15.00	888.74	-	15.00	15.00
Less: Allowance for Impairment Loss (C)	-	-	-	-	-	-
Total – Net D= (A)-(C)	873.74	15.00	888.74	-	15.00	15.00

Investment in Associate Company	As at 31 March 2025	As at 31 March 2024
Investment in equity shares of MASFIN Insurance Broking Private Limited	15.00	15.00

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2025

(₹ in lakhs)

	Particulars	As at 31 March 2025	As at 31 March 2024
10	**Other Financial Assets**		
	Security deposits	24.97	32.54
	Derivative financial instruments	-	11.22
	Spread Receivable on Assigned Assets	310.17	261.82
	Total Other Financial Assets	**335.14**	**305.58**

11 **Current Tax & Deferred Tax**

11.1 **Current Tax**

The components of current tax expense are:	Year ended 31 March 2025	Year ended 31 March 2024
Current tax	300.60	217.40
Adjustment in respect of current income tax of prior years	(16.71)	(3.79)
Deferred tax	(31.32)	(14.14)
Total tax charge	**252.57**	**199.47**
Current tax	283.89	213.61
Deferred tax	(31.32)	(14.14)

11.2 **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 2025 and 31 March 2024 is, as follows:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Accounting profit before tax	1,208.69	957.45
Applicable Tax Rate	25.17%	25.17%
Computed Tax Expense	**304.20**	**240.97**
Tax effect of :		
Non deductible items	3.99	3.24
Additional Deduction	(44.06)	(32.40)
Adjustment in respect of current income tax of prior years	(16.71)	(3.79)
Others	5.15	(8.55)
Tax Expenses recognised in Statement of Profit and Loss	**252.57**	**199.47**
Effective Tax Rate	20.90%	20.83%

11.3 Deferred Tax

Particulars	As at 31 March 2025	As at 31 March 2024
Deferred Tax Asset / Liability (Net)		
The movement on the deferred tax account is as follows:		
At the start of the year DTA / (DTL)	185.69	109.02
Credit/(Charge) for Loans and advances through OCI	(30.61)	62.71
Credit/(Charge) for Remeasurement of the defined benefit liabilities through OCI	0.75	(0.18)
Credit/(Charge) to Statement of Profit and Loss	31.32	14.14
At the end of year DTA / (DTL)	**187.15**	**185.69**

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(₹ in lakhs)

11.4 The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

Particulars	As at 31 March 2024	Credit/(Charge) to Other Equity	Credit/(Charge) to Profit or Loss	Recognised in OCI	As at 31 March 2025
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	1.51	-	0.16	-	1.67
Impact of fair value of assets	27.57	-	(0.99)	(30.61)	(4.03)
Income taxable on realised basis	(12.24)	-	(3.74)	-	(15.98)
Deferred tax on prepaid finance charges	15.31	-	13.10	-	28.41
Impairment on financial assets	147.43	-	33.37	-	180.80
Recognition of Lease Asset & liability	1.50	-	0.58	-	2.08
Expenses allowable on payment basis	4.61	-	(11.16)	0.75	(5.80)
Total	**185.69**	**-**	**31.32**	**(29.86)**	**187.15**

Particulars	As at 31 March 2023	Credit/(Charge) to Other Equity	Credit/(Charge) to Profit or Loss	Recognised in 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	4.28	-	(2.77)	-	1.51
Impact of fair value of assets	(37.46)	-	2.32	62.71	27.57
Income taxable on realised basis	3.95	-	(16.19)	-	(12.24)
Deferred tax on prepaid finance charges	15.28	-	0.03	-	15.31
Impairment on financial assets	121.41	-	26.02	-	147.43
Recognition of Lease Asset & liability	1.54	-	(0.04)	-	1.50
Expenses allowable on payment basis	0.02	-	4.77	(0.18)	4.61
Total	**109.02**	**-**	**14.14**	**62.53**	**185.69**

(₹ in lakhs)

12 **Property, Plant and Equipments and Intangible assets**

Nature of Assets	Tangible Assets (a)				Other Intangible Assets (b)		
	Office Equipments	Furniture and Fixtures	Vehicles	Total	Software	Trademark	Total
At Cost							
As at 31 March 2023	107.84	24.75	102.37	234.96	3.08	0.10	3.18
Additions	82.96	67.74	82.72	233.42	-	-	-
Disposals	4.76	-	102.37	107.13	-	-	-
As at 31 March 2024	**186.04**	**92.49**	**82.72**	**361.25**	**3.08**	**0.10**	**3.18**
Additions	35.32	5.92	-	41.24	0.55	-	0.55
Disposals	-	-	-	-	-	-	-
As at 31 March 2025	**221.36**	**98.41**	**82.72**	**402.49**	**3.63**	**0.10**	**3.73**
Depreciation/Amortisation							
As at 31 March 2023	60.52	10.80	91.56	162.88	2.91	0.04	2.95
Depreciation / Amortization Charge	25.38	4.99	8.51	38.88	0.16	0.01	0.17
Disposal	4.05	-	95.86	99.91	-	-	-
As at 31 March 2024	**81.85**	**15.79**	**4.21**	**101.85**	**3.07**	**0.05**	**3.12**
Depreciation / Amortization Charge	40.77	9.23	9.81	59.81	0.16	0.01	0.17
Disposal	-	-	-	-	-	-	-
As at 31 March 2025	**122.62**	**25.02**	**14.02**	**161.66**	**3.23**	**0.06**	**3.29**
Net Block Value:							
As at 31 March 2024	**104.19**	**76.70**	**78.51**	**259.40**	**0.01**	**0.05**	**0.06**
As at 31 March 2025	**98.74**	**73.39**	**68.70**	**240.83**	**0.40**	**0.04**	**0.44**

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 Company is as follows:

Office Premises	
As at 31 March 2023	79.30
Additions for the period	88.06
Disposals	124.92
As at 31 March 2024	**42.44**
Additions for the period	25.78
Disposals	-
As at 31 March 2025	**68.22**
Amortisation	
As at 31 March 2023	67.32
Additions for the period	10.21
Disposals	72.49
As at 31 March 2024	**5.04**
Additions	9.69
Disposals	-
As at 31 March 2025	**14.73**
Net Block Value:	
As at 31 March 2024	**37.40**
As at 31 March 2025	**53.49**

(₹ in lakhs)

	Particulars	As at 31 March 2025	As at 31 March 2024
13	**Other non-financial assets**		
	Prepaid expenses	19.20	11.37
	Advances to employees	0.90	0.93
	Balance with Government Authorities	16.03	16.03
	Gratuity Fund (Refer note 43)	50.95	36.61
	Other Advances	33.40	24.91
	Total other non-financial assets	**120.48**	**89.85**
14	**Payables**		
	(I)Trade Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	5.29	2.66
	(ii) total outstanding dues of trade payables other than micro enterprises and small enterprises	752.85	538.87
	(II) Other Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of other payables other than micro enterprises and small enterprises	131.42	77.18
		889.56	**618.71**

Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
As at 31 March 2025					
(i) MSME	3.18	2.11	-	-	5.29
(ii) Others	752.45	0.40	-	-	752.85
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	**755.63**	**2.51**	-	-	**758.14**
As at 31 March 2024					
(i) MSME	2.66	-	-	-	2.66
(ii) Others	538.87	-	-	-	538.87
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	**541.53**	-	-	-	**541.53**

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:

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Dues remaining unpaid to any supplier at the year end		
- Principal	5.29	2.66
- 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	-	-

(₹ in lakhs)

	Particulars	As at 31 March 2025	As at 31 March 2024
13	**Other non-financial assets**		
	Prepaid expenses	19.20	11.37
	Advances to employees	0.90	0.93
	Balance with Government Authorities	16.03	16.03
	Gratuity Fund (Refer note 43)	50.95	36.61
	Other Advances	33.40	24.91
	Total other non-financial assets	120.48	89.85
14	**Payables**		
	(I)Trade Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	5.29	2.66
	(ii) total outstanding dues of trade payables other than micro enterprises and small enterprises	752.85	538.87
	(II) Other Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of other payables other than micro enterprises and small enterprises	131.42	77.18
		889.56	618.71

Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
As at 31 March 2025					
(i) MSME	3.18	2.11	-	-	5.29
(ii) Others	752.45	0.40	-	-	752.85
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	755.63	2.51	-	-	758.14
As at 31 March 2024					
(i) MSME	2.66	-	-	-	2.66
(ii) Others	538.87	-	-	-	538.87
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	541.53	-	-	-	541.53

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:

Particulars	As at 31 March 2025	As at 31 March 2024
(a) Dues remaining unpaid to any supplier at the year end		
- Principal	5.29	2.66
- 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	-	-

(₹ in lakhs)

	Particulars	As at 31 March 2025	As at 31 March 2024
15	**Borrowings (Other than Debt Securities) (At amortised cost)**		
	(a) Term loans (Refer Note No. 15.2)		
	(i) from Banks		
	- In Indian Rupees	24,389.40	21,936.39
	- In Foreign Currency [refer note 46.3(b)]	4,486.87	2,513.95
	(ii) from National Housing Bank	1,726.15	2,235.92
	(iii) from Financial Institutions	14,542.08	11,273.78
	(b) Loans repayable on demand		
	(i) from banks - Cash Credit (Refer Note No. 15.1)	566.31	-
	(ii) from banks - Overdraft (Refer Note No. 15.1)	-	-
	Less: Unamortised Borrowing Cost	(317.89)	(308.23)
	Total (A)	**45,392.92**	**37,651.81**
	Secured	45,392.92	37,651.81
	Unsecured	-	-
	Total (B) to tally with (A)	**45,392.92**	**37,651.81**
	Borrowings in India	45,392.92	37,651.81
	Borrowings outside India	-	-
	Total (C) to tally with (A)	**45,392.92**	**37,651.81**

15.1 Cash Credit & Overdraft

(a) Cash Credit from Bank is secured by First Exclusive charge on the standard receivables of the company with other CC/OD lenders (except specific portfolio generated from various term loans sanctioned by various banks/financial institutions on an exclusive basis). The loans are also guaranteed by Mr. Kamlesh Chimanlal Gandhi. Overdraft loans are secured against fixed deposits placed.

(b) Interest rate range

Interest rate ranges from 7.90% p.a to 10.85% p.a. as at 31 March 2025.

Interest rate ranges from 9.93% p.a to 10.85% p.a. as at 31 March 2024.

The Company has not defaulted in repayment of borrowings and interest.

The Company has borrowings from banks and financial institutions on the basis of security of current assets and the quarterly returns filed by the Company with the banks and financial institutions are in accordance with the books of accounts of the Company for the respective quarters.

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 ₹ 56,597.94 lakhs (31 March 2024: ₹ 45,972.67 lakhs).

ASSOCIATES FRN: 135024W AHMEDABAD CHARTERED ACCOUNTANTS

(₹ in lakhs)

15.2 Details of terms of redemption/repayment and security provided in respect of debt securities and borrowings:

Particulars	As at 31 March 2025	As at 31 March 2024	Terms of Redemption/ Repayment	Security
Term Loans from Banks (Refer Note (i) below)				
Term Loan from Banks - 1	33.46	248.00	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 from Banks - 2	637.21	1,394.40	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 from Banks - 3	39.24	206.11	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 from Banks - 4	37.87	121.78	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 from Banks - 5	201.60	368.89	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 from Banks - 6	433.46	683.63	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 from Banks - 7	293.20	699.08	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 from Banks - 8	-	39.94	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 from Banks - 9	249.49	449.69	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. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan from Banks - 10	1,617.41	2,421.45	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 from Banks - 11	535.52	678.47	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 from Banks - 12	499.59	699.82	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 from Banks - 13	1,378.59	1,963.03	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 from Banks - 14	678.48	821.39	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
Term Loan from Banks - 15	2,036.84	2,406.85	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 company out of bank finance.
Term Loan from Banks - 16	1,231.96	1,446.40	Repayment in 84 monthly instalments from 21 January 2024	Exclusive charge by way of hypothecation of specific loan receivables/ book debts of the company.

(₹ In lakhs)

15.2 **Details of terms of redemption/repayment and security provided in respect of debt securities and borrowings:**

Particulars	As at 31 March 2025	As at 31 March 2024	Terms of Redemption/ Repayment	Security
Term Loan from Banks - 17	699.51	899.68	Repayment in 20 Quarterly Instalments from 27 December 2023	Exclusive charge by way of hypothecation of book debts, which are financed/ to be financed by the company out of the bank financed to the Company. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan from Banks - 18	408.33	500.00	Repayment in 60 monthly instalments from 07 May 2024	First & Exclusive Hypothecation of book debts / receivables
Term Loan from Banks - 19	1,750.00	2,250.00	Repayment in 20 Quarterly Instalments from 30 November 2023	Exclusive charge on present and future book debts and receivables
Term Loan from Banks - 20	828.67	972.53	Repayment in 84 monthly instalments 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 from Banks - 21	4,488.28	2,515.36	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 ₹ 4,488.28 lakhs outstanding as on 31 March 2025 (31 March 2024 : ₹ 2,515.36 lakhs), ₹ 1.41 lakhs is in Indian Rupees (31 March 2024 : ₹ 1.41 lakhs) and remaining amount of ₹ 4,486.87 lakhs is in foreign currency (31 March 2024 : ₹ 2,513.95 lakhs).				
Term Loan from Banks - 22	1,124.96	1,338.84	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 from Banks - 23	1,016.54	1,325.00	Repayment in 60 Monthly Instalments starting from 25 September 2023	First and Exclusive Charge on book debt/Loan Assets of the company.
Term Loan from Banks - 24	1,966.25	-	Repayment in 60 Monthly Instalments starting from 27 March 2025	Exclusive first 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. Company should maintain 1.11 times security cover of outstanding amount of Term Loan.
Term Loan from Banks - 25	2,000.00	-	Repayment in 96 Monthly Instalments starting from 30 April 2025	Exclusive first 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. Company should maintain 1.11 times security cover of outstanding amount of Term Loan. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan from Banks - 26	1,314.81	-	Repayment in 84 monthly instalments 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 from Banks - 27	1,900.00	-	Repayment in 20 Quarterly Instalments from 27 March 2025	1st exclusive charge (floating) over loan receivables of the company with 1.10x cover.
Term Loan from Banks - 28	475.00	-	Repayment in 20 Quarterly Instalments from 31 March 2025	1st exclusive charge (floating) over loan receivables of the company with 1.10x cover.
Term Loan from Banks - 29	1,000.00	-	Repayment in 20 Quarterly Instalments from 27 June 2025	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.
Total Term Loans from Banks	**28,876.27**	**24,450.34**		

Note (i):
Interest rate ranges from 6.19% p.a to 12.15% p.a as at 31 March 2025.
Interest rate ranges from 6.89% p.a to 11.70% p.a as at 31 March 2024.

(₹ in lakhs)

15.2 Details of terms of redemption/repayment and security provided in respect of debt securities and borrowings:

Particulars	As at 31 March 2025	As at 31 March 2024	Terms of Redemption/ Repayment	Security
Term Loans from NHB (Refer Note (ii) below)				
Term Loan from NHB - 1	22.13	73.45	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 Late Mr. Mukesh Gandhi.
Term Loan from NHB - 2	61.41	104.49	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 Late Mr. Mukesh Gandhi.
Term Loan from NHB - 3	71.44	111.91	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 Late Mr. Mukesh Gandhi.
Term Loan from NHB - 4	168.53	196.34	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 Late Mr. Mukesh Gandhi.
Term Loan from NHB - 5	148.00	180.00	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 Late Mr. Mukesh Gandhi.
Term Loan from NHB - 6	40.68	50.00	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 Late Mr. Mukesh Gandhi.
Term Loan from NHB - 7	13.03	45.79	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 Company. Corporate Guarantee of MAS Financial Services Ltd.
Term Loan from NHB - 8	365.75	475.75	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 Company. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan from NHB - 9	115.18	140.98	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. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan from NHB - 10	376.16	438.02	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. Personal Guarantee of Mr. Kamlesh Gandhi and Bank Guarantee of ICICI Bank Ltd.
Term Loan from NHB - 11	325.09	396.44	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. Personal Guarantee of Mr. Kamlesh Gandhi and Bank Guarantee of ICICI Bank Ltd.
Term Loan from NHB - 12	18.75	22.75	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. Personal Guarantee of Mr. Kamlesh Gandhi and Bank Guarantee of ICICI Bank Ltd.
Total Term Loans from NHB	1,726.15	2,235.92		

Note (ii):
Interest rate ranges from 2.80% p.a to 9.60% p.a as at 31 March 2025.
Interest rate ranges from 2.80% p.a to 9.60% p.a as at 31 March 2024.

(₹ in lakhs)

15.2 Details of terms of redemption/repayment and security provided in respect of debt securities and borrowings:

Particulars	As at 31 March 2025	As at 31 March 2024	Terms of Redemption/ Repayment	Security
Term Loans from Others (Refer Note (iii) below)				
Term Loan from Financial Institutions - 1	699.99	1,099.99	Repayment in 60 Monthly Instalments starting from 15 January 2022	Exclusive charge on specific loan assets / book debts of the company assigned to TCFSL. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan from Financial Institutions - 2	920.35	1,194.76	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 Loan from Financial Institutions - 3	318.91	392.86	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 Loan from Financial Institutions - 4	673.27	821.43	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 Loan from Financial Institutions - 5	673.27	821.43	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 Loan from Financial Institutions - 6	827.64	1,300.58	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.
Term Loan from Financial Institutions - 7	3,973.76	4,749.87	Repayment in 60 Monthly Instalments starting from 05 January 2024	First and exclusive charge by way of hypothecation over the standard loan receivables
Term Loan from Financial Institutions - 8	750.00	892.86	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.
Term Loan from Financial Institutions - 9	966.67	-	Repayment in 60 Monthly Instalments starting from 05 February 2025	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, with a minimum asset cover of 1.10x
Term Loan from Financial Institutions - 10	4,738.22	-	Repayment in 120 Monthly Instalments starting from 01 July 2024	First and exclusive floating charge by way of hypothecation of receivables not less than 110% of the outstanding loan
Total Term Loans from Others	**14,542.08**	**11,273.78**		

Note (iii):
Interest rate ranges from 9.00% p.a to 11.20% p.a as at 31 March 2025.
Interest rate ranges from 9.00% p.a to 11.00% p.a as at 31 March 2024.

FRN: 136021W
AHMEDABAD

RURAL HOUSING & MORTGAGE FINANCE LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2025

	Particulars	As at 31 March 2025	As at 31 March 2024
16	**Other financial liabilities**		
	Interest accrued but not due on borrowings	120.22	19.74
	Interest accrued but not due on others	3.87	6.73
	Dues to the assignees towards collections from assigned receivables	293.81	268.47
	Lease liability	56.96	38.58
	Derivative financial instruments	4.41	-
	Security Deposits from borrowers (Refer Note No. 1 below)	68.46	132.63
	Other Advances	34.24	42.78
	Total other financial liabilities	**581.97**	**508.93**

Note:
1. All the security deposits from borrowers as on 31 March 2025 and 31 March 2024 are from Corporate entities.

	Particulars	As at 31 March 2025	As at 31 March 2024
17	**Provisions**		
	Provision for Employee Benefits (Refer Note No. 43)		
	Compensated Absences	2.95	1.81
	Total Provisions	**2.95**	**1.81**
18	**Other non-financial liabilities**		
	Statutory remittances	72.00	27.52
	Total other non-financial liabilities	**72.00**	**27.52**

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MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2025

(₹ in lakhs)

	Particulars	As at 31 March 2025	As at 31 March 2024
19	***Equity Share Capital***		
	Authorized Shares:		
	2,80,00,000 Equity Shares of ₹10 each (As at 31 March 2024: 2,40,00,000 Equity Shares of ₹10 each)	2,800.00	2,400.00
	1,70,00,000 Preference Shares of ₹ 10/- each (As at 31 March 2024: 2,10,00,000 Preference Shares of ₹10 each)	1,700.00	2,100.00
		4,500.00	**4,500.00**
	Issued, Subscribed and Fully Paid-Up Shares:		
	2,44,43,371 Equity Shares of ₹10 each fully paid up (As at 31 March 2024: 2,28,68,575 Equity Shares of ₹10 each)	2,444.34	2,286.86
		2,444.34	**2,286.86**

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

Particulars	As at 31 March 2025		As at 31 March 2024	
	No. of Shares	(₹ in lakhs)	No. of Shares	(₹ in lakhs)
Equity Shares				
Outstanding at the beginning of the year	2,28,68,575	2,286.86	2,12,26,404	2,122.64
Addition during the year	15,74,796	157.48	16,42,171	164.22
Outstanding at the end of the year	**2,44,43,371**	**2,444.34**	**2,28,68,575**	**2,286.86**

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

Class of shares / Name of shareholder	As at 31 March 2025		As at 31 March 2024	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity Shares				
MAS Financial Services Limited	1,51,60,952	62.02%	1,38,96,521	60.77%
Mukesh C. Gandhi (Refer Note below)	40,40,606	16.53%	40,40,606	17.67%
Kamlesh C. Gandhi	28,16,419	11.52%	26,30,200	11.50%
Shweta K. Gandhi	21,36,731	8.74%	21,36,731	9.34%

Note

Mr. Mukesh C. Gandhi has passed away on 19 January 2021.

19.3 Details of shares held by promoters (including promoter group) of the Company:

Promoter and promoter group name	As at 31 March 2025		As at 31 March 2024	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity Shares				
MAS Financial Services Limited	1,51,60,952	62.02%	1,38,96,521	60.77%
Mr. Mukesh C. Gandhi (Refer Note above)	40,40,606	16.53%	40,40,606	17.67%
Kamlesh C. Gandhi	28,16,419	11.52%	26,30,200	11.50%
Shweta Kamlesh Gandhi	21,36,731	8.74%	21,36,731	9.34%
MCG Private Family Trust	2,88,363	1.18%	1,64,217	0.72%

19.4 Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

₥AS RURAL HOUSING & MORTGAGE FINANCE LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2025

(₹ in lakhs)

	Particulars	As at 31 March 2025	As at 31 March 2024
20	**Instruments entirely equity in nature (Refer Note 20.5 below)**		
	6% OCPS		
	Outstanding at the beginning of the year	2,000.00	2,000.00
	Less: Converted to Equity Shares as per OCPS Terms	(333.33)	-
	Outstanding at the end of the year	**1,666.67**	**2,000.00**

20.1 6% OCPS

- 1,00,00,000 6% OCPS issued at face value of ₹ 10 each on 12 September 2019 and
- 1,00,00,000 6% OCPS issued at face value of ₹ 10 each on 23 June 2021.

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

Promoter and promoter group name	As at 31 March 2025		As at 31 March 2024	
	No. of Shares	(₹ in lakhs)	No. of Shares	(₹ in lakhs)
6% OCPS				
Outstanding at the beginning of the year	2,00,00,000	2,000.00	2,00,00,000	2,000.00
Less: Converted to Equity Shares as per issue terms	(33,33,330)	(333.33)	-	-
Outstanding at the end of the year	**1,66,66,670**	**1,666.67**	**2,00,00,000**	**2,000.00**

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

Class of shares / Name of shareholder	As at 31 March 2025		As at 31 March 2024	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
6% OCPS				
₥AS Financial Services Limited	1,66,66,670	100.00%	2,00,00,000	100.00%

20.4 Details of shares held by promoters (including promoter group) of the Company:

Promoter and promoter group name	As at 31 March 2025		As at 31 March 2024	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
6% OCPS				
₥AS Financial Services Limited	1,66,66,670	100.00%	2,00,00,000	100.00%

20.5 Terms/ rights attached to preference shares

All the 2,00,00,000 OCPS are having a par value of ₹ 10 each per share. Both these OCPS carry a right to be paid fixed preferential dividend at the rate of 6% per annum.

The preference shares carry a non-cumulative dividend right and are optionally convertible into equity shares at a fixed price of ₹ 100 per share. The Conversion / Redemption option is to be exercised for 33.33% of the shares in the 5th year, for 33.33% of the shares in the 6th year and for remaining 33.33% of the shares in the 7th year from the date of issue of these shares.

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

MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2025

(₹ in lakhs)

	Particulars	As at 31 March 2025	As at 31 March 2024
21	**Other Equity**		
	Equity component of OCPS		
	Outstanding at the beginning of the year	73.76	73.76
	Additions during the year	-	-
	Outstanding at the end of the year	73.76	73.76
	IPO Discount given by Holding company		
	Outstanding at the beginning of the year	6.80	6.80
	Additions during the year	-	-
	Outstanding at the end of the year	6.80	6.80
	Reserve fund u/s. 29-C of NHB Act,1987:		
	Opening Balance		
	a. Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	158.02	99.42
	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 The NHB Act, 1987	1,021.86	881.86
	c. Total	1,179.88	981.28
	Addition / Appropriation / Withdrawal during the year		
	Add:		
	a. Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	79.80	58.60
	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 The NHB Act, 1987	190.00	140.00
	Less:		
	a. Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
	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 The NHB Act, 1987	-	-
	Closing Balance		
	a. Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	237.82	158.02
	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 The NHB Act, 1987	1,211.86	1,021.86
	c. Total	1,449.68	1,179.88
	Securities Premium		
	Outstanding at the beginning of the year	3,048.14	1,212.36
	Additions during the year	2,175.85	1,835.78
	Outstanding at the end of the year	5,223.99	3,048.14
	Retained Earnings		
	Outstanding at the beginning of the year	2,234.84	1,805.12
	Profit for the year	956.12	757.98
	Item of other comprehensive income recognised directly in retained earnings		
	Remeasurement of the defined benefit liabilities	(2.21)	0.53
		3,188.75	2,563.63
	Less : Appropriations:		
	Reserve u/s.29-C of NHB Act,1987 & Special Reserve U/s 36(1)(viii) of Income Tax Act,1961	269.80	198.60
	Dividend on Equity Shares	10.06	10.19
	Dividend on Preference Shares	120.00	120.00
	Total Appropriations	399.86	328.79
	Retained Earnings	2,788.89	2,234.84
	Other Comprehensive Income		
	Outstanding at the beginning of the year	253.25	310.64
	Loans and Advances through other comprehensive Income	121.60	(249.14)
	Impairment on loans and advances through OCI	118.88	129.04
	Income tax relating to items that will be reclassified to profit or loss	(30.61)	62.71
	Other Comprehensive Income for the Period, Net of Tax	463.12	253.25
	Total Other Equity	10,006.24	6,796.67

AHMEDABAD

(₹ in lakhs)

21.1 **Nature and purpose of reserve**

1. Equity component of compound financial instruments- Optionally Convertible preference shares

Equity Component of Compound financial instruments represents Equity component of OCPS.

2. IPO Discount given by Holding company

During the year 2017-18, pursuant to initial public offering (IPO) and Offer For Sale, the Holding Company SAMARA Financial Services Limited had allotted equity shares under Employee Reservation Category to the eligible employees of the company at a discount of ₹ 45 per share on the offer price. The total discount ₹ 6.80 lakhs has been considered as an Equity Investment by the Holding Company.

3. Reserve fund u/s. 29-C of NHB Act, 1987:

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 company. As per Section 29C of NHB Act, 1987, the 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 company in terms of Section 36(1) (viii) of the income Tax Act, 1961 is considered an eligible transfer.

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 of the Act.

5. 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).

6. Other comprehensive income

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.

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RURAL HOUSING & MORTGAGE FINANCE LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(₹ in lakhs)

	Particulars	Year ended 31 March 2025			Year ended 31 March 2024		
		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
22	**Interest Income**						
	Interest on Loans	4,277.47	2,475.92	6,753.39	1,836.51	3,392.71	5,229.22
	Interest on deposits with Banks	-	179.38	179.38	-	233.20	233.20
	Other interest Income	-	27.66	27.66	-	18.18	18.18
	Total	4,277.47	2,682.96	6,960.43	1,836.51	3,644.09	5,480.60

	Particulars	Year ended 31 March 2025	Year ended 31 March 2024
23	**Net gain on fair value changes**		
	Net gain on financial instruments at fair value through profit or loss - investments	102.48	69.69
	Fair value changes:		
	- Realised	98.53	69.69
	- Unrealised	3.95	-
	Total	102.48	69.69
24	**Other Income**		
	Net gain/(loss) on derecognition of property, plant and equipment	-	4.00
	Gain on derecognition of leased asset	-	1.53
	Income from non-financing activity	230.89	40.61
	Total	230.89	46.14
25	**Finance Costs**		
	(On Financial liabilities measured at Amortised Cost)		
	Interest on borrowings	3,827.56	3,121.33
	Other interest expense	6.39	10.38
	Other borrowing cost	203.69	120.11
	Lease liability interest obligation	3.99	2.92
	Total	4,041.63	3,254.74
26	**Impairment on financial instruments**		
	On loans (measured at Amortised Cost)	13.73	(25.67)
	On loans (measured at FVOCI)	118.88	129.04
	Write Off (Net of Recoveries)	92.71	3.62
	Total	225.32	106.99
27	**Employee Benefits Expense**		
	Salaries and wages	1,776.73	1,237.09
	Contribution to provident and other funds	72.29	51.77
	Gratuity expense (Refer Note No. 43)	12.21	10.20
	Staff welfare expenses	22.50	20.65
	Total	1,883.73	1,319.71
28	**Depreciation, Amortization and Impairment**		
	Depreciation on Property, Plant & Equipment	59.81	38.88
	Amortisation of intangible assets	0.17	0.17
	Depreciation on Right-of-use asset	9.69	10.21
	Total	69.67	49.26

MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(₹ in lakhs)

	Particulars	Year ended 31 March 2025	Year ended 31 March 2024
29	**Other Expenses**		
	Rent	109.00	82.65
	Rates & Taxes	4.17	4.49
	Stationery & Printing	13.37	10.96
	Telephone	13.12	11.37
	Electricity	9.20	10.66
	Postage & Courier	6.67	7.08
	Insurance	1.55	2.53
	Conveyance	56.32	37.22
	Travelling	47.12	36.54
	Repairs & Maintenance:		
	Others	7.33	17.10
	Professional Fees	270.79	214.33
	Payment to auditors (Refer note below)	2.93	1.45
	Director's Sitting Fees	8.12	8.65
	Bank Charges	15.58	6.89
	Advertisement Expenses	34.51	20.98
	Sales Promotion Expenses	8.03	14.53
	Recovery Contract Charges	31.39	39.99
	Corporate Social Responsibility Expenditure (Refer note no. 34)	15.71	12.34
	Miscellaneous Expenses	24.32	18.02
	Total	**679.23**	**557.78**
	Note: Payment to Statutory Auditors (including Taxes)		
	As auditor:		
	Statutory audit	1.48	1.36
	For Limited Review of Quarterly Results	0.82	-
	Other services	0.63	0.09
		2.93	**1.45**
30	**Earnings Per Share**		
	(A) Basic		
	Net Profit for the year attributable to Equity Shareholders	**956.12**	**757.98**
	Computation of Weighted Average Number of Shares (Denominator)	**Nos.**	**Nos.**
	Weighted average number of Equity Shares of ₹10 each	2,30,88,637	2,12,35,378
	Basic Earnings per Share of face value of ₹10 each (in ₹)	4.14	3.57
	(B) Diluted		
	Net Profit for the year attributable to Equity Shareholders	**956.12**	**757.98**
	Weighted average number of Equity Shares of ₹10 each	2,30,88,637	2,12,35,378
	Diluted Earnings per Share of face value of ₹10 each (in ₹)	4.14	3.57

Note: OCPS issued by the Company are anti-dilutive in nature. Hence diluted EPS is same as Basic EPS.

32 **Additional Information to the Financial Statements:**

[A] Expenditure in Foreign Currency

(₹ in lakhs)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Finance Cost (Refer note below)	211.22	15.76
Bank Charges	1.79	0.04

Note: Finance Cost includes interest paid on foreign currency borrowings taken from bank and processing fees in relation to that.

[B] Earning in Foreign Currency – Nil

33 **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".

34 **Corporate social responsibility ("CSR") expenses:**

The average profit before tax of the Company for the last three financial years was ₹ 781.49 lakh, basis which the Company was required to spend ₹ 15.63 lakh towards CSR activities for the current financial year (31 March 2024: ₹ 12.06 lakh).

a) Amount spent during the year on:

(₹ in lakhs)

Particulars	31 March 2025			31 March 2024		
	Amount Spent	Amount Unpaid/ provision	Total	Amount Spent	Amount Unpaid/ provision	Total
Construction / acquisition of any asset	-	-	-	-	-	-
On purpose other than above	15.71	-	15.71	12.34	-	12.34

b) The Company has not made any transaction with related parties in relation to CSR expenditure as per Ind AS 24.

c) 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 **Related Party Disclosures:**

(a) Related party disclosures as required by Indian Accounting Standard 24, "Related Party Disclosures".

List of related parties and relationships:

Sr. No.	Nature of Relationship	
1	Holding Company	MAS Financial Services Limited
2	Associate Company	MASFIN Insurance Broking Private Limited
3	Key Management Personnel (where there are transactions)	Mr. Kamlesh C. Gandhi (Chairman and Managing Director) Mrs. Darshana S. Pandya (Director and Chief Operating Officer) Mr. Bala Bhaskaran (Independent director) (retired w.e.f 31 March 2024) Mr. Chetanbhai Shah (Independent director) (retired w.e.f 31 March 2024) Mr. Subir Nag (Independent director) Mr. Umesh Shah (Independent director) (appointed w.e.f 21 June 2023) Mrs. Daksha Shah (Independent director) (appointed w.e.f 21 June 2023)
4	Other related parties (where there are transactions)	Mrs. Shweta K. Gandhi (relative of KMP) MCG Private Family Trust (relative of KMP) Mr. Kamlesh C. Gandhi (Executor of will of Late Mr. Mukesh Chimanlal Gandhi, relative of KMP) Mr. Saumil Pandya (relative of KMP)

Transactions with related parties are as follows:

(₹ in lakhs)

Particulars	Year ended 31 March 2025				
	Holding Company	Associate Company	Key management personnel	Other Related Parties	Total
Rent Expense	12.97	-	-	-	12.97
Recovery Contract charges paid	3.36	-	-	-	3.36
Portfolio Monitoring Charges received	0.03	-	-	-	0.03
Cross-charge for KMP's Remuneration	14.55	-	-	-	14.55
Expenditure reimbursed to	10.91	-	-	-	10.91
Dividend Paid	126.11	-	1.16	2.79	130.06
Issue of Equity Shares	1,500.00	-	300.00	200.00	2,000.00
Sitting fees	-	-	7.45	-	7.45

Particulars	Year ended 31 March 2024				
	Holding Company	Associate Company	Key management personnel	Other Related Parties	Total
Rent Expense	9.60	-	-	-	9.60
Recovery Contract charges paid	3.36	-	-	-	3.36
Portfolio Monitoring Charges received	1.00	-	-	-	1.00
Cross-charge for KMP's Remuneration	13.20	-	-	-	13.20
Expenditure reimbursed to	100.81	-	-	-	100.81
Expenditure reimbursed by	3.21	-	-	-	3.21
Dividend Paid	126.08	-	1.19	2.92	130.19
Issue of Equity Shares	1,500.00	-	175.00	325.00	2,000.00
Interest on Loan Received	-	-	1.08	-	1.08
Sitting fees	-	-	7.90	-	7.90

Balances outstanding from related parties are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2025				
	Holding Company	Associate Company	Key management personnel	Other Related Parties	Total
6% OCPS	1,666.67		-	-	1,666.67
Investments	-	15.00	-	-	15.00
Guarantees outstanding	13.03	-	-	-	13.03

Particulars	As at 31 March 2024				
	Holding Company	Associate Company	Key management personnel	Other Related Parties	Total
6% OCPS	2,000.00		-	-	2,000.00
Investments	-	15.00	-	-	15.00
Guarantees outstanding	45.79	-	-	-	45.79

All transactions with these related parties are priced on an arm's length basis.

36 The Board of directors recommended dividend of ₹ 0.041/- per equity share of face value of ₹10 each, which is subject to approval by shareholders of the Company. Dividend on the 6% OCPS is also proposed in the meeting. The amounts of dividend are as follows:

(₹ in lakhs)

Particulars	Dividend Proposed
Equity Shares	10.02
6% OCPS	109.04

Note: The dividend declared above is in accordance with Section 123 of the Act.

37 Details of Total Assets Under Management (AUM) (including assigned assets) and Total Non-Performing Assets (NPA) are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
Ind AS AUM	76,809.13	59,629.02
Stage III AUM	725.29	536.98
Stage III AUM after provisioning	501.92	391.88
Stage 3 As % Of AUM	0.94%	0.90%
Stage 3 As % Of AUM after provisioning	0.65%	0.66%

38 Total amount of assigned assets outstanding as per books of the company (excluding accrued interest) as on 31 March 2025 is ₹ 20,211.18 lakh (31 March 2024: ₹ 13,656.36 lakh). Dues to assignees towards collections from assigned receivables as on 31 March, 2025 is ₹ 293.81 Lakh (31 March 2024: ₹ 268.47 lakh).

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39 **Analytical Ratios**

(₹ in lakhs)

Particulars	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance (if above 25%)
(a) Capital to risk-weighted assets ratio (CRAR)	13,277.28	38,228.32	34.73%	# 35.47%	(0.74%)	N.A.
(b) Tier I CRAR	11,381.96	38,228.32	29.77%	# 28.32%	1.45%	N.A.
(c) Tier II CRAR	1,895.32	38,228.32	4.96%	# 7.15%	(2.19%)	N.A.
(d) Liquidity Coverage Ratio[1]	3,505.65	1,079.06	324.88%	926.28%	(601.40%)	Due to increase in borrowing of the company

 # The company has recalculated the capital ratios as at 31 March 2024 as per the direction received from NHB during the inspection for FY 2023-24. Accordingly revised figures are disclosed above.

[1] The Company is not required to comply with the guidelines on Liquidity Coverage Ratio (LCR) in line with Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 as at 31 March 2025 and 31 March 2024.

40 **Contingent liabilities and commitments (to the extent not provided for)**

(₹ in lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024
(A) Contingent Liabilities	-	-
(B) Commitments		
i) Loan commitments for sanctioned but not disbursed amount	3,810.73	2,225.40

41 **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 2025 and 31 March 2024. The column 'net amount' shows the impact of Company's balance sheet if all the set-off rights were exercised.

(₹ in lakhs)

Particulars	Effect of offsetting on the balance sheet			Related amount not offset	
	Gross amounts	Gross amount off set in balance sheet (Refer Note 1 below)	Net amount presented in balance sheet	Financial instrument collateral (Refer Note 2 below)	Net amount
As at 31 March 2025					
Loans and advances	56,049.01	25.71	56,023.30	72.33	55,950.97
As at 31 March 2024					
Loans and advances	45,545.97	85.86	45,460.11	139.36	45,320.75

Note:
1. ₹ 25.71 lakhs (31 March 2024: ₹ 85.86 lakhs) advances received against loan agreements is offset against loans and advances.
2. ₹ 72.33 lakhs (31 March 2024: ₹ 139.36 lakhs) security deposits received from borrowers is not offset against loans and advances.

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42 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)

Particulars	As at 31 March 2025			As at 31 March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	1,050.10	-	1,050.10	3,428.37	-	3,428.37
Bank Balance other than above	2,143.71	57.77	2,201.48	85.59	64.74	150.33
Trade Receivables	1.06	-	1.06	1.93	-	1.93
Loans	9,966.35	46,056.95	56,023.30	8,228.46	37,231.65	45,460.11
Investments	873.74	15.00	888.74	-	15.00	15.00
Other Financial assets	65.19	269.95	335.14	72.79	232.79	305.58
Non-Financial Assets						
Deferred tax Assets (Net)	-	187.15	187.15	-	185.69	185.69
Property, Plant and Equipment	-	240.83	240.83	-	259.40	259.40
Right-of-use Asset	11.62	41.87	53.49	7.88	29.52	37.40
Other Intangible assets	-	0.44	0.44	-	0.06	0.06
Other non-financial assets	120.48	-	120.48	89.85	-	89.85
Total Assets	14,232.25	46,869.96	61,102.21	11,914.87	38,018.85	49,933.72
LIABILITIES						
Financial Liabilities						
Trade Payables	758.14	-	758.14	541.53	-	541.53
Other Payables	131.42	-	131.42	77.18	-	77.18
Borrowings (Other than Debt Securities)	11,487.52	33,905.40	45,392.92	9,309.37	28,342.44	37,651.81
Other financial liabilities	521.72	60.25	581.97	413.04	95.89	508.93
Non-Financial Liabilities						
Current tax liabilities (Net)	45.56	-	45.56	41.41	-	41.41
Provisions	2.95	-	2.95	1.81	-	1.81
Other non-financial liabilities	72.00	-	72.00	27.52	-	27.52
Total Liability	13,019.31	33,965.65	46,984.96	10,411.86	28,438.33	38,850.19
Net	1,212.94	12,904.31	14,117.25	1,503.01	9,580.52	11,083.53

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43 **Employee benefit plan**

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

[A] Defined Contribution Plan

A defined contribution plan is a pension plan under which the company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The Company's contribution to Provident Fund aggregating to ₹ 63.39 lakhs (31 March 2024: ₹ 45.12 lakhs) and Employee State Insurance Scheme aggregating to ₹ 2.45 lakhs (31 March 2024: ₹ 1.86 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

[B] Defined Benefit Plans:

Gratuity

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.

The defined benefit plans expose the Company to actuarial 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 corporate/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 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)

Particulars	As at 31 March 2025	As at 31 March 2024
I. Reconciliation of Opening and Closing Balances of defined benefit		
Present Value of Defined Benefit Obligations at the beginning of the year	38.74	29.17
Current Service Cost	15.33	11.67
Interest Cost	2.49	1.95
Benefit paid from the fund	-	(4.12)
Change in demographic assumptions	(1.75)	-
Change in financial assumptions	1.39	(2.31)
Experience variance (i.e. Actual experience vs assumptions)	0.85	2.38
Present value of defined benefit obligations at the end of the year	**57.05**	**38.74**

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	75.35	43.82
Interest Income	5.61	3.42
Return on plan assets excluding amounts included in interest income	(2.47)	0.78
Contributions by employer	29.51	31.45
Benefits paid	-	(4.12)
Fair value of plan assets at the end of the year	**108.00**	**75.35**
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	57.05	38.74
Fair value of plan assets at the end of the year	108.00	75.35
Net asset / (liability) recognized in balance sheet as at the end of the year	**50.95**	**36.61**

iv. Composition of plan assets

100% of plan assets are administered by LIC of India.

(₹ in lakhs)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
v. Expense recognised during the year		
Current service cost	15.33	11.67
Interest Cost	(3.12)	(1.47)
Expenses recognised in the income statement	**12.21**	**10.20**
vi. Other Comprehensive Income		
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	1.39	(2.31)
Due to change in demographic assumption	(1.75)	-
Due to experience adjustments	0.85	2.38
Return on plan assets excluding amounts included in interest income	2.47	(0.78)
Components of defined benefit costs recognised in other comprehensive income	**2.96**	**(0.71)**

Particulars	As at 31 March 2025	As at 31 March 2024
vii. Principal actuarial assumptions		
Discount Rate (per annum)	6.55%	7.15%
Rate of Return on Plan Assets (p.a.)	6.55%	7.15%
Annual Increase in Salary Cost	8.00%	8.00%
Withdrawal Rates	35% p.a at younger ages reducing to 20% p.a. at older ages	35% p.a at younger ages reducing to 20% p.a. at older ages

The discount rate is based on the prevailing market yields of Government of India's bond as at the balance sheet date for the estimated term of the obligations.

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viii. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. 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)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Defined Benefit Obligation (Base)	57.05	38.74

Particulars	Year ended 31 March 2025		Year ended 31 March 2024	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 0.5%)	58.27	55.89	42.49	40.32
(% change compared to base due to sensitivity	2.13%	(2.05%)	9.65%	4.07%
Salary Growth Rate (- / + 0.5%)	55.91	58.24	40.34	42.45
(% change compared to base due to sensitivity)	(2.01%)	2.07%	4.12%	9.56%
Withdrawal Rate (W.R.) (W.R. x 90% / W.R. x 110%)	59.51	54.87	42.71	40.15
(% change compared to base due to sensitivity)	4.30%	(3.83%)	10.24%	3.64%

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 Entity'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 3.86 years.

Particulars	Cash flows (₹ in lakhs)	Distribution (%)
Expected cash flows over the next (valued on undiscounted basis):		
1st Following Year	10.39	13.30%
2nd Following year	8.76	11.20%
3rd Following Year	8.60	11.00%
4th Following Year	7.94	10.10%
5th Following Year	7.74	9.90%
Sum of years 6 to 10	22.92	29.30%

The future accrual is not considered in arriving at the above cash-flows.

Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same, once the rules are notified and become effective.

The expected contribution for the next year is ₹ 18.62 lakhs.

[C] Other long term employee benefits

The actuarial liability for compensated absences as at the year ended 31 March 2025 is ₹ 2.95 lakh (31 March 2024: ₹ 1.81 lakh).

44 **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.

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 seven days 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
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 seven days of the year end which is an unobservable input and therefore these has been considered to be fair valued using level 3 inputs.

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[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 2025	Carrying amount			Fair value			
	Amortised cost	FVTOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	35,613.30	-	-	-	35,613.30	35,613.30
Investment	-	-	873.74	873.74	-	-	873.74
Other financial Assets	-	-	-	-	-	-	-
Financial assets not measured at fair value[1]							
Cash and cash equivalents	1,050.10	-	-	1,050.10	-	-	1,050.10
Bank Balance other than cash and cash equivalents	2,201.48	-	-	2,201.48	-	-	2,201.48
Trade Receivables	1.06	-	-	-	-	1.06	1.06
Loans	20,410.00	-	-	-	-	20,060.02	20,060.02
Investments	15.00	-	-		-	15.00	15.00
Other financial Assets	335.14	-	-	-	-	333.07	333.07
	24,012.78	35,613.30	873.74				
Financial liabilities measured at fair value							
Other financial liabilities	4.41	-	-	4.41	-	-	4.41
Financial liabilities not measured at fair value[1]							
Trade Payables	889.56	-	-	-	-	889.56	889.56
Borrowings (Other than Debt Securities)	45,392.92	-	-	-	-	45,392.92	45,392.92
Other financial liabilities	577.56	-	-	-	-	577.56	577.56
	46,864.45	-	-				

(₹ in lakhs)

As at 31 March 2024	Carrying amount			Fair value			
	Amortised cost	FVTOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Loans measured at FVOCI	-	30,489.39	-	-	-	30,489.39	30,489.39
Other financial Assets	-	-	11.22	11.22	-	-	11.22
Financial assets not measured at fair value[1]							
Cash and cash equivalents	3,428.37	-	-	3,428.37	-	-	3,428.37
Bank Balance other than cash and cash equivalents	150.33	-	-	150.33	-	-	150.33
Trade Receivables	1.93	-	-	-	-	1.93	1.93
Loans	14,970.72	-	-	-	-	15,250.32	15,250.32
Investments	15.00	-	-		-	15.00	15.00
Other financial Assets	294.36	-	-	-	-	292.08	292.08
	18,860.71	30,489.39	11.22				
Financial liabilities not measured at fair value[1]							
Trade Payables	618.71	-	-	-	-	618.71	618.71
Borrowings (Other than Debt Securities)	37,651.81	-	-	-	-	37,651.81	37,651.81
Other financial liabilities	508.93	-	-	-	-	508.93	508.93
	38,779.45	-	-				

[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)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Loans		
Balance at the beginning of the year	30,497.94	21,023.83
Addition during the year	15,675.34	18,700.54
Amount derecognised / repaid during the year	(10,711.04)	(8,977.29)
Gain included in OCI		
- Net change in fair value (unrealised)	121.60	(249.14)
Balance at the end of the year	35,583.84	30,497.94

Sensitivity analysis to fair value

(₹ in lakhs)

Particulars	OCI, net of tax	
	Increase	Decrease
31 March 2025		
Loans		
Interest rates (50 bps movement)	(509.65)	716.01
31 March 2024		
Loans		
Interest rates (50 bps movement)	(685.61)	333.25

45 **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 HFC regulator Reserve Bank of India (RBI) and supervisor National Housing Bank (NHB). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI and NHB.

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.

45.1 **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.

45.2 **Regulatory capital**

(₹ in lakhs)

Particulars	As at 31 March 2025	As at 31 March 2024 (Refer note below)
Tier 1 Capital	11,381.96	8,280.60
Tier 2 Capital	1,895.32	2,091.05
Total Capital	13,277.28	10,371.65
Risk weightage assets (Denominator)	38,228.32	29,240.21
Risk weighted assets		
Tier 1 Capital Ratio (%)	29.77%	28.32%
Tier 2 Capital Ratio (%)	4.96%	7.15%
Total Capital Ratio (%)	34.73%	35.47%

Tier 1 capital consists of shareholders' equity and retained earnings excluding intangible assets. Tier 2 capital consists of optionally convertible Preference Shares and ECL on stage 1.

Note: The company has recalculated the capital ratios as at 31 March 2024 as per the advisory received from NHB during the inspection for FY 2023-24. Accordingly revised figures are disclosed above. Refer Note no.68 A.1 for further details.

46 **Financial risk management objectives and policies**

The Company's principal financial liabilities comprise loans and borrowings, trade and other 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.

46.1 **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 receivables from customers and loans.

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, etc.

The Company's exposure to credit risk for loans and advances by type of counterparty is as follows:

(₹ in lakhs)

Particulars	Carrying Amount	
	As at 31 March 2025	As at 31 March 2024
Retail customer	51,018.94	39,171.19
RAC Loans	3,459.23	5,651.07
Construction Finance	2,119.77	1,150.41
Total	56,597.94	45,972.67

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 Expected Credit Loss (ECL) model as per the provisions of Ind AS 109 - Financial instruments.

Staging:

As per the provision of Ind AS 109 general approach 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 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, Company assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. Company has staged the assets based on the days past dues criteria and other market factors which significantly impacts the portfolio.

Company's internal grade and staging criteria for loans are as follows:

Days past dues 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
90-180 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

Grouping:

As per Ind AS 109, Company is required to group the portfolio based on the shared risk characteristics. Company has assessed the risk and its impact on the various portfolios and has divided the portfolio into following groups:

a. Retail Loan

b. Construction Finance

c. RAC Loans

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)

Days past due	As at 31 March 2025	As at 31 March 2024
Stage I	0.43%	0.21%
Stage II	10.41%	14.17%
Stage III	34.44%	30.40%
Amount of expected credit loss provided for	718.39	585.78

The loss rates are based on actual credit loss experience over past 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.

Management Overlay

The Company holds a management and macro economic overlay of ₹ 329.69 lakhs as on 31 March 2025 (31 March 2024: ₹ 299.83 lakhs)

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 ₹ 252.47 lakhs (31 March 2021: ₹ Nil). Overall provision for expected credit loss against restructured loan exposure amounts to ₹ 43.23 lakhs as at 31 March 2022 (31 March 2021: ₹ Nil). The Group continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets.

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 2025 is ₹ 85.19 lakhs (31 March 2024 ₹ 94.48 lakhs). Overall provision for expected credit loss against restructured loan exposure amounts to ₹ 8.94 lakhs as at 31 March 2025 (31 March 2024 ₹ 13.39 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.

46.2 **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 monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities and bank loans. The Company has access to a sufficient variety of sources of funding.

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

Capital adequacy ratio of the Company, as on 31 March 2025 is 34.73% against regulatory norms of 15%. Tier I capital is 29.77%. Tier II capital is 4.96% which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

The total cash credit limit available to the Company is ₹ 633.69 lakhs spread across 2 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

Exposure to liquidity risk

The table below summarises the maturity profile of the Company's non derivative financial liabilities based on contractual undiscounted payments along with its carrying value as at Balance Sheet date.

(₹ in lakhs)

Particulars	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 2025									
Borrowings (Other than debt securities)	591.36	659.65	1,401.93	2,829.93	6,004.65	17,115.87	10,401.37	6,388.16	45,392.92
Trade Payable	533.42	356.14	-	-	-	-	-	-	889.56
Lease Liability	-	0.86	0.85	2.62	5.00	18.40	19.65	9.58	56.96
Other Financial Liabilities	454.35	-	23.03	30.00	5.00	12.63	-	-	525.01
As at 31 March 2024									
Borrowings (Other than debt securities)	519.61	537.99	1,114.56	2,366.66	4,770.56	16,756.79	9,036.93	2,548.71	37,651.81
Trade Payable	618.71	-	-	-	-	-	-	-	618.71
Lease Liability	0.03	0.53	0.52	1.60	3.47	12.32	11.72	8.39	38.58
Other Financial Liabilities	343.46	1.67	14.67	23.75	23.34	61.46	2.00	-	470.35

46.3 **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 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 bank deposits, lending and borrowings carried at variable rate.

(₹ in lakhs)

Particulars	Year ended 31 March 2025		Year ended 31 March 2024	
Change in interest rates	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Variable rate lending	56,597.94	56,597.94	45,972.67	45,972.67
Impact on Profit for the year	220.01	(220.01)	165.27	(165.27)
Variable rate borrowings	45,710.81	45,710.81	37,960.04	37,960.04
Impact on Profit for the year	(196.49)	196.49	(154.93)	154.93

[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 31 March 2025 and 31 March 2024 by entering into forward contracts with the intention of covering the entire term of foreign currency exposure. The counterparties for such hedge transactions are banks.

The Company's exposure on account of Foreign Currency Borrowings at the end of the reporting period expressed in Indian Rupees are as follows:

(₹ in lakhs)

Particulars	Foreign Currency	As at 31 March 2025	As at 31 March 2024
Term loan from Bank in Foreign Currency	USD	4,486.87	2,513.95

(₹ in lakhs)

47 **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 2025	As at 31 March 2024
Not later than one year	9.33	6.15
Later than one year and not later than five years	38.05	24.04
Later than five years	9.58	8.39
Total undiscounted lease liabilities	56.96	38.58
Lease liabilities included in the balance sheet		
Total lease liabilities	56.96	38.58

Amount recognised in the statement of profit and loss account	Year ended 31 March 2025	Year ended 31 March 2024
Interest on lease liabilities	3.99	2.92
Depreciation charge for the year	9.69	10.21
Expenses relating to short term leases	109.00	82.65

Amount recognised in statement of cashflow	Year ended 31 March 2025	Year ended 31 March 2024
Cash outflow towards lease liability	(7.40)	(8.83)

For addition and carrying amount of right to use asset for 31 March 2025 and 31 March 2024, refer Note No. 12(c).

48 The Company does not hold any immovable property as on 31 March 2025 and 31 March 2024. All the lease agreements are duly executed in favour of the Company for properties where the Company is the lessee.

49 **Revenue from contracts with customers**

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to profit and loss account:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Type of income		
Services charges	38.51	20.50
Others	377.89	135.08
Total revenue from contracts with customers	416.40	155.58
Geographical markets		
India	416.40	155.58
Outside India	-	-
Total revenue from contracts with customers	416.40	155.58
Timing of revenue recognition		
Services transferred at a point in time	416.40	155.58
Services transferred over time	-	-
Total revenue from contracts with customers	416.40	155.58

(₹ In lakhs)

50 **Transfer of financial assets**

50.1 **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 :

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Direct assignment		
Carrying amount of de-recognised financial asset	20,211.18	13,656.36
Carrying amount of retained financial asset*	2,352.00	1,621.37

*excludes Excess Interest Spread (EIS) on de-recognised financial assets

50.2 **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.

51 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 2025 and 31 March 2024.

52 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 2025 and 31 March 2024.

53 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 2025 and 31 March 2024.

54 All the charges or satisfaction, as applicable are registered with ROC within the statutory period.

55 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.

56 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 2025 and 31 March 2024, 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 2025 and 31 March 2024.

57 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 2025 and 31 March 2024 are held by the Company in the form of deposits or in current accounts till the time the utilisation is made subsequently.

58 The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2025 and 31 March 2024.

59 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 2025 and 31 March 2024.

60 The Company has not entered into any scheme of arrangement.

61 The Company have used accounting software for maintaining its books of account for the financial year ended 31 March 2025 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.

62 There were no instances of fraud reported during the year ended 31 March 2025 and 31 March 2024.

63 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.

64 **Disclosure as required in terms of Annex VII of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023.**

A Exposures

1 Exposure to Real Estate Sector

(₹ in Crore)

Category	Current Year	Previous Year
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	351.79	288.71
b) Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	179.60	114.51
c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
a) Residential	-	-
b) Commercial Real Estate	-	-
ii) Indirect Exposure Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	34.59	56.51
Total Exposure to Real Estate Sector	565.98	459.73

2 Exposure to Capital Market

(₹ in Crore)

Particulars	Current Year	Previous Year
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	0.15	0.15
(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	-	-
(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	-	-
(i) Category II	-	-
(i) Category III	-	-
Total Exposure to Capital Market	0.15	0.15

3 Sectoral exposure

(₹ in Crore)

Sectors	Current Year			Previous Year		
	Total Exposure*	Gross NPAs	% of GNPAs to total exposure in that sector	Total Exposure*	Gross NPAs	% of GNPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	0.00%	-	-	0.00%
2. Industry						
i. Real Estate	531.39	6.49	1.22%	403.22	4.77	1.18%
Total of Industry	531.39	6.49	1.22%	403.22	4.77	1.18%
3. Services						
i NBFCs	34.59	-	0.00%	56.51	-	0.00%
Total of Services	34.59	-	0.00%	56.51	-	0.00%
4. Personal Loans	-	-	0.00%	-	-	0.00%
5. Others, if any	-	-	0.00%	-	-	0.00%

4 Intra-group exposures

(₹ in Crore)

Particulars	Current Year	Previous Year
Total amount of intra-group exposures	0.15	0.15
Total amount of top 20 intra-group exposures	0.15	0.15
Percentage of intra-group exposures to total exposure of the NBFC on borrowers / customers	0.03%	0.03%

5 Unhedged foreign currency exposure

(₹ in Crore)

Particulars	Current Year	Previous Year
Unhedged foreign currency exposure	-	-

B Related Party Disclosure

(₹ in Crore)

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates / Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-
Advances at the end of the year	-	-	-	-	-	-	-	-	-	-	-	-
Advances maximum outstanding during the year	-	-	-	-	-	-	-	0.13	-	-	-	0.13
Investments (outstanding at the end and maximum during the year)	-	-	-	-	0.15	0.15	-	-	-	-	0.15	0.15
Purchase of fixed / other assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed / other assets	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	0.01	-	-	-	0.01
Others	16.68	17.57	-	-	-	-	3.47	2.18	2.03	3.28	22.18	23.03
Out of which;												
Issue of Equity Shares	15.00	15.00	-	-	-	-	3.00	1.75	2.00	3.25	20.00	20.00
Dividend	1.26	1.26	-	-	-	-	0.01	0.01	0.03	0.03	1.30	1.30
Total of above	16.68	17.57	-	-	-	-	3.47	2.19	2.03	3.28	22.18	23.04

C Disclosure of complaints

1 Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr	Particulars	Current Year	Previous Year
	Complaints received by the NBFC from its customers (refer note below)		
1.	Number of complaints pending at beginning of the year	0	0
2.	Number of complaints received during the year	6	5
3.	Number of complaints disposed during the year	6	5
3.1	Of which, number of complaints rejected by the NBFC	0	0
4.	**Number of complaints pending at the end of the year**	0	0
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	0	0
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	0	0
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	0	0
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	0
6	**Number of Awards unimplemented within the stipulated time (other than those appealed)**	0	0

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
As at 31 March 2025					
Collection Calls	0	0	(100.00%)	0	0
Loan Related	0	3	50.00%	0	0
Others	0	3	200.00%	0	0
Total	0	6	20.00%	0	0
As at 31 March 2024					
Collection Calls	0	2	100.00%	0	0
Loan Related	0	2	(60.00%)	0	0
Others	0	1	(75.00%)	0	0
Total	0	5	(44.44%)	0	0

65 **Disclosure as required in terms of Annex XI of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023.**

Loans to Directors, Senior Officers and relatives of Directors

Particulars	Current Year	Previous Year
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

66 **Disclosure as required in terms of Annex VIII of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023.**

(₹ in Crore)

Particulars				
Liabilities side			**Amount Outstanding**	**Amount Overdue**
1	**Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**			
	(a)	Debentures : Secured	-	-
		Unsecured	-	-
		(other than falling within the meaning of public deposits)		
	(b)	Deferred Credits	-	-
	(c)	Term Loans	452.65	-
	(d)	Inter-corporate loans and borrowing	-	-
	(e)	Commercial Paper	-	-
	(f)	Public Deposits	-	-
	(g)	Other loans (specify nature)	-	-
		- Cash Credit	5.66	-
		- Overdraft	-	-
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	-	-
		(other than falling within the meaning of public deposits)		
	(c)	Other public deposits	-	-

Assets side				**Amount**
3	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**			
	(a)	Secured		565.82
	(b)	Unsecured		0.16
4	**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**			
	(i)	Lease assets including lease rentals under sundry debtors		
		(a)	Finance Lease	-
		(b)	Operating Lease	-
	(ii)	Stock on hire including hire charges under sundry debtors		
		(a)	Assets on Hire	-
		(b)	Repossessed Assets	-
	(ii)	Other loans counting towards asset financing activities		
		(a)	Loans where assets have been repossessed	-
		(b)	Loans other than (a) above	-

RURAL HOUSING & MORTGAGE FINANCE LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

5	**Break-up of Investments**				
	Current investments				
	1	**Quoted**			
		(i)	Shares		
			(a)	Equity	-
			(b)	Preference	-
		(ii)	Debenture and Bonds		8.74
		(iii)	Units of mutual funds		-
		(iv)	Government Securities		-
		(v)	Other (Please specify)		-
	2	**Unquoted**			
		(i)	Shares		
			(a)	Equity	-
			(b)	Preference	-
		(ii)	Debenture and Bonds		-
		(iii)	Units of mutual funds		-
		(iv)	Government Securities		-
		(v)	Other (Please specify)		-
	Long Term investments				
	1	**Quoted**			
		(i)	Shares		
			(a)	Equity	-
			(b)	Preference	-
		(ii)	Debenture and Bonds		-
		(iii)	Units of mutual funds		-
		(iv)	Government Securities		-
		(v)	Other (Please specify)		-
	2	**Unquoted**			
		(i)	Shares		
			(a)	Equity	0.15
			(b)	Preference	-
		(ii)	Debenture and Bonds		-
		(iii)	Units of mutual funds		-
		(iv)	Government Securities		-
		(v)	Other (Please specify)		-

& ASSOCIATES
CHARTERED ACCOUNTANTS
AHMEDABAD

6 Borrower group-wise classification of assets financed as in (3) and (4) above:

Category	Amount net of provisions		
	Secured	Unsecured	Total
1 Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other Related Parties	-	-	-
2 Other than related parties	558.64	0.16	558.80
Total	558.64	0.16	558.80

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

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1 Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	0.15	0.15
(c) Other Related Parties	-	-
2 Other than related parties	8.74	8.74
Total	8.89	8.89

8 Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	6.49
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	4.26
(ii) Assets acquired in satisfaction of debt	-

67 Disclosure on compliance with Principal business criteria in accordance with the RBI Master Direction DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021

(₹ in Crore)

Particulars	As at 31 March 2025	As at 31 March 2024
Financials assets in business of providing finance for housing	373.00	300.21
Financials assets in business of providing finance for housing to Individuals	351.79	288.71
Total Assets (net of intangible assets)	609.15	497.48
% of financials assets in business of providing finance for housing to total assets (net of intangible assets)	61.23%	60.35%
% of financials assets in business of providing finance for housing to Individuals to total assets (net of intangible assets)	57.75%	58.03%

68 **Disclosure as required in terms of Annex XXII of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023.**

A Disclosures

A.1 Capital

(₹ in Crore)

Particulars	Current Year	Previous Year
(i) CRAR (%)	34.73%	# 35.47%
(ii) CRAR - Tier I Capital (%)	29.77%	# 28.32%
(iii) CRAR – Tier II Capital (%)	4.96%	7.15%
(iv) Amount of subordinated debt raised as Tier- II Capital	-	-
(v) Amount raised by issue of Perpetual Debt Instruments	-	-

 # The Company has recalculated the capital adequacy ratios for the previous year pursuant to the advisory received from the National Housing Bank (NHB) during the inspection for FY 2023–24. The total CRAR has been revised to 35.47% from the earlier reported 36.37%, and Tier I CRAR has been revised to 28.32% from earlier reported 29.22% reflecting a difference of 0.90%. This revision is on account of a correction in the figures of spread receivables related to assignment transaction. The revised figures for the previous year have accordingly been disclosed above.

A.2 Reserve Fund u/s 29C of NHB Act, 1987

Please refer Note No. 21 to the Financial Statements

A.3 Investments

(₹ in Crore)

Particulars	Current Year	Previous Year
3.1 Value of Investments		
(i) Gross Value of Investments		
(a) In India	8.89	0.15
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	8.89	0.15
(b) Outside India	-	-
3.1 Movement of provisions held towards depreciation on investments		
(i) Opening Balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off / Written-bank of excess provisions during the year	-	-
(iv) Closing balance	-	-

A.4 Derivatives

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

(₹ in Crore)

Particulars	Current Year	Previous Year
(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 HFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book	-	-

Note : Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed.

4.2 Exchange Traded Interest Rate (IR) Derivative

(₹ in Crore)

Particulars	Amount
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2025	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-

4.3 Disclosures on Risk Exposure in Derivatives

A 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 3.20.

B Quantitative Disclosure

(₹ in Crore)

Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)	44.87	-
(ii) Marked to Market Positions		
(a) Assets (+)	-	-
(b) Liability (-)	(0.04)	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

A.5 Securitisation

5.1 For Securitisation Transactions

(₹ in Crore)

Particulars	Amount
1 No of SPVs sponsored by the HFC for securitisation transactions	-
2 Total amount of securitised assets as per books of the SPVs sponsored	-
3 Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet	-
(I) Off-balance sheet exposures towards Credit Enhancements	-
(II) On-balance sheet exposures towards Credit Enhancements	-
4 Amount of exposures to securitisation transactions other than MRR	-
(I) Off-balance sheet exposures towards Credit Enhancements	-
(a) Exposure to own securitizations	-
(b) Exposure to third party securitisations	-
(II) On-balance sheet exposures towards Credit Enhancements	-
(a) Exposure to own securitizations	-
(b) Exposure to third party securitisations	-

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

(₹ in Crore)

Particulars	Current Year	Previous Year
(i) No. of accounts	-	-
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(iii) Aggregate consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

5.3 Details of Assignment transactions undertaken by HFCs

(₹ in Crore)

Particulars	Current Year	Previous Year
(i) No. of accounts	1315 Loans	1591 Loans
(ii) Aggregate value (net of provisions) of accounts assigned	87.18	82.36
(iii) Aggregate consideration	87.18	82.36
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

ASSOCIATES AHMEDABAD CHARTERED ACCOUNTANTS

5.4 Details of non-performing financial assets purchased / sold

A Details of non-performing financial assets purchased:

(₹ in Crore)

Particulars	Current Year	Previous Year
(a) No. of accounts purchased during the year	0	0
(b) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(a) Of these, number of accounts restructured during the year	0	0
(b) Aggregate outstanding	-	-

B Details of Non-performing Financial Assets sold:

(₹ in Crore)

Particulars	Current Year	Previous Year
1 No. of accounts sold	0	0
2 Aggregate outstanding	-	-
3 Aggregate consideration received	-	-

A.6 Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities)

Current Year

(₹ in Crore)

Particulars	Up to 30/31 days (one month)	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 years & up to 3 years	Over 3 years & up to 5 years	Over 5 years & up to 7 years	Over 7 years & up to 10 years	Over 10 Years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings (Refer Note 1 below)	6.35	6.70	14.12	28.58	60.54	172.40	104.42	35.82	28.18	-	457.11
Market Borrowing	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	13.92	7.25	7.02	23.66	48.70	161.27	119.04	46.15	62.41	76.56	565.98
Investments	-	-	8.74	-	-	-	-	-	-	0.15	8.89
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

Previous Year

(₹ in Crore)

Particulars	Up to 30/31 days (one month)	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 years & up to 3 years	Over 3 years & up to 5 years	Over 5 years & up to 7 years	Over 7 years & up to 10 years	Over 10 Years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	5.47	5.48	11.25	23.93	48.17	168.96	90.79	24.51	1.04	-	379.60
Market Borrowing	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	6.76	6.91	6.78	20.78	41.78	136.39	92.79	31.00	41.75	74.79	459.73
Investments	-	-	-	-	-	-	-	-	-	0.15	0.15
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

Note:

1. 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 2025 is ₹ 44.87 Crores (31 March 2024: ₹ 25.14 crores).

2. Classification of assets and liabilities under different maturity buckets is based on the estimates and assumptions as used by the Company.

A.7 Exposure

7.1 Exposure to Real Estate Sector

Refer Note No. 64.A.1 to the Financial Statements.

7.2 Exposure to Capital Market

Refer Note No. 64.A.2 to the Financial Statements.

7.3 Details of financing of parent company products

Not Applicable.

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

The Company has not exceeded the prudential exposure limits during the year.

7.5 Unsecured Advances

a) Refer Note No. 8 to the Financial Statements.
b) The Company has not granted any advances against intangible securities.

7.6 Exposure to group companies engaged in real estate business (refer to Paragraph 21 of these directions)

S. No.	Description	Amount (₹ in Crore)	% of owned fund
(i)	Exposure to any single entity in a group engaged in real estate business	-	0%
(ii)	Exposure to all entities in a group engaged in real estate business	-	0%

B Miscellaneous

B.1 Registration obtained from other financial sector regulators

The Company has not obtained registration from other Financial sector regulators.

B.2 Disclosure of Penalties imposed by NHB and other regulators

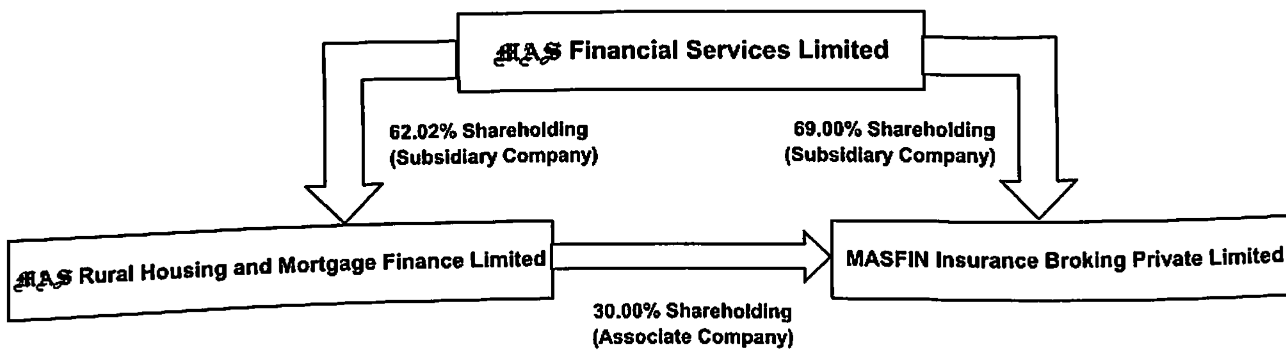
NHB has not imposed any penalty on the Company during the year.

B.3 Related party Transactions

Refer Note No. 35 to the Financial Statements.

B.4 Group Structure

The group structure of the company is below:



B.5 Rating assigned by Credit Rating Agencies and migration of rating during the year

By CARE:

Instrument	Amount	Current Rating	Previous Rating
Long term bank facilities (Cash Credit/Term Loan)	₹ 600 Crore	CARE A (Positive)	CARE A (Positive)
Proposed Non-Convertible Debenture (NCD) Issue	₹ 25 Crore	CARE A (Positive)	CARE A (Positive)

B.6 Remuneration of Directors

Refer Note No. 35 to the Financial Statements.

B.7 Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no prior period items requiring disclosure in the financial statements.

B.8 Revenue Recognition

The Company has not postponed recognition of revenue during the period. Please refer Note No. 3.1 and 3.9 to Financial Statements.

B.9 Ind AS 110 – Consolidated Financial Statements (CFS)

Since the company does not have any subsidiaries, Ind AS 110 - Consolidated Financials Statements (CFS) is not applicable to the company.

C Additional Disclosures

C.1 Provisions and Contingencies

(₹ in Crore)

	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Current Year	Previous Year
1	Provisions for depreciation on Investment	-	-
2	Provision made towards Income tax	2.53	1.99
3	Provision towards NPA	0.78	0.71
4	Provision for Standard Assets (with details like teaser loan, CRE, CRE-RH etc.)		
	i) Housing Loans	0.37	0.84
	ii) Commercial Real Estate (CRE)	0.43	0.58
	iii) Commercial Real Estate - Residential Housing (CRE-RH)	-	(0.61)
	iv) National Housing Bank (NHB) and Housing Finance Companies (HFCs)	(0.26)	(0.49)
5	Other Provision and Contingencies	0.49	0.52

(₹ in Crore)

Break up of Loan & Advances and Provisions thereon	Residential Mortgages (Individual Housing Loans)		Commercial Real Estate (CRE) (Individuals & Builders)	
	Current Year	Previous Year	Current Year	Previous Year
Standard Assets				
a) Total Outstanding Amount	346.10	284.48	157.60	102.47
b) Provisions made	3.37	3.00	1.36	0.93
Sub-Standard Assets				
a) Total Outstanding Amount	2.73	2.97	0.46	0.40
b) Provisions made	0.94	0.90	0.16	0.12
Doubtful Assets – Category - I				
a) Total Outstanding Amount	2.92	1.26	0.33	0.14
b) Provisions made	1.01	0.39	0.11	0.04
Doubtful Assets – Category - II				
a) Total Outstanding Amount	0.04	-	* 0.00	-
b) Provisions made	0.01	-	* 0.00	-
Doubtful Assets – Category - III				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) **Total Outstanding Amount**	351.79	288.71	158.39	103.01
b) **Provisions made**	5.33	4.29	1.63	1.09

* less than ₹ 50,000/-

Break up of Loan & Advances and Provisions thereon	Commercial Real Estate - Residential Housing (CRE-RH)		Housing Finance Companies (HFCs) (Non-Housing)	
	Current Year	Previous Year	Current Year	Previous Year
Standard Assets				
a) Total Outstanding Amount	21.21	11.50	34.59	56.51
b) Provisions made	0.04	0.04	0.18	0.44
Sub-Standard Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Doubtful Assets – Category - I				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Doubtful Assets – Category - II				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Doubtful Assets – Category - III				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) Total Outstanding Amount	**21.21**	**11.50**	**34.59**	**56.51**
b) Provisions made	**0.04**	**0.04**	**0.18**	**0.44**

Notes:

1 The total outstanding amount mean principal + accrued interest + other charges pertaining to loans without netting off.

2 The Category of Doubtful Assets will be as under:

Period for which the assets has been considered as doubtful	Category
Up to one year	Category - I
One to three years	Category - II
More than three years	Category - III

C.2 Draw Down from Reserves

There has been no draw down from reserves during the current year and previous year.

C.3 Concentration of Public Deposits, Advances, Exposures and NPAs

3.1 Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

(₹ in Crore)

Particulars	Current Year	Previous Year
Total Deposits of twenty largest depositors	N.A.	N.A.
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	N.A.	N.A.

3.2 Concentration of Loans & Advances

(₹ in Crore)

Particulars	Current Year	Previous Year
Total Loans & Advances to twenty largest borrowers	56.73	69.11
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	10.02%	15.03%

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

(₹ in Crore)

Particulars	Current Year	Previous Year
Total Exposure to twenty largest borrowers / customers	66.69	69.11
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	11.04%	14.34%

3.4 Concentration of NPAs

(₹ in Crore)

Particulars	Current Year	Previous Year
Total Exposure to top ten NPA accounts	2.02	1.76

3.5 **Sector-wise NPAs**

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector
A	**Housing Loans :**	
1	Individuals	1.62%
2	Builders/Project Loans	0.00%
3	Corporates	0.00%
4	Others (specify)	0.00%
B	**Non-Housing Loans :**	
1	Individuals	0.50%
2	Builders/Project Loans	0.00%
3	Corporates	0.00%
4	Others (specify)	0.00%

C.4 **Movement of NPAs**

(₹ in Crore)

Particulars	Current Year	Previous Year
(I) Net NPAs to Net Advances (%)	0.75%	0.72%
(II) Movement of NPAs (Gross)		
a) Opening balance	4.77	2.50
b) Additions during the year	4.77	4.21
c) Reductions during the year	(3.05)	(1.94)
d) Closing balance	6.49	4.77
(III) Movement of Net NPA		
a) Opening balance	3.32	1.76
b) Additions during the year	3.13	2.91
c) Reductions during the year	(2.19)	(1.35)
d) Closing balance	4.26	3.32
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	1.45	0.74
b) Additions during the year	1.64	1.30
c) Reductions during the year	(0.86)	(0.59)
d) Closing balance	2.23	1.45

C.5 **Overseas Assets**

(₹ in Crore)

Particulars	Current Year	Previous Year
	NIL	NIL

C.6 **Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)**

Name of the SPV sponsored	
Domestic	Overseas
NIL	NIL

D **Disclosure of Complaints**

D.1 **Customers Complaints**

Refer Note No. 64.C to the Financial Statements.

(₹ in lakhs)

69 **Information as required in terms of RBI notification no. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 are mentioned as below:**

Asset Classification as per RBI Norms (1)	Asset classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)	Loss Allowances (Provisions) as required under Ind AS 109 (4)	Net Carrying Amount (5) = (3) - (4)	Provisions required as per IRACP norms (6)	Difference between Ind AS 109 provisions and IRACP norms (7) = (4) - (6)
Performing Assets						
Standard	Stage 1	53,391.20	228.65	53,162.55	260.49	(31.84)
	Stage 2	2,558.19	266.36	2,291.83	19.74	246.62
Subtotal		**55,949.39**	**495.01**	**55,454.38**	**280.23**	**214.78**
Non-Performing Assets (NPA)						
Substandard	Stage 3	319.54	109.72	209.82	32.33	77.39
Doubtful - up to 1 year	Stage 3	324.89	112.25	212.64	66.15	46.10
1 to 3 years	Stage 3	4.12	1.40	2.72	1.23	0.17
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**329.01**	**113.65**	**215.36**	**67.38**	**46.27**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**648.55**	**223.37**	**425.18**	**99.71**	**123.66**
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**	**53,391.20**	**228.65**	**53,162.55**	**260.49**	**(31.84)**
	Stage 2	**2,558.19**	**266.36**	**2,291.83**	**19.74**	**246.62**
	Stage 3	**648.55**	**223.37**	**425.18**	**99.71**	**123.66**
	Total	**56,597.94**	**718.38**	**55,879.56**	**379.94**	**338.44**

In terms of the requirement of the above notification, Non-Banking Financial Companies ('NBFCs') are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and income recognition asset classification and provisioning ('IRACP') norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard assets provisioning), as at 31 March 2025 and accordingly, no amount is required to be transferred to impairment reserve.

70 **Information as required in terms of RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021 is mentioned below:**

(a) Details of loans not in default transferred through assignment during year ended 31 March 2025.

Entity / Assignor	HFCs
Count of loan account assigned	1315 Loans
Amount of loan account assigned	8,718.48
Retention of beneficial economic interest (MRR) by originator	10%
Weighted average residual maturity	148 months
Weighted average holding period	43 months
Coverage of tangible security	100%
Rating wise distribution of loans acquired	Unrated

(b) The Company has not acquired any loan during year ended 31 March 2025.

(c) The Company has not transferred or acquired any stressed loan during the year ended 31 March 2025.

(₹ in lakhs)

71 During F.Y. 2021-22, in order to relieve COVID-19 pandemic related stress, the Company had invoked resolution plan for eligible borrowers based on the parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by RBI.

(a) Information as required in terms of RBI circular no. RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021 issued by the RBI is mentioned below:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A) (30.09.2024)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year #	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year (31.03.2025)
Personal Loans^	93.05	-	-	7.86	85.19
Corporate Persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	93.05	-	-	7.86	85.19

^ Resolution plan have been implemented under RBI's Resolution Framework 2.0 dated May 5, 2021.
* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.
# includes only principal amount paid by the borrower.

(b) Information as required in terms of RBI circular no. RBI/2021-22/32 DOR.STR. REC.12/21.04.048/2021-22 dated 5 May 2021 issued by the RBI.

No. of accounts restructured	Amount (₹ in million)
Nil	Nil

72 Pursuant to RBI circular dated 12 November 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances - Clarifications", the Company is compliant with the norms/changes for regulatory reporting, as applicable.

73 **Disclosure of Liquidity Risk as on March 31, 2025 as required under RBI notification DOR.NBFC (HFC).CC.No.118/03.10.136/2020-21 dated October 22, 2020**

i) Funding Concentration based on significant counterparty[1]

No. of significant Counterparties	(₹ in lakhs)	% of Total Deposits	% of Total Liabilities [3]
3	14,517.55	N.A	30.90%

ii) Top 20 large deposits

Nil. The Company is registered with NHB as Non Deposit accepting HFC.

iii) Top 10 borrowings

Total amount of top 10 borrowings (₹ in lakhs)	33,483.44
Percentage of amount of top 10 borrowings to total borrowings	73.25%

iv) Funding concentration based on significant instrument/product[2]

Name of Instrument/product	As at 31 March 2025	% of Total Liabilities [3]
Term Loans (₹ in lakhs)	45,144.50	96.08%

(₹ in lakhs)

v) Stock Ratio

Particulars	As at 31 March 2025
Commercial paper as a percentage of total liabilities	N.A.
Commercial paper as a percentage of total public funds	N.A.
Commercial paper as a percentage of total assets	N.A.
Non convertible debentures (original maturity of less than one year) as a percentage of total liabilities	N.A.
Non convertible debentures (original maturity of less than one year) as a percentage of total public funds	N.A.
Non convertible debentures (original maturity of less than one year) as a percentage of total assets	N.A.
Other short term liabilities as a percentage of total liabilities[3]	27.71%
Other short term liabilities as a percentage of total public funds[4]	28.48%
Other short term liabilities as a percentage of total assets	21.31%

vi) Institutional set-up for liquidity risk management

Refer Note No. 46.2 to the financials statements.

Notes:

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. 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'.
3. Total liabilities represents total liabilities as per balance sheet.
4. Public funds are as defined in Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021.

74 Figures of previous year has been regrouped / reclassified, wherever necessary, to correspond with the figures of the current year.

MAAK & ASSOCIATES CHARTERED ACCOUNTANTS FRN: 135024W AHMEDABAD

NOTICE

NOTICE is hereby given that the Eighteenth (18th) Annual General Meeting (AGM) of the members of MAS Rural Housing & Mortgage Finance Limited will be held at 11:00 am, on Wednesday, the 20th day of August, 2025 at 5th Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad – 380 009 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statement of the Company for the year ended March 31, 2025 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity and preference shares.
3. To appoint a Director in place of Mrs. Darshana Pandya, (DIN 07610402), liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

4. Approval for increasing the Borrowing Powers under Section 180(1)(c) of the Companies Act, 2013 up to twelve times of its NOF on or after March 31, 2025:

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** in supersession of the earlier resolution passed at the Extra-Ordinary General Meeting of the members of the Company held on July 29, 2019, the consent of the members be and is hereby accorded under the provisions of Section 180(1)(c) of the Companies Act, 2013, to the Board of Directors to borrow from time to time such sum or sums of money as they may deem necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from cash credit arrangement, discounting of bills and other temporary loans obtained from company's bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

Provided that the total amount up to which monies may be borrowed by the Board of Directors and which shall remain outstanding at any given point of time shall not exceed the sum of twelve times of its NOF on or after March 31, 2025.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolution.

RESOLVED FURTHER THAT the Board may further delegate the power to committee for the above mentioned matter."

5. Approval for creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company under section 180(1)(a) of the Companies Act, 2013:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** in supersession of the earlier resolution passed at the Extra-Ordinary General Meeting of the members of the Company held on July 29, 2019 the consent of the members of the Company be and is hereby accorded pursuant to the provisions of section 180(1)(a) and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modifications or amendments thereof) and Rules made thereunder, to create security by way of mortgage, hypothecate, pledge and / or charge, in addition to the mortgage, hypothecate, pledge and/or charge already created, in such form, manner and ranking and on such terms as the Board deems fit in the interest of the Company, on all or any of the movable and / or immovable properties of the Company (both present and future) and /or any other assets or properties of the Company and / or the whole or part of any of the undertaking of the Company together with or without the power to take over the management of the business or any undertaking of the Company in case of certain events of defaults, in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowing availed or to be availed by the Company, by way of loans, debentures (comprising fully/partly Convertible Debentures and/ or Secured/Unsecured Non-Convertible Debentures or any other securities) or otherwise, in foreign currency or in Indian rupees, from time to time, up to the limits approved or as may be approved by the shareholders under Section 180(1) (c) of the Act (including any statutory modification or re-enactment thereof) along with interest, additional interest, accumulated interest, liquidated charges, commitment charges or costs, expenses and all other monies payable by the Company including any increase as a result of devaluation/ revaluation/fluctuation in the rate of exchange etc.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize with the Lending Agencies / Trustees, the documents for creating the aforesaid mortgages, charges and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution."

By order of the Board

Darshil Hiranandani
Company Secretary
(A47986)

Place : **Ahmedabad**
Date : **July 16, 2025**

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The proxy form, to be valid and effective, should be lodged at the registered office of the Company, duly completed and signed, not less than forty-eight hours before the commencement of the AGM.

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

Subject to the provisions of Section 126 of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the AGM, will be dispatched/remitted commencing on or after August 20, 2025.

All documents referred to in the notice and the explanatory statement requiring the approval of the Members at the AGM and other statutory registers shall be available for inspection by the Members at the registered office of the Company during office hours on all working days between 11.00 a.m. and 1.00 p.m. on all working days of the Company from the date hereof up to the date of ensuing annual general meeting.

In terms of the provisions of Section 124 of the Companies Act, 2013, the amount of dividend not encashed or claimed within 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Government.

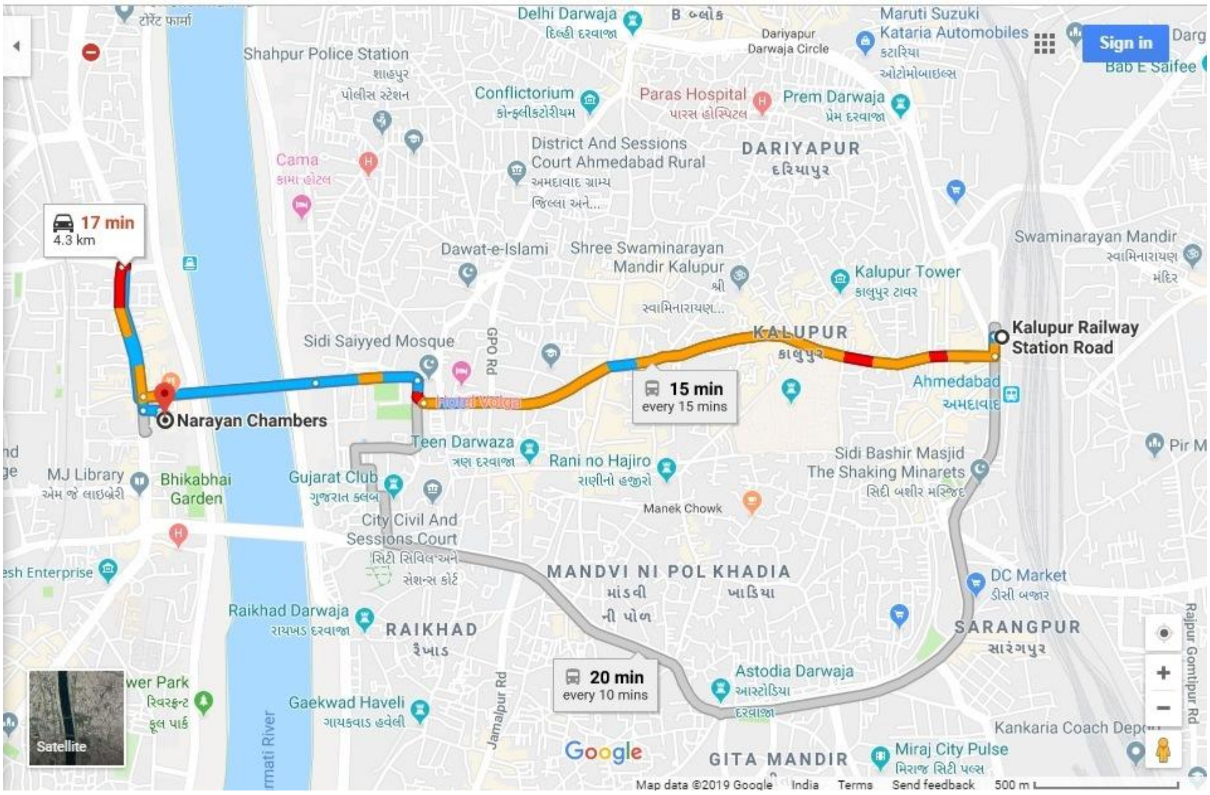
The Notice and the Annual Report of the Company for the financial year 2024-25 are being sent to the Members in accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014.

The Company requests those Members who have not yet registered their e-mail address, to register the same directly with their DP, in case shares are held in electronic form and to the Company, in case shares are held in physical form.

The Annual Report 2024-25 of the Company is also available on the Company’s website at www.mrhmfl.co.in

For Security reasons and for proper conduct of AGM, entry to the place of the AGM will be regulated by the Attendance Slip, which is annexed to this Notice. Members / Proxies are requested to bring their Attendance Slip in all respects and signed at the place provided there at and hand it over at the entrance of the venue. The route map of the AGM venue is also annexed to this Notice.

Route Map to the Venue of AGM:



ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts.

As required under Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 4 and 5:

Item No.4 Approval for increasing the Borrowing Powers under Section 180(1)(c) of the Companies Act, 2013 up to twelve times of its NOF on or after March 31, 2025.

Item No. 5:

Approval for creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company under section 180(1)(a) of the Companies Act, 2013.

In terms of the provisions of Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013 read with applicable rules framed thereunder, the Board of Directors of the Company cannot, except with the consent of the Company in General Meeting, dispose of its property (including creation of charge on assets of the Company) and borrow moneys, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of aggregate of the paid up capital and its free reserves (reserves not set apart for any specific purpose). At the Extra-Ordinary General Meeting of the Company held on July 29, 2019, the shareholders had accorded consent to the Board of Directors for borrowing any sum or sums of money outstanding at any point of time, not exceeding

(i) fourteen times of its NOF on or after March 31, 2020;
(ii) thirteen times of its NOF on or after March 31, 2021; and
(iii) twelve times of its NOF on or after March 31, 2022."

At the same Extra-Ordinary General Meeting of the Company, the shareholders had accorded consent to the Board of Directors for creation of charges etc. to secure aforesaid borrowings.

The Members be further informed that pursuant to the Notification No.NHB.HFC.DIR.22/MD&CEO/2019 of National Housing Bank dated 17th June, 2019, Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 it is proposed to limit the borrowings of the Company up to twelve times of its NOF on or after March 31, 2025.

It is proposed to revise the overall limit.

The proposed borrowings by the Company, if required, is to be secured by mortgage or charge on all or any of the movable or immovable or any other tangible and intangible assets / properties of the Company (both present & future), in favour of any lender including the financial institutions / banks / debenture trustees etc. in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s).

The mortgage and / or charge on any of the movable and / or immovable or any other tangible and intangible assets / properties and / or the whole or any part of the undertaking(s) of the Company, to secure borrowings of the Company with a power to the charge holders to take over the management of the business of the Company in certain events of default, may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 180(1)(a) of the Companies Act, 2013.

The resolutions contained in item no. 4 & 5 of the accompanying Notice, accordingly, seek members' approval for revising the borrowing limits as per circular of National Housing Bank and disposal of the Company's undertaking(s) by creation of mortgage / charge etc. thereon and for authorizing the Board of Directors (including a Committee thereof authorized for the purpose) of the Company to complete all the formalities in connection with the increase in the borrowing limits and creating charge on Company's properties, respectively.

None of the Directors or key managerial personnel of the Company or their relatives is / are, in any way concerned or interested in the proposed resolutions.

The Board recommends the resolutions set forth in the Item Nos. 4 & 5 of the Notice for approval of the Members.

Form No. MGT-11

Proxy form

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

Name of the Member(s): ______________________________
Registered Address: ______________________________
E-mail Id: ______________ Folio No. / Client Id: __________ DP ID: ______________

I / We being the member of MAS Rural Housing & Mortgage Finance Limited, holding ________ shares, hereby appoint

1. Name: ____________________ Address: ____________________
   E-mail Id: ____________________ Signature: ______________ or failing him;
2. Name: ____________________ Address: ____________________
   E-mail Id: ____________________ Signature: ______________ or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 18th Annual General Meeting of members of the Company, to be held on Wednesday, August 20, 2025 at 5th Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad – 380 009 of the Company at 11:00 am and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Brief details of the Resolutions
1.	Adoption of the Audited Financial Statement and Reports of the Board of Directors and the Auditors thereon for the year ended March 31, 2024.
2.	To declare dividend on equity and preference shares.
3.	To appoint a Director in place of Mrs. Darshana Pandya, (DIN 07610402), liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers herself for re-appointment.
4.	Approval for increasing the Borrowing Powers under Section 180(1)(c) of the Companies Act, 2013 up to twelve times of its NOF on or after March 31, 2025.
5.	Approval for creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company under section 180(1)(a) of the Companies Act, 2013.

Signed this ___________day of ____________ 2025.

Affix Revenue Stamp

Signature of Shareholder:

Signature of Proxy holder(s):

Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
2. **A proxy need not be a member of the Company.**
3. *For the Resolutions, and Notes, please refer to the Notice of the 18th Annual General Meeting. It is optional to put a "√" in the appropriate column against the Resolutions indicated in the box. If you leave the "For", "Against" or "Abstain" column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/ she thinks appropriate.

ATTENDANCE SLIP – 18th AGM
(To be handed over at the entrance of Meeting Hall)

Regd. Folio /DP ID & Client ID	
Name and Address of the Shareholder(s)	
Joint Holder 1 Joint Holder 2	
No. of Shares	

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the EIGHTEENTH ANNUAL GENERAL MEETING of the Company at Wednesday, August 20, 2025 at the 5th Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad – 380 009 of the Company at 11:00 am.

Full name of the Member/Proxy attending the Meeting	
Member's/Proxy's Signature	

Note: Please fill in this attendance slip and hand it over at the ENTRANCE OF THE HALL.
Shareholders attending the meeting are requested to bring their copies of the Annual Report with them.