EXCELLENCE THROUGH ENDEAVOURS
MAS FINANCIAL SERVICES LTD.
The Power of Distribution

MAS FINANCIAL SERVICES LIMITED

MFSL/SEC/EQ/2018/31

June 29, 2018

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

Scrip Code: **540749**

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

Dear Sir,

Sub: Submission of 23rd Annual Report for the financial year 2017 – 18 in pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith 23rd Annual Report for the financial year 2017 – 18.

Kindly take the same on your record and display the same on the website of your Stock Exchange.

Thanking you,

Yours faithfully,

FOR, MAS FINANCIAL SERVICES LIMITED

Riddhi

MAS FINANCIAL SERVICES LIMITED AHMEDABAD

RIDDHI BHAYANI
(COMPANY SECRETARY)
MEMBERSHIP NO.: A41206

Regd. Office :
6, Ground Floor, Narayan Chambers,
B/h Patang Hotel, Ashram Road, Ahmedabad-380 009.
CIN : U65910GJ1995PLC026064

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www.mas.co.in
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EXCELLENCE THROUGH ENDEAVOURS

MAS FINANCIAL SERVICES LTD.

The Power of Distribution

23RD ANNUAL REPORT

2017-18



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www.mas.co.in

Visit Company's official website to download the Annual Report.

In our eventful and exciting journey of 23 years, we have reached many milestones...

...each milestone we reached has been the starting point of the next phase and a new beginning.

At MAS, our constant and tireless endeavour has been to reach further, aim higher and living up to our own expectations, surpassing them and setting ourselves yet higher targets and goals.

In the fast emerging and burgeoning NBFC space, growth is more or less given for all players. What differentiates long-term and sustainable growth is the quality of growth. And it is precisely this - not just growth per se, but quality growth that is what makes MAS distinct and different.

It is the vision and value systems of MAS underlined by a deep-rooted belief of the founders in the philosophy of trusteeship along with the passion has resulted in steady growth and expansion from ₹ 2 Crores AUM to over ₹ 4000 Crores AUM, from a revenue of ₹ 0.10 Crore to over ₹ 400 Crores and PAT of ₹ 0.02 Crore to over ₹ 100 Crores - validating our strategy and understanding the importance of protection of capital over returns on capital, and quality of growth over quantum of growth.

As we look ahead positively into newer horizons, we are confident and committed to reach new milestones...

because we feel we have just begun...



From the Desk of Founder, Chairman & MD

"With a modest AUM of ₹ 2 Crores in the year 1995-96 to current AUM of more than ₹ 4000 Crores, it has been a journey where our resilience and capabilities were tested time and again.



My Dear Shareholders,

I am delighted to present to you the financial results for the year 2017-18. This has been a landmark year for the very reason that, we are now a strong group of close to 23,000 shareholders from just a few last year. The subscription to the Company's initial public offering was overwhelming to say the least. While it was a very motivating event for the Company, at the same time, it puts more responsibility on the management to pursue the goal of Excellence through Endeavours with more vigour.

The Company's performance as detailed in this report is very robust in tandem with our history of more than two decades: quality growth. In the business of lending, striking the balance between growth and quality is of paramount importance. We at MAS are committed to the same, evident from our long track record. With a modest AUM of ₹ 2 Crores in the year 1995-96 to current AUM of more than ₹ 4000 Crores, it has been a journey where our resilience and capabilities were tested time and again. It is worth sharing with all of you that every time our resolve got stronger.

Any company is as good as its human resource and it is no different at MAS. The Company has been served by one of the most dedicated and competent core team, along with a strong resource of more than 1,500 personnel responsible to propel the Company towards its mission and vision each day. Learning and unlearning on a daily basis remains the main plank of the human resource development.

The ultimate aim is to serve the customers in the most efficient manner, the key to sustainability and scalability. The opportunity that we get while serving the key customer base mainly in the MSME segment is enormous. It is a huge market characterised by excellent entrepreneurs across the segment and the size of the business units we deal with. It will not be an exaggeration to mention that, we draw our inspiration from their hard work and resilience despite the fact that they have to face numerous challenges for their survival and growth. We endeavour to work closely with them and become their partner in their journey of growth through our financial advice and lending.

The successful journey so far is quite motivating, but in the same vein every New Year comes with its own set of challenges, which we reckon as opportunities. If you see the cover page of this financial report, it depicts what we at MAS believe in...

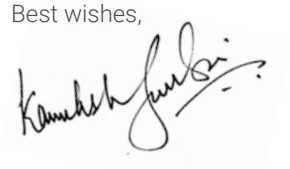
Every time we reach a milestone, we feel we have just begun...

This enthusiasm to take every challenge as an opportunity has played a vital role in laying the foundation of this Company.

We are committed to our mission of excellence through endeavours and start this new financial year 2018-19 with the same spirit and enthusiasm.

We are aware of the fact that we have miles to go and promises to keep and firmly believe that together we can and we will...

Best wishes,



Kamlesh C. Gandhi
Chairman and Managing Director

From the Desk of Co-Founder and Director-Finance

"I am very happy to share with you that we could achieve this throughout our journey irrespective of the size and the macro scenario only because of the impeccable reputation the Company has built for itself in this long journey.



My Dear Shareholders,

I am delighted to share with you my views on the business and capital and liability management in particular. As you are aware, this is an organisation having more than two decades of excellent track record. This is the function of a very hard and dedicated efforts put in by team HAS.

Over the years, we have followed few fundamentals which have helped us to navigate through all the thick and thin over the journey of two decades. They are pursuing quality growth, understanding that return of capital is far more important than just return on capital, raising of capital very judiciously to name a few. We constantly endeavour to generate optimum returns on capital, which I firmly believe is the main expectation of the shareholders and very rightly so.

During the journey, we have attracted many marquee investors and take immense pride in the fact that, the same is true with our thousands of retail shareholders too. Capital raising and debt management is an integral part of the lending business and is responsible for kickstarting a benign cycle of quality growth for, the debt raised at the lowest possible rates helps the Company to lend at the most competitive rates; thus giving the opportunity to choose and pick the borrowers and extend credit where it is due. I am very happy to share with you that we could achieve this throughout our journey irrespective of the size and the macro scenario only because of the impeccable reputation the Company has built for itself in this long journey.

Due to the Company's capabilities of generating high return on capital, it has mainly grown through internal accruals, evident of the fact that over the journey of 23 years, there has been just 3 primary raise of capital including the IPO. This depicts the sound position of the Company and a very strong enabler for enhancing the shareholders' value.

With current capital raise and listing the Company enters the next stage and with enhanced capabilities for a still efficient capital and liability management which will help the Company realise its mission and vision of excellence through endeavours and maximising shareholders' value.

Best wishes,



Mukesh C. Gandhi
Director - Finance

MAS at a Glance



MAS has been engaged in specialised retail financing services for over two decades. The Company's inception dates back to 1995, when it was registered with the Reserve Bank of India as an NBFC.

With a focus on fulfilling the requirements of lower income and middle-income groups of society, today MAS has a bouquet of retail financing options on offer including loans for Micro Enterprises and Small and Medium Enterprises, Home Loans, Two-Wheeler Loans, Used Car Loans and Commercial Vehicle Loans. The Company has a presence across urban, semi-urban and rural areas, with business offerings in both the formal and informal sectors.

In its quest to provide the most efficient last-mile delivery of credit to the doorstep of the people of India, it has opened several branches. This network of 77 branches in major cities of Gujarat, Maharashtra, Rajasthan, Madhya Pradesh, Tamil Nadu and Karnataka, caters to over 3,300 centres spread across various locations.

Targeting a significant market share of the financial services space, MAS has been putting in place systems and processes that enable the Company to expand its distribution and assess various perspectives of creditability, in the absence of proper and systematic credit documents, including creditworthiness through other channels. It also leverages the distribution network of its partner NBFC-MFIs/NBFCs/HFCs/franchisees, thus tapping the emerging opportunity by extending financial services to underpenetrated regions and the BOP segment.

VISION

To be one of the most efficient distributors of financial services and create value on a very large scale.

MISSION

To constantly endeavour, to attain excellence and create a very wide financial distribution network and to be a catalyst; in providing the most efficient financial services which we term as financial inclusion.

BELIEF

"We have miles to go & promises to keep..."
"Together we can and we will"

Our Journey so far...

1995 – MAS Financial Services Limited got incorporated. Started retail finance operations into Two-wheeler loans and Micro-Enterprise loans

2006 – First round of Capital infusion of ₹ 65 Mn by Bellwether Micro Fund

2008 – Second and third round of Capital infusion by FMO & ICICI Venture of ₹ 435 Mn and ₹ 400 Mn respectively Floated housing finance subsidiary

2011 – Listing of NCDs on Bombay Stock Exchange

2012 – Fourth round of capital infusion of ₹ 650 Mn by DEG

2013 – Disbursement and AUM crossed ₹ 10 Bn

2014 – Sarva Capital purchased 50% CCPS held by FMO in secondary deal

2015 – Raised Subordinate Debentures of ₹ 200 Mn

AUM crossed ₹ 20 Bn

2016 – Bank loan rating upgraded to "IND A" with Stable outlook

Raised Subordinate Debentures of ₹ 400 Mn

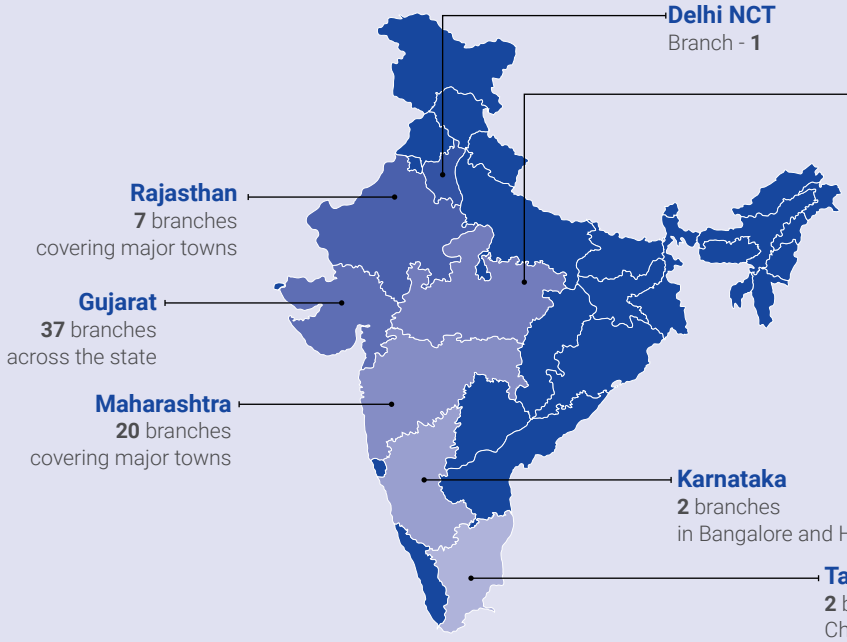
2017 – AUM crossed ₹ 30 Bn

Capital infusion of ₹ 1,000 Mn by Motilal Oswal

2018 – Listing of Equity Shares on Bombay Stock Exchange and National Stock Exchange. Capital Infusion of ₹ 350 Mn by Motilal Oswal. Raised fresh Capital of ₹ 2,330 Mn in total capital raise of ₹ 4,600 Mn IPO

MAS has 77 branches across 6 States and NCT of Delhi

4,50,000+ active customers across 3,300+ locations in Rural, Semi-urban and Urban locations



Key Strengths

Specialised in Retail Lending for the past 23 years – Over the years, MAS has created a diversified portfolio of loan products, a strong retail presence and wide distribution network and a thorough understanding of the MSME sector.

Achieved Consistent Growth – MAS has delivered consistent growth in profitability and returns over the years. Alongside stellar growth in the AUM, the GNPAs and NNPAs have remained negligible.

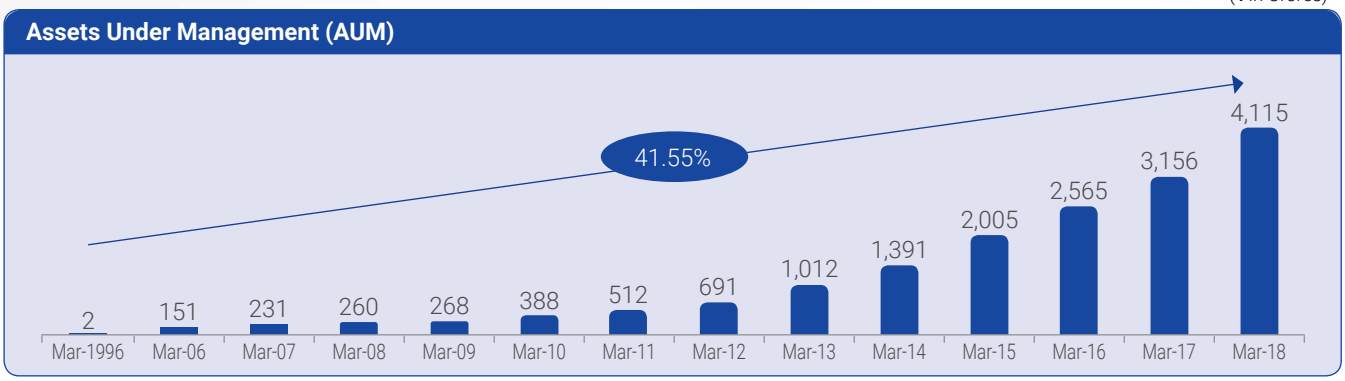
Human Resource – A very competent and a dedicated core team in charge of the key functions. Most of them with the Company since inception.

Efficient Liability Management – MAS enjoys an efficient cost of borrowing on various instruments including NCDs, Term Loans, Commercial Paper and Cash credit. Over a third of its AUM is assigned to Banks and Financial Institutions. Enabling capital base to fuel the future growth, getting stronger every year with internal accruals, ensuring robust Tier I and Tier II CRAR.

Progress in Numbers

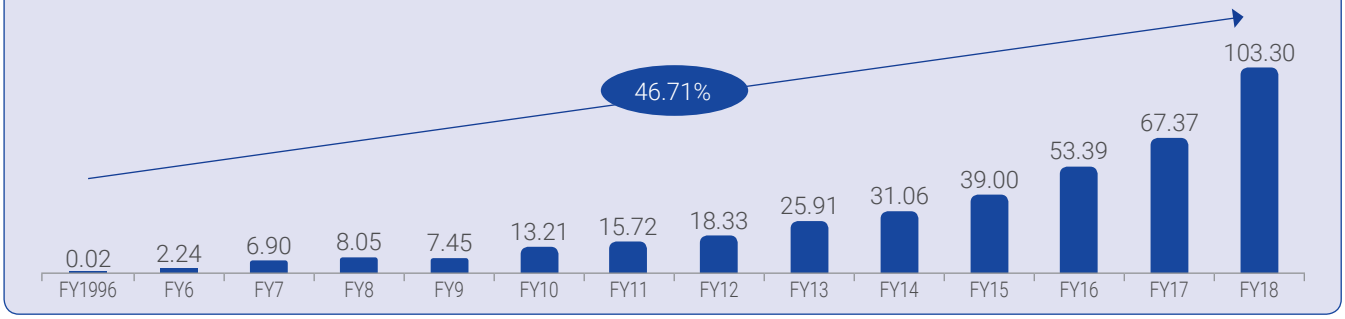
(₹ in Crores)

Assets Under Management (AUM)



(₹ in Crores)

Profit After Tax (PAT)



Other Key Achievements

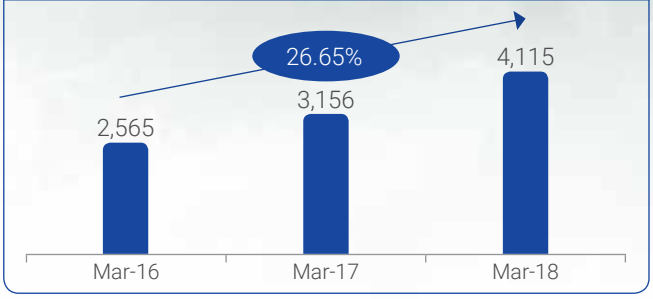
(₹ in Crores)

	FY2017	FY2018	Growth
Assets Under Management (AUM)	3,156.14	4,114.45	30%
Profit Before Tax (PBT)	103.07	158.05	53%
Profit After Tax (PAT)	67.37	103.37	53%
Gross NPA	1.09%	1.15%	5%
Net NPA	0.95%	0.91%	-4%
Return on AUM (ROAUM)	2.36%	2.84%	21%

Financial Performance

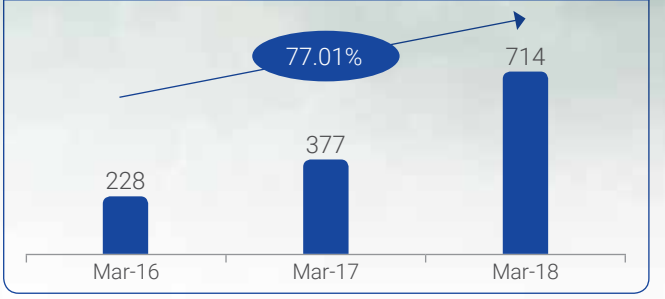
(₹ in Crores)

Assets Under Management



(₹ in Crores)

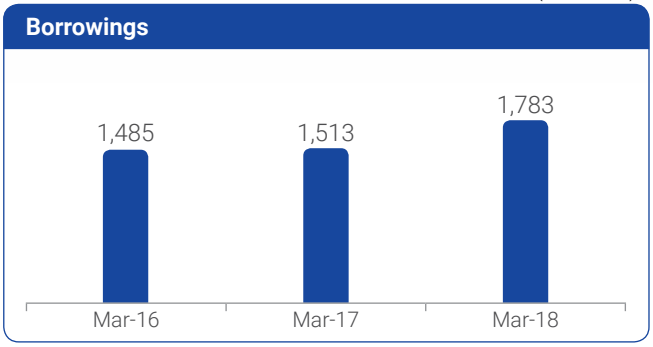
Net Worth#



Fresh Infusion through Pre- IPO of ₹ 100 Crores in FY 17 and ₹ 35 Crores in FY18 and IPO of ₹ 233 Crores in FY18

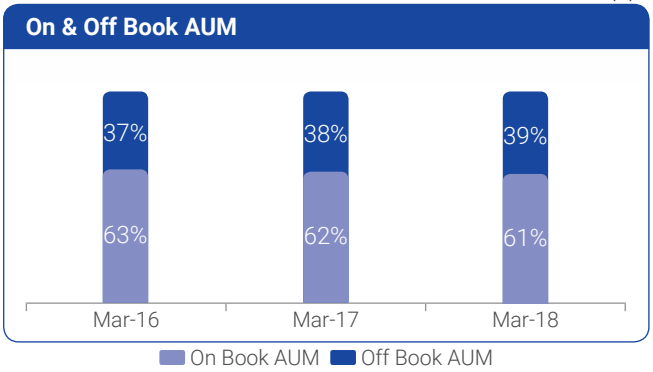
(₹ in Crores)

Borrowings



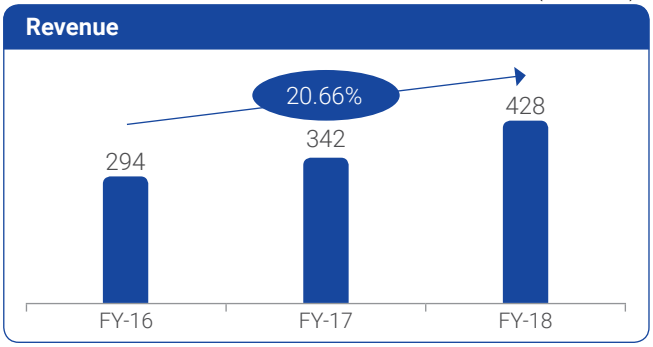
(%)

On & Off Book AUM



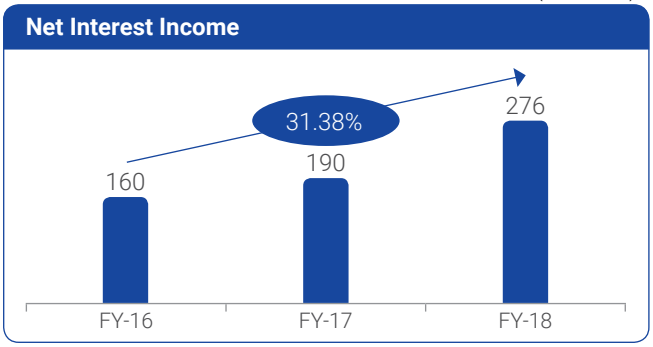
(₹ in Crores)

Revenue



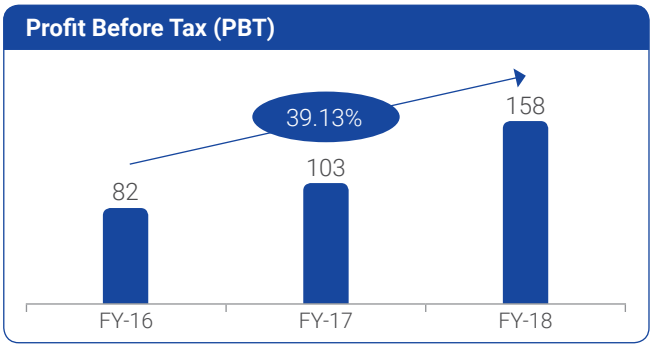
(₹ in Crores)

Net Interest Income



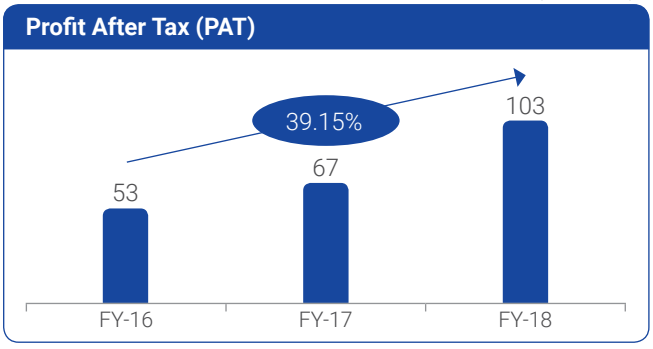
(₹ in Crores)

Profit Before Tax (PBT)



(₹ in Crores)

Profit After Tax (PAT)



Excellence Through Endeavours

At the heart of our enduring success and steady growth over the last 23 years has been our simple yet steadfast belief – Excellence through Endeavours.

Every thought and action, every strategy and tactic and every intent and initiative that we take emanates from this deeply embedded belief.



What makes the MAS Value Proposition different?

In one word – our approach.

Our entire approach to business is underpinned by excellence and focus on quality. In the world of lenders and borrowers, our approach is to create entrepreneurs and not just borrowers. For entrepreneurs, it is the availability of credit in time and at fair terms that is critical; and it is here that we ensure that extending credit where it is due. As lenders, we are always close to the ground and understand the finer nuances and needs to credit requirement in depth and detail, ensuring an efficient last mile delivery of credit.

The lending process at MAS begins by understanding customers and the financial need. We are advisers first and financiers later. Our entire approach is to craft and create a financial solution and not a mere loan. Because, we believe that in the success of our customers lies our success-together we can and we will...

Our approach to the fast-growing opportunity in the NBFC marketplace is also different. We believe that markets are here to stay, and therefore, it is important for us to stay too. And to sustain in the long run, it is vital to choose quality of growth and protection of capital. While the lure of leveraging and aiming for exponential short-term growth can be enticing, we have been courageous to remain patient.

Our people are an integral part of our success story and journey. They are our true brand-ambassadors, representing MAS to all our stakeholders. At MAS, our dedicated Human Resources team aims to create proprietors and not just employees. That is why every person working in function, location or division of MAS has a strong sense of belongingness and ownership, sharing deep commitment and responsibility towards all stakeholders. The culture at MAS is to maintain high morals and low profile. Ethics and integrity are ingrained in every employee, with a shared vision and goal to deliver

excellence through endeavours, keep pushing the boundaries and reach new milestones... and then begin afresh and anew.

Board of Directors



MR. KAMLESH GANDHI - Founder, Chairman & Managing Director

He manages the Company with the guidance and support of the Board. He is a proficient and experienced industry practitioner with a brilliant track record. He has over two decades managed and propelled the Company's growth. His understanding and the vision is among the key enablers for the consistent performance of the Company.



MR. MUKESH GANDHI - Co-founder, Whole-Time Director & CFO

He is actively involved in the strategic decisions of the Company. He is well-known industry expert and a popular public speaker on various issues in Finance. He is an academician and Chairman of Gujarat Finance Company Association & also the Committee Member of Finance Industry Development Council (FIDC).



MRS. DARSHANA PANDYA - Director & COO

She is responsible for leading the operations at MAS and also the relationship of the Company with its more than 100 NBFC-MFI & NBFC Partners. She is a commerce graduate who joined the Company in 1996 as a junior executive and through her hard work, immaculate working and determination to excel, accompanied by enabling support from the management; rose to the level of Director.



MR. BALA BHASKARAN - Independent Director

He is a management graduate with two decades of experience in the consultancy and financial sector. He has a number of management consultancy inputs from his rich experience. He has done his engineering from IIT-Madras, MBA from IIM-Bangalore and CFA from ICFAI.



MR. CHETAN SHAH - Independent Director

He holds bachelor's degrees in commerce and law (general) from Gujarat University. He is also a qualified chartered accountant registered with the Institute of Chartered Accountants of India. He has over 33 years of experience in the financial services sector and has in the past worked with the Natpur Co-operative Bank as the Manager – Finance.



MR. UMESH RAJANIKANT SHAH - Independent Director

He is a Chartered Accountant. He has more than 35 years of experience in the diverse fields connected with Finance, Accounting, Auditing and Taxation. He also has 5 years hands-on experience of working in an NBFC.

Corporate Information

Board of Directors

Mr. Kamlesh C. Gandhi
Chairman & Managing Director
DIN - 00044852

Mr. Mukesh C. Gandhi
Whole-Time Director & CFO
DIN - 00187086

Mrs. Darshana S. Pandya
Director & COO
DIN - 07610402

Mr. Balabhaskaran Narayanan Nair
Independent Director
DIN - 00393346

Mr. Chetan Ramniklal Shah
Independent Director
DIN - 02213542

Mr. Umesh Rajanikant Shah
Independent Director
DIN - 07685672

Chief Financial Officer

Mr. Mukesh Gandhi

Company Secretary & Compliance Officer

Ms. Riddhi Bhayani

Investor Relations

Mr. Ankit Jain

List of Banking Relationships & Subscribers to Debt Issues

Dena Bank
Axis Bank Limited
State Bank of India
Bank of India
HDFC Bank Limited
IDBI Bank Limited
Central Bank of India
United Bank of India
The RBL Bank
Tata Capital Financial Services Limited
Dena Gujarat Grameen Bank
South Indian Bank
Oriental Bank of Commerce
Indian Overseas Bank
Capital First Limited
Bank of Maharashtra
Union Bank of India
Punjab National Bank
Andhra Bank
Small Industrial Development Bank of India
Bajaj Finance Limited
Laxmi Vilas Bank Limited
Tamilnad Mercantile Bank
Mahindra & Mahindra Financial Services Limited
Shinhan Bank

Statutory Auditors

Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

Registrar and Transfer Agent

Link Intime India Private Limited
C-101, 1st Floor, 247 Park
Lal Bahadur Shastri Marg,
Vikhroli (West)
Mumbai - 400 083, Maharashtra, India

Debenture Trustee

CATALYST TRUSTEESHIP LTD.
GDA House, Plot No. 85
Bhusari Colony, Paud Road,
Pune - 411038

IDBI Trusteeship Services Limited
Asian Building
Ground Floor
17, R. Kamani Marg
Ballard Estate
Mumbai - 400 001

Registered Office:

6, Ground Floor,
Narayan Chambers,
B/h Patang Hotel,
Ashram Road,
Ahmedabad - 380 009

CIN: U65910GJ1995PLC026064

Notice

NOTICE is hereby given that the Twenty Third (23rd) Annual General Meeting (AGM) of the members of MAS **Financial Services Limited** will be held at 10:00 A.M., on Wednesday, the 27th day of June, 2018 at Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt audited Standalone and Consolidated financial statements of the Company for the year ended 31st March 2018 and the Reports of the Board of Directors and the Auditors thereon.

2. To declare final dividend on equity shares.

3. To appoint a Director in place of Mr. Kamlesh Gandhi, (DIN 00044852), liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

4. To appoint Auditor and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 139, 142 of the Companies Act, 2013 and the rules made there under, B S R & Co., LLP, Chartered Accountants be and are hereby appointed as a Statutory Auditors of the Company for a period of 5 years and to hold office from the conclusion of the 23rd Annual General Meeting of the Company to the Conclusion of the 28th Annual General Meeting and the Board of Directors of the Company be and is hereby authorised to fix their remuneration for the said period."

SPECIAL BUSINESS:

5. Approval for increasing the Borrowing Powers under Section 180(1)(c) of the Companies Act, 2013 up to ₹ 5,000 crores.

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

   "**RESOLVED THAT** in supersession of the earlier resolution passed at the 22nd Annual General Meeting of the members of the Company held on 21st June 2017, 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 ₹ 5,000 crores (Rupees Five Thousand Crores only).

   RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolution.

   RESOLVED FURTHER THAT Board may further delegate the power to committee for the above mentioned matter."

6. Approval for creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company under section 180(1)(a) of the Companies Act, 2013:

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

   "**RESOLVED THAT** in supersession of the earlier resolution passed at the 22nd Annual General Meeting of the members of the Company held on 21st June 2017 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

Riddhi Bhayani

Place : Ahmedabad Company Secretary & Compliance Officer
Date : 28th May 2018 (Mem No. A41206)

NOTES:

A. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 23rd 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.

B. Corporate members intending to send their authorised representative(s) to attend the meeting are requested to send to the company a certified copy of relevant board resolution together with the specimen signature(s) of the representative(s) authorised under the said Board resolution to attend and vote on their behalf at the meeting.

C. The relative Explanatory Statement, pursuant to Section 102(2) of the Companies Act, 2013 in respect of the special business under item No. 5 to 6 is annexed hereto.

D. The members are requested to bring duly filled attendance slip along with their copy of Annual Report at the Annual General meeting.

E. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Friday, 15th June 2018 to Wednesday, 27th June 2018, (both days inclusive) for determining the entitlement of the shareholders to the payment of dividend.

F. 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 27th June 2018.

G. 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 hereofup to the date of ensuing annual general meeting.

H. Members holding shares in electronic form are requested to notify the changes in the above particulars, if any, directly to their Depository Participants (DP).

I. 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 and Regulation 36 of the SEBI (LODR) Regulations, 2015, this Notice and the Annual Report of the Company for the financial year 2017-18 are being sent by e-mail to those Members who have registered their e-mail address with the Company (in respect of shares held in physical form) or with their DP (in respect of shares held in electronic form and made available to the Company by the Depositories.

J. 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.

K. The Annual Report 2017-18 of the Company is also available on the Company's website at www.mas.co.in

and also on the website of the respective Stock Exchanges at www.bseindia.com and www.nseindia.com.

L. In terms of the provisions of the provisions of Section 107 of the Companies Act, 2013, since the resolutions set out in this Notice are being conducted through e-voting, or through ballot or polling paper at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The said resolutions will not be decided on show of hands at the AGM.

M. 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.

N. Voting through electronic means:

I. In compliance with provisions of Regulation 44 of SEBI (LODR) Regulations, 2015, Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 23rd Annual General Meeting (AGM) by electronic means (e-voting) and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will beprovided by Central Depository Securities Limited (CDSL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences at 9.00 A.M. on Friday the 22nd June 2018 and ends at 5.00 P.M. on Tuesday, the 26th June 2018. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th June 2018, may cast their vote by remote e-voting. The remote evoting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The details of the process and manner for remote e-Voting are explained herein below:

Step 1: Open your web browser during the voting period and log on to the e-voting website: www.evotingindia.com.

Step 2: Now click on "Shareholders" to cast your votes.

Step 3: Now, fill up the following details in the appropriate boxes:

User-ID:	a.	For CDSL: 16 digits beneficiary ID
	b.	For NSDL: 8 Character DP ID followed by 8 Digits Client ID
	c.	Members holding shares in physical form should enter the Folio Number registered with the Company.

Step 4: Next, enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to then your existing password is to be used.

Step 5: If you are a first time user follow the steps given below:

For members holding shares in demat form and physical form:	
PAN	Enter your 10 digit alphanumeric PAN issued by Income Tax Department Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
DOB#	Enter the Date of Birth as recorded in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat Bank account or the Company records for the said folio.
	If the details are not recorded with the Depository or Company, please enter the number of Shares held by you in the bank account column.

Please enter the DOB or dividend bank details in order to login.

Step 6: After entering these details appropriately, click on "SUBMIT" tab.

Step 7: Members holding shares in physical form will then directly reach the Company selection screen. However, first time user holding shares in demat form will now reach 'Password Creation'

menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password can also be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that the Company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

If Demat account holder has forgotten the changed password then Enter the user ID and the image verification code and click on Forgot Password and enter the details as prompted by the System.

Step 8: For members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.

Step 9: Click on EVSN - 180531011 of the Company.

Step 10: On the voting page, you will see Resolution Description and against the same, the option "YES/NO" for voting. Select the relevant option as desired YES or NO and click to submit.

Step 11: Click on the resolution file link if you wish to view the entire Notice.

Step 12: After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

Step 13: You can also take print out of the voting done by you by clicking on "Click here to print" option on the Voting page.

Step 14: Instructions for Non – Individual Members and Custodians:

- Non-Individual Members (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
- A scan copy of the Board Resolution and Power of Attorney ("POA") which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

GENERAL GUIDELINES FOR SHAREHOLDERS

1. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 20th June 2018.
2. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
3. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
4. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all thosemembers who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
5. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or to a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
6. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
7. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.mas.co.in and on the website of CDSL i.e www.evotingindia.com within three days of the passing of the Resolutions at the 23rd Annual General Meeting of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.
8. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an e-mail to helpdesk.evoting@cdslindia.com.

INFORMATION AS REQUIRED UNDER REGULATION 36(3) SEBI (LODR) REGULATIONS, 2015 IN RESPECT OF DIRECTORS BEING REAPPOINTED / APPOINTED:

Particulars	Mr. Kamlesh Gandhi
DIN	00044852
Date of birth	02/02/1966
Age	52 years
Qualification	Commerce Background
Experience (including expertise in specific functional area) / Brief Resume	Over 22 years of experience in the financial services sector, with our Company.
Terms and Conditions of Re-appointment	As per the resolution passed by the shareholders at the Annual General Meeting held on 29th June 2016.
Remuneration last drawn	₹ 415.37 Lakh (F.Y. 2016-17)
Remuneration proposed to be paid	As per existing terms and conditions
Date of first appointment on the Board	25th May 1995
Shareholding in the company	62,64,081 Equity Shares 11.46%
Relationship with other Directors/Manager and other Key Managerial Personnel of the company	Younger brother of Mr. Mukesh Gandhi, Whole-time Director & Chief Financial Officer of the Company.
Number of Meetings of the Board attended	14
Other Directorships	3
Membership/Chairmanship of Committees of other Boards	Nil

Route Map of 23rd Annual General Meeting



Annexure to the Notice

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts.

As required under Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 5 to 6 of the Notice.

Item No.: 5 & 6

In terms of the provisions of Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013 read with applicable rules framed thereunder, the Board of Directors of the Company cannot, except with the consent of the Company in General Meeting, dispose of its property (including creation of charge on assets of the Company) and borrow moneys, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of aggregate of the paid up capital and its free reserves (reserves not set apart for any specific purpose). At the Annual General Meeting of the Company held on 21st June 2017, the shareholders had accorded consent to the Board of Directors for borrowing any sum or sums of money outstanding at any point of time, not exceeding the sum of ₹ 3,500 Crores (Rupees Three Thousand Five Hundred Crores only). At the same Annual General Meeting of the Company, the shareholders had accorded consent to the Board of Directors for creation of charges etc. to secure aforesaid borrowings.

Considering the Company's future growth plans and requirements of additional funds for operation, modernization, it is proposed to increase the above borrowing limits from the existing ₹ 3,500 crores to an amount not exceeding at any time a limit of ₹ 5,000 crores (Rupees Five Thousand Crores only).

The proposed borrowings by the Company, if required, is to be secured by mortgage or charge on all or any of the movable or immovable or any other tangible and intangible assets / properties of the Company (both present & future), in favour of any lender including the financial institutions / banks / debenture trustees etc. in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s).

The mortgage and / or charge on any of the movable and / or immovable or any other tangible and intangible assets / properties and / or the whole or any part of the undertaking(s) of the Company, to secure borrowings of the Company with a power to the charge holders to take over the management of the business of the Company in certain events of default, may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 180(1)(a) of the Companies Act, 2013.

The resolutions contained in item no. 5 & 6 of the accompanying Notice, accordingly, seek members' approval for increasing the borrowing limits and disposal of the Company's undertaking(s) by creation of mortgage / charge etc. thereon and for authorizing the Board of Directors (including a Committee thereof authorized for the purpose) of the Company to complete all the formalities in connection with the increase in the borrowing limits and creating charge on Company's properties, respectively.

None of the Directors or key managerial personnel of the Company or their relatives is / are, in any way concerned or interested in the proposed resolutions.

The Board recommends the resolutions set forth in the Item Nos. 5 & 6 of the Notice for approval of the Members.

Contact Details:

Company:	MAS Financial Services Limited 6 Ground Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad – 380 009. CIN: U65910GJ1995PLC026064
Company Secretary & Compliance Officer:	Riddhi Bhaveshbhai Bhayani Email Id: Riddhi_Bhayani@mas.co.in
Registrar and Transfer:	Link Intime India Private Limited C-101, 1st Floor, 247 Park Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai, Maharashtra, 400083
Agent e-Voting Agency:	Central Depository Services (India) Limited E-mail ID: helpdesk.evoting@cdslindia.com Phone : 022- 22723333 / 8588
Scrutnizer:	Ravi Kapoor Practicing Company Secretary E-Mail id: ravi@ravics.com

Directors' Report

To,
The Members,
MAS FINANCIAL SERVICES LTD
Ahmedabad.

Your Directors are happy to present the **23rd ANNUAL REPORT** of your Company together with the Audited Accounts drawn for the year ended on 31st March 2018.

FINANCIAL RESULTS:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year Ended on 31st March 2018	Year Ended on 31st March 2017	Year Ended on 31st March 2018	Year Ended on 31st March 2017
Revenue from Operations	42,618.94	34,063.15	45,302.10	36,374.62
Other Income	168.31	88.56	194.15	95.57
Total Income	**42,787.25**	**34,151.71**	**45,496.25**	**36,470.19**
Total Expenditure	**26,981.89**	**23,844.55**	**29,353.29**	**25,871.29**
Profit Before Tax	15,805.36	10,307.16	16,142.96	10,598.90
Provision for Taxation (Including Current tax, Deferred Tax & Income Tax of earlier Years)	5,467.94	3,569.93	5,561.07	3,666.98
Net Profit	**10,337.42**	**6,737.23**	**-**	**-**
Net Profit after profit attributable to minority shareholders	-	-	10,480.97	6,853.28
Profit Brought Forward	8,166.76	5776.84	8,455.75	5,988.62
Profit Available for Appropriation	**18,504.18**	**11,377.69**	**18,914.53**	**11,705.52**
APPROPRIATIONS:				
Transfer to Statutory Reserve	2,067.48	1,347.45	2,114.15	1, 386.31
Interim Dividend on Equity Shares	819.93	1,250.01	819.93	1,250.01
Interim Dividend on Preference Shares	13.14	299.57	13.14	299.56
Dividend on Preference Shares	28.95	-	28.95	-
Dividend distribution tax on Preference Shares	8.57	59.38	8.57	59.38
Dividend distribution tax on Equity Shares	166.95	254.52	168.00	254.51
Surplus Balance carried to Balance Sheet	**15,399.16**	**8,166.76**	**15,761.79**	**8,455.75**

BUSINESS PERFORMANCE:

In the year 2017-18 the Company crossed ₹ 4,000 crore AUM, registering a robust growth of 30.36% on YoY basis. Asset under Management is ₹ 4,114.45 Crore (Previous year ₹ 3,156.14 Crore).

The gross income realized by the company is ₹ 427.87 Crore (Previous year ₹ 341.51 Crore) comprising of income from operations and other income. Net Profit after tax is ₹ 103.37 Crore (Previous year ₹ 67.37 Crore), registering a robust growth of 25.29% and 53.44% respectively over the previous year. The Earning per share is ₹ 20.94 (Previous year ₹ 15.85)

PROSPECTS AND DEVELOPMENTS:

There is a very huge market to be served, which needs an efficient last mile delivery of credit, thus creating enormous opportunity for all the financial institutions and NBFCs in special.

The company continues to pursue the strategy of being multi product and multi locational, thus giving the distinct edge from the risk management and scalability perspective. The focus across the product is of catering to the lower and the middle income segment, which is the key driver of our economy.

SMALL AND MEDIUM ENTERPRISE LOAN:

Introduction of machinery and working capital loans to the SME from the last year has shown lot of promise. We are in the process of understanding the segment and are keen to add value to all such small and medium enterprises by extending the most efficient financial services.

In consonance to our policy of building up quality assets, we are confident of creating inroads in this market too. The focus remains on states of operation namely Gujarat and Maharashtra. We intend to expand our reach to Madhya Pradesh and Rajasthan from this year.

TWO WHEELER AND COMMERCIAL VEHICLE FINANCING:

We continue to focus on Two wheeler and Commercial Vehicle financing and we adopt such business models which generates required return on assets and the quality portfolio. While the company is keen to increase this portfolio, the endeavor will be to balance between yields, asset quality and growth. We are confident that as we spread to newer geographies within our distribution network, we will be achieving the desired objective.

HOUSING FINANCE:

MRHMFL (MAS Rural Housing & Mortgage Finance Ltd. – subsidiary of MFSL) aims at serving the middle income and the lower income sector of the economy, especially in the semi urban and rural areas, which are reckoned to be the key drivers of the sector in the coming decades. Full-fledged efforts are on to execute efficiently, as per the detail planning. Being aware of the challenges involved in serving this class of the society, a very cautious approach is adopted in building up volumes. Nevertheless, Company is quite confident of building substantial volumes in the near future. The Company's rural initiative will also start yielding results shortly.

The company has 69 branches Pan India as on 31st March 2018. It is worth mentioning that despite of credit worthy customer class, ascertaining the title of the property remains a challenging job. The company is actively involved with all the stake holders to smoothen the process and is assertive in getting the right set of documents.

We will endeavour relentlessly and are confident of creating a quality portfolio and add value to the ecosystem we work in.

DISTRIBUTION NETWORK:

In continuation of our last year's efforts the process of expanding its operations in the region of Rajasthan, Maharashtra, besides Gujarat is in progress. The Company has expanded its operations in Madhya Pradesh beyond Indore to Bhopal, Gwalior and Jabalpur and also started operations at four other locations namely Ratlam, Guna, Sagar, and Satna. In Tamilnadu it operates through its Chennai and Coimbatore branches and Karnataka through its Bengaluru (Bangalore) and Hubli branches, taking the tally of the branches to 77 and the total centers covered are more than 3,300 in numbers.

PARTNERING WITH REGIONAL NBFCS AND NBFC-MFIS:

Over the period of last 8 years of our working with this sector, our belief is further strengthened, that financial inclusion in a country like India is a function of efficient last mile delivery of credit, for which a very robust value chain has to be nurtured and developed. NBFCs in special play a pivotal role in this value chain.

Partnering with regional NBFCs and NBFC-MFIs for distribution of various products and providing them the line of credit also remains one of the major business plans. We firmly believe that the players having proximity to the region are the most potential organization in the last mile delivery of credit. We not only fund them but also share with them the domain expertise, which the company possesses through its vintage of more than two decades. We continue to get encouraging response from our entire partner NBFCs and are keen to leverage the relationships for mutual benefits. Currently we have very strong relationships with more than 100 such organizations.

RESOURCES:

HUMAN RESOURCE MANAGEMENT AT MAS:

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

The articulation and implementation of the strategies is carried on by the core team along with Team MAS. Core team at MAS is a group of dedicated and competent team of personnel, associated with the company almost since its inception and have always extended unstinting support besides, having identified and aligned their career objective with the company.

I trust with all the above qualities accompanied by the determination to excel, this team forms a formidable second line of management at MAS.

Your company will always strive to strengthen this most important resource in its quest to have enabling human capital.

CAPITAL MANAGEMENT:

I am delighted to share with you the stupendous success of the Initial Public Offering of your company. As shared with you the last time the offer was of ₹ 460.04 crore. After the pre IPO placement of ₹ 135 crore. The issue was subscribed close to 129 times and got listed at the premium of more than 40%. This was the most humbling experience and the respect accorded to the company by the investors across all the categories to say the least. The company in tandem with its philosophy of pursuing the mission of **Excellence through Endeavours** will strive to maximize the shareholders' value.

The company continues to pursue an efficient capital management policy, which aims at maximizing the return on capital employed and at the same time adhering to the prudential guidelines laid down by RBI from time to time.

The Company by virtue of its performance over the years enjoys very good relationships with many leading banks and financial institutions. The Company could raise the required resources from various banks and financial institutions comfortably. We anticipate the same response from all our lending partners for the coming years too. The Company anticipates credit lines from few more banks and financial institutions besides the existing ones.

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

EXTRACT OF ANNUAL RETURN AS PER SECTION 92 (3) OF COMPANIES ACT 2013:

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **"Annexure-A"**.

BOARD MEETINGS HELD DURING THE YEAR:

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

Sr. No.	Date on which board Meetings were held	Total Strength of the Board	No of Directors Present
1	17.05.2017	6	6
2	21.06.2017	6	6
3	07.07.2017	6	5
4	29.07.2017	6	6
5	24.08.2017	6	6
6	12.09.2017	6	6
7	13.09.2017	6	6
8	21.09.2017	6	6
9	25.09.2017	6	6
10	11.10.2017	6	6
11	08.11.2017	6	5
12	06.12.2017	6	5
13	24.01.2018	6	6
14	26.02.2018	6	6

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, the directors would like to state that:

a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departure.

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

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

d) The directors had prepared annual accounts on a going concern basis.

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

f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished as attached to this report. **"Annexure – B"**

SECRETARIAL AUDIT REPORT:

Pursuant to Section 204 of the Act, the Secretarial Audit Report for the Financial Year ended 31st March 2018 given by Ravi Kapoor & Associates, Practicing Company Secretary is annexed to this Report. The Secretarial Audit Report for the year under review is self-explanatory and does not contain any qualification. **"Annexure – C"**

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

The Company has received declarations from Mr. Bala Bhaskaran, Mr. Chetan Shah, and Mr. Umesh Shah that they meet with the criteria of independence as prescribed under Sub-section (6) of Section 149 of the Companies Act, 2013.

MATTERS AS PRESCRIBED UNDER SUB-SECTIONS (1) AND (3) OF SECTION 178 OF THE COMPANIES ACT, 2013:

The Company constituted its Nomination Committee on 23rd December 2010 and the nomenclature of the Nomination committee was changed to "Nomination and Remuneration Committee" on 20th March 2015 pursuant to Section 178 of the Companies Act, 2013 and Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, by way of resolution passed in accordance with, provisions of the Companies Act, 2013. The Nomination & Remuneration Committee consists of three independent directors and one whole time director. The powers and function of the Nomination and Remuneration Committee is stated in the

Nomination and Remuneration Committee Charter of MAS FINANCIAL SERVICES LIMITED. The copy of Nomination and Remuneration policy is available at the Website of the Company i.e. www.mas.co.in/policy.html

EXPLANATIONS OR COMMENTS BY BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE:

(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 secretarial audit report issued by the company secretary in practice.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

Since the Company is Non-Banking Financial Company registered with the RBI, the disclosures pertaining to Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are not applicable.

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

All Contracts / Arrangements / Transactions entered by the Company during the financial year with related parties were in ordinary course of business and on arm's length basis except execution of Amenities Agreement with the Subsidiary Company. Particulars of such related party transactions described in Form AOC-2 which is annexed herewith as "**Annexure - D**".

The board has approved a policy for related party transactions which has been hosted on the web Site of the Company. The web-link for the same is https://mas.co.in/policy.html. The related party transactions, wherever necessary are carried out by company as per this policy. There were no materially significant related party transactions entered into by the company during the year, which may have potential conflict with the interest of the company at large. There were no pecuniary relationship or transactions entered into by any Independent Director with the company during the year under review.

STATUTORY RESERVE:

During the year under review ₹ 20.67 crore transferred to statutory reserve under Section 45 IC of RBI Act, 1934.

DIVIDEND

The company has paid Interim Dividend on 400 - 9.75% Compulsory Convertible Cumulative Preference Share having face value of ₹ 1,00,000/- aggregating to ₹ 13,14,245/- (Rupees Thirteen Lakh Fourteen Thousand Two Hundred and Forty Five only) during the year.

The Company has also paid an interim dividend of ₹ 1.50/- (One Rupee Fifty Paise only) per share on 5,46,62,043 Equity Shares of ₹ 10/- fully paid up aggregating to ₹ 8,19,93,064.5 (Rupees Eight Crore Nineteen Lakh Ninety Three Thousand Sixty Four Rupees and Fifty Paise only).

The Board of Directors of the Company has proposed a Final Dividend of ₹ 2.16/- (Two Rupee Sixteen Paise Only) per share on 5,46,62,043 Equity Shares of ₹ 10/- fully paid up aggregating to ₹ 11,80,70,012.88 (Rupees Eleven Crore Eighty Lakh Seventy Thousand Twelve Rupees and Eighty Eight Paise only)

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY:

There are no material changes and commitments, that would affect financial position of the Company from the end of the financial year of the Company to which the financial statements relate and the date of the directors report.

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

- **Conservation of Energy and Technology Absorption:**
  Since the Company is operating in service sector, the provisions of Section 134(3)(m) of the Companies Act, 2013 regarding conservation of energy and Technology Absorption is not applicable.
- **Foreign Exchange earnings and outgo**
  The Company has no Foreign Exchange earnings and outgo.

RISK MANAGEMENT

Financing activity is the business of management of risks, which in turn is the function of the appropriate credit models and the robust systems and operations. Your Company continues to focus on the above two maxims, and is always eager to improve upon the same.

Your Company continues to give prime importance to the function of receivables management, as it considers this the ultimate reflection of the correctness of marketing strategy as well as appraisal techniques. The Net NPA of the Company is 0.91% of Asset under Management.

The Company has formulated and implemented Risk Management policy. In the opinion of the Board there is no element of Risk which threatens the existence of the Company. The web-link for the same is https://mas.co.in/policy.html

CSR POLICY

As a part of CSR initiative, the CSR Committee has decided to identify the eligible students to whom the company can support in pursuing their higher studies. The Committee has already identified 162 bright students from 30 Schools who have completed their 8th Standard and wish to pursue their

higher studies but are financially challenged and cannot afford basic requirements. The Company has and would sponsor their fees, school bags, stationeries, and uniforms for undergoing higher studies. Company is trying to add more and more students to ensure that benefits reaches directly to the needed students and the process is likely to take some more time to enable the Company to spend the entire required amount to be spend for CSR as per the provisions of Companies Act, 2013.

The board has approved a policy for related party transactions which has been hosted on the web Site of the Company. The web-link for the same is https://mas.co.in/policy.html

The CSR Report pursuant to Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended, is annexed as "**Annexure - E**" to this Report.

FORMAL EVALUATION OF THE PERFORMACE OF THE BOARD, COMMITTEES OF THE BOARD AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of Section 134(3)(p) the Companies Act, 2013 the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

Criteria adopted for evaluation:

The Board shall evaluate the roles, functions, duties of Independent Directors (ID's) of the Company. Each ID shall be evaluated by all other directors' not by the Director being evaluated. The board shall also review the manner in which ID's follow guidelines of professional conduct.

(i) Performance review of all the Non-Independent Directors of the company on the basis of the activities undertaken by them, expectation of board and level of participation;

(ii) Performance review of the Chairman of the company in terms of level of competence of chairman in steering the company;

(iii) The review and assessment of the flow of information by the company to the board and manner in which the deliberations take place, the manner of placing the agenda and the contents therein;

(iv) The review of the performance of the directors individually, its own performance as well as evaluation of working of its committees shall be carried out by the board;

(v) On the basis of performance evaluation, it shall be determined by the Nomination and Remuneration Committee and the Board whether to extend or continue the term of appointment of ID subject to all other applicable compliances.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES COMPANIES:

The Company has only one subsidiary company i.e. Mas Rural Housing and Mortgage Finance Limited. Pursuant to the provision of Section 129(3) of the Companies Act, 2013, the performance and financial position of Subsidiaries, Associates and Joint Venture companies are described in Form AOC-1 which is annexed herewith as "**Annexure - F**". Further the Company does not have any Joint Venture or Associate Company.

PARTICULARS OF EMPLOYEES:

The information required under section on 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are mentioned as per **Annexure – G**.

THE CHANGE IN NATURE OF BUSINESS:

There are no material changes and commitments, that would affect financial position of the Company from the end of the financial year of the Company to which the financial statements relate and the date of the directors report.

PUBLIC DEPOSITS

The Company has not accepted deposit from public during the year and there was no deposit outstanding on 31st March 2018.

CAPITAL

During the year the company have raise fund via Initial Public Offering of 1,00,39,277 Equity Shares (comprising of Fresh issue of 50,92,829 Equity Shares and Offer for sale of 49,46,448 Equity Shares) of face value of ₹ 10 each.

The Net worth of the Company as on 31st March 2018 is ₹ 713.92 crore inclusive of ₹ 54.66 crore Equity Share Capital.

STATUTORY COMPLIANCE:

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

MATERIAL ORDER PASSED REGULATORS / COURTS / TRIBUNALS

There was no material order passed by Regulators / Courts / Tribunals during the year under review.

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 has appointed M/s. Arijeet Gandhi & Associates, Chartered Accountants as an Internal Auditor of the Company pursuant to provisions of Section 138 of the Companies Act, 2013 in order to ensure proper internal financial control.

INSURANCE:

The assets of your Company have been adequately insured.

AUDITORS:

The term of M/s. Deloitte Haskins & Sells, Statutory Auditors of the Company is expiring at the ensuing Annual General Meeting of the Company and therefore the Company has appointed M/s. B S R & Co. LLP, Chartered Accountants, Ahmedabad as the Statutory Auditors of the Company till the ensuing Annual General Meeting of the Company subject to the approval of the Members of the Company.

The Resolution for their appointment has been mentioned in the Notice of the Annual General Meeting.

The Board placed appreciation of M/s. Deloitte Haskins & Sells for their work during their tenure.

DIRECTORS AND KMP:

Pursuant to the provisions of Section 196, 197 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) Mr. Kamlesh Gandhi, Managing Director of the Company is liable to retire by rotation at the ensuing AGM and being eligible offers himself for reappointment.

Subject to the approval of the members in the annual general meeting, the Board of Directors recommends re-appointment of Mr. Kamlesh Gandhi, as director liable to retire by rotation.

During the year under review, the appointment of Mrs. Darshana Pandya, Director & Chief Operating Officer and Mr. Umesh Shah, Independent Director of the Company was regularized at the 22nd Annual General Meeting of the Company held on 21st June 2017.

Further, during the year Mr. Nirav Patel, Company Secretary and Compliance Officer of the Company resigned from his office w.e.f. 26th February 2018 and Ms. Riddhi Bhayani was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 26th February 2018.

REPORTS ON MANAGEMENT DISCUSSION ANALYSIS AND CORPORATE GOVERNANCE:

As required under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, management discussion and analysis and corporate governance report are annexed as **"Annexure – H"** and "**Annexure – I"** respectively to this Report.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

To foster a positive workplace environment, free from harassment of any nature, we have institutionalized the Anti-Sexual Harassment Initiative (ASHI) framework, through which we address complaints of sexual harassment at the all workplaces of the Company. Our policy assures discretion and guarantees non-retaliation to complainants. We follow a gender-neutral approach in handling complaints of sexual harassment and we are compliant with the law of the land where we operate.

We have also constituted a Special Complaints Committee to consider and address sexual harassment complaints in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, there were no incidences of sexual harassment reported. The web-link for the same is https://mas.co.in/policy.html

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM:

The Audit Committee consists of the following members:

a) Mr. Bala Bhaskaran (Independent Director) - Chairman

b) Mr. Chetan Shah (Independent Director)- Member

c) Mr. Umesh Shah (Independent Director)- Member

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 employees and the Company. The board has approved a policy for related party transactions which has been hosted on the website of the Company. The web-link for the same is https://mas.co.in/policy.html

DISCLOSURES PURSUANT TO RBI MASTER DIRECTION:

The disclosures pursuant to Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, is annexed herewith as "**Annexure-J**"

ACKNOWLEDGEMENT

The Directors place on record their appreciation to all those people, who have so willingly placed their trust in the company & management and to more than one million customers across all area under our operation, who have given the company an opportunity to serve them.

It is worth mentioning that, working with many NBFC-MFIs, NBFCs and HFCs has been a very encouraging experience especially in being catalyst to their sustainability and growth. The company looks forward to further strengthening the synergies.

The entire MAS Team deserves the appreciation for their sincere efforts and determination to excel. The core team of MAS plays a pivotal role in articulating and implementing the strategic decisions and thus contributing to the development of the company. I take this opportunity to express my heartfelt appreciation for their continuous support, hard work and dedication.

I trust this journey will continue to be a pleasant one with their support, aware of the fact that we have "Miles to go.... with the confidence that "Together We Can and We Will."

For and on behalf of the Board of Directors of
MAS **Financial Services Limited**

Mukesh C. Gandhi
Whole time Director & CFO
(DIN: 00187086)

Kamlesh C. Gandhi
Chairman and
Managing Director
(DIN: 00044852)

Place : Ahmedabad
Date : 28th May 2018

Annexure - A

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2018
Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

1. REGISTRATION AND OTHER DETAILS:

1	CIN	U65910GJ1995PLC026064
2	Registration Date	25/05/1995
3	Name of the Company	MAS Financial Services Limited
4	Category/Sub-category of the Company	Company limited by shares
5	Address of the Registered office & contact details	6 Ground Floor, Narayan Chambers, B/h Patang Hotel, Ashram Road, Ahmedabad-380 009. Ph No. - 079-41106500
6	Whether listed company	Yes [Bombay Stock Exchange (BSE) and National Stock Exchange (NSE)]
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400083 Tel. - +91 022 49186200

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (ALL THE BUSINESS ACTIVITIES CONTRIBUTING 10% OR MORE OF THE TOTAL TURNOVER OF THE COMPANY SHALL BE STATED)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	The company is mainly into retail lending business, comprising of micro, small and medium enterprises, two wheelers, three wheelers & Multi-utility vehicles loans to individual borrowers and loans to MFI and NBFC. The company has 77 branches and is catering to more than 3,300 centers with centralized credit and back office system with centralized credit at Central Processing Unit at head office, Ahmedabad.	64990	100 % to total turnover of the Company.

3. PARTICUALRS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	MAS Rural Housing & Mortgage Finance Limited Address: 4th Floor, Narayan Chambers, B/h Patang Hotel, Ashram Road, Ahmedabad-380 009.	U74900GJ2007PLC051383	Subsidiary	59.61% (Holding 1,07,50,000 shares in MAS Rural Housing & Mortgage Finance Limited)	Section 2(87) of Companies Act, 2013.

4. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

I) CATEGORY-WISE SHAREHOLDING^^

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	3,86,91,718	-	3,86,91,718	90.07	3,87,65,195	-	3,87,65,195	70.92	-19.15
b) Central Govt. Or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	13,05,257	-	13,05,257	3.04	13,18,757	-	13,05,257	2.41	-0.63
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-					
SUB TOTAL: (A) (1)	**3,99,96,975**	**-**	**3,99,96,975**	**93.11**	**4,00,83,952**	**-**	**4,00,83,952**	**73.33**	**-19.78**
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL: (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL SHAREHOLDING OF PROMOTER (A)= (A)(1)+(A)(2)	**3,99,96,975**	**-**	**3,99,96,975**	**93.11**	**4,00,83,952**	**-**	**4,00,83,952**	**73.33**	**-19.78**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	-	-	-	-	51,75,314	-	51,75,314	9.47	+9.47
b) Banks/FI	-	-	-	-	19,130	-	19,130	0.03	+0.03
c) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS – Foreign Portfolio Investor	-	-	-	-	23,48,412	-	23,48,412	4.30	+4.30
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) - Alternate Investment Funds	-	-	-	-	4,41,860		4,41,860	0.81	+0.81
SUB TOTAL (B)(1):	**-**	**-**	**-**	**-**	**79,84,716**	**-**	**79,84,716**	**14.61**	**+14.61**
(2) Non Institutions									
a) Bodies corporates									
i) Indian	29,55,869	-	29,55,869	6.88	4,60,984	-	4,60,984	0.84	-6.04
ii) Overseas	500	-	500	*0.00	5,12,289	-	5,12,289	0.94	+0.94
b) Individuals						-			
i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs	2,838	-	2,838	0.01	12,01,771		12,01,771	2.20	+2.19
ii) Individuals shareholders holding nominal share capital in excess of ₹ 2 lakhs	-	-	-	-	1,36,954	-	1,36,954	0.25	+0.25
c) Others (specify)									
- Trusts					40,15,487	-	40,15,487	7.35	+7.34
- Hindu Undivided Family,					1,07,031	-	107,031	0.2	+0.2
- Non Resident Indians (Non Repat),	-	-	-	-	11,882	-	11,882	0.02	+0.02
-Non Resident Indians (Repat),					27,436	-	27,436	0.05	+0.05
- Clearing Member.					1,19,541	-	1,19,541	0.22	+0.22
SUB TOTAL (B)(2):	**29,59,207**	**-**	**29,59,207**	**6.89**	**65,93,375**	**-**	**65,93,375**	**12.07**	**+5.17**
TOTAL PUBLIC SHAREHOLDING (B)= (B)(1)+(B)(2)	**29,59,207**	**-**	**29,59,207**	**6.89**	**1,45,78,091**	**-**	**1,45,78,091**	**26.68**	**+19.78**
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	**4,29,56,182**	**-**	**4,29,56,182**	**100**	**5,46,62,043**		**5,46,62,043**	**100**	**0**

* Negligible Shareholding

^^During the year the company have raise fund via Initial Public Offering of 1,00,39,277 Equity Shares (comprising of Fresh issue of 50,92,829 Equity Shares and Offer for sale of 49,46,448 Equity Shares) of face value of ₹ 10 each.

II) SHARE HOLDING OF PROMOTERS^^

Sr No.	Shareholders Name	Shareholding at the begginning of the year			Shareholding at the end of the year			% change in share holding during the year
		N0. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	MUKESH C. GANDHI	1,61,10,450	37.50	None	1,61,51,664	29.55	None	-7.95
2	KAMLESH C. GANDHI	62,42,818	14.53	None	62,64,081	11.46	None	-3.07
3	SHWETA KAMLESH GANDHI	1,63,38,450	38.04	None	1,63,38,450	29.89	None	-8.15
4	PRARTHNA MARKETING PRIVATE LIMITED	13,05,257	3.04	None	13,05,257	2.39	None	-0.65
5	DHVANIL K GANDHI (Promoter group)	-	-	-	11,000	0.02	None	+0.02
6	ANAMAYA CAPITAL LLP (Promoter group)	-	-	-	13,500	0.02	None	+0.02

^^ During the year the company have raise fund via Initial Public Offering of 1,00,39,277 Equity Shares (comprising of Fresh issue of 50,92,829 Equity Shares and Offer for sale of 49,46,448 Equity Shares) of face value of ₹ 10 each.

III) CHANGE IN PROMOTERS' SHAREHOLDING ^^

Sr. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	**MUKESH C. GANDHI**				
	At the beginning of the year	1,61,10,450	37.50	1,61,10,450	37.50
	**Date wise Increase / Decrease in Shareholding during the year: Increase Date: 28/11/2017, 29/11/2017, 30/11/2017, 01/12/2017, 20/12/2017, 05/02/2018, 06/02/2018, 07/02/2018, 05/03/2018, 06/03/2018, 07/03/2018 and 15/03/2018	41,214	0.075	1,61,51,664	29.55
	At the end of the year	1,61,51,664	29.55	1,61,51,664	29.55
2	**KAMLESH C. GANDHI**				
	At the beginning of the year	62,42,818	14.53	62,42,818	14.53
	**Date wise Increase / Decrease in Shareholdingduring the year: Increase Date: 20/12/2017, 05/02/2018, 06/02/2018, 07/03/2018 and 23/03/2018.	21,263	0.04	62,64,081	11.46
	At the end of the year	62,64,081	11.46	62,64,081	11.46
3	**SHWETA KAMLESH GANDHI**				
	At the beginning of the year	1,63,38,450	38.04	1,63,38,450	38.04
	Date wise Increase / Decrease in Shareholding during the year: No change in no. of shares				No change
	At the end of the year	1,63,38,450	29.89	1,63,38,450	29.89
4	**PRARTHNA MARKETING PRIVATE LIMITED**				
	At the beginning of the year	13,05,257	3.04	13,05,257	3.04
	Date wise Increase / Decrease in Shareholding during the year: No change in no. of shares				No change
	At the end of the year	13,05,257	2.39	13,05,257	2.39
5	**DHVANIL K GANDHI**				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year: Increase Date: 29/11/2017, 30/11/2017, 07/02/2018, 05/03/2018, 15/03/2018, 23/03/2018.	11,000	0.02	11,000	0.02
	At the end of the year	11,000	0.02	11,000	0.02
6	**ANAMAYA CAPITAL LLP**				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year: Increase Date: 23/03/2018	13,500	0.03	13,500	0.03
	At the end of the year	13,500	0.03	13,500	0.03

* Negligible Shareholding
**All above changes in share were due to transfer of shares in dematerialized form.
^^ During the year the company have raise fund via Initial Public Offering of 1,00,39,277 Equity Shares (comprising of Fresh issue of 50,92,829 Equity Shares and Offer for sale of 49,46,448 Equity Shares) of face value of ₹ 10 each.

IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS & ADRS)^^

Sr. No	For Each of the Top 10 Shareholders**	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	**VISTRA ITCL I LTD BUSINESS EXCELLENCE TRUST III INDIA BUSINESS**				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year: October 27, 2017 Reason: Transfer	39,90,422	7.30	39,90,422	7.30
	At the end of the year (or on the date of separation, if separated during the year)	39,90,422	7.30	39,90,422	7.30
2	**AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS LONG TERM EQUITY FUND**				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year: 27 Oct 2017, 03 Nov 2017, 10 Nov 2017, 17 Nov 2017, 24 Nov 2017, 01 Dec 2017, 08 Dec 2017, 22 Dec 2017, 26 Jan 2018, 02 Feb 2018, 09 Feb 2018, 16 Mar 2018, 31 Mar 2018 Reason: Transfer	28,53,993	5.22	28,53,993	5.22
	At the end of the year (or on the date of separation, if separated during the year)	28,53,993	5.22	28,53,993	5.22
3	**IDFC STERLING EQUITY FUND**	0	0.00	0	0.00
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year: 27 Oct 2017, 03 Nov 2017, 10 Nov 2017, 17 Nov 2017, 24 Nov 2017, 08 Dec 2017, 15 Dec 2017, 05 Jan 2018, 12 Jan 2018, 19 Jan 2018, 26 Jan 2018, 02 Feb 2018, 09 Feb 2018, 16 Feb 2018, 23 Feb 2018, 02 Mar 2018, 09 Mar 2018, 16 Mar 2018, 23 Mar 2018, 31 Mar 2018 Reason: Transfer	7,40,000	1.35	7,40,000	1.35
	At the end of the year (or on the date of separation, if separated during the year)	7,40,000	1.35	7,40,000	1.35
4	**TIMF HOLDINGS**				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year -27 Oct 2017, 03 Nov 2017, 08 Dec 2017, 15 Dec 2017, 22 Dec 2017, 26 Jan 2018, 23 Feb 2018 Reason: Transfer	6,25,797	1.14	6,25,797	1.14
	At the end of the year (or on the date of separation, if separated during the year)	6,25,797	1.14	6,25,797	1.14
5	**SARVA CAPITAL LLC**				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year - 27 Oct 2017, 22 Dec 2017 Reason: Transfer	5,12,289	0.94	5,12,289	0.94
	At the end of the year (or on the date of separation, if separated during the year)	5,12,289	0.94	5,12,289	0.94
6	**DSP BLACKROCK EQUITY & BOND FUND**				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year - 27 Oct 2017, 17 Nov 2017, 24 Nov 2017, 01 Dec 2017 Reason: Transfer	4,91,935	0.90	4,91,935	0.90
	At the end of the year (or on the date of separation, if separated during the year)	4,91,935	0.90	4,91,935	0.90

Sr. No	For Each of the Top 10 Shareholders**	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
7	**WASATCH INTERNATIONAL OPPORTUNITIES FUND**				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholdingduring the year - 27 Oct 2017, 12 Jan 2018 Reason: Transfer	4,07,302	0.74	4,07,302	0.74
	At the end of the year (or on the date of separation, if separated during the year)	4,07,302	0.74	4,07,302	0.74
8	**MOTILAL OSWAL FOCUSED EMERGENCE FUND**				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year - 12 Jan 2018, 19 Jan 2018, 26 Jan 2018, 02 Feb 2018, 31 Mar 2018 Reason: Transfer	3,77,000	0.69	3,77,000	0.69
	At the end of the year (or on the date of separation, if separated during the year)	3,77,000	0.69	3,77,000	0.69
9	**SUNDARAM MUTUAL FUND A/C SUNDARAM RURAL INDIA FUND**				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year - 27 Oct 2017, 17 Nov 2017, 24 Nov 2017, 01 Dec 2017, 15 Dec 2017, 22 Dec 2017, 29 Dec 2017, 16 Feb 2018, 23 Feb 2018, 02 Mar 2018, 09 Mar 2018, 16 Mar 2018, 23 Mar 2018, 31 Mar 2018 Reason: Transfer	3,42,010	0.63	3,42,010	0.63
	At the end of the year (or on the date of separation, if separated during the year)	3,42,010	0.63	3,42,010	0.63
10	**SCHRODER INTERNATIONAL SELECTION FUND INDIAN OPPORTUNITIES**				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year - 27 Oct 2017, 17 Nov 2017, 01 Dec 2017, 08 Dec 2017, 12 Jan 2018, 02 Feb 2018 Reason: Transfer	2,64,097	0.48	2,64,097	0.48
	At the end of the year (or on the date of separation, if separated during the year)	2,64,097	0.48	2,64,097	0.48

* Negligible Shareholding
**All above changes in share were due to transfer of shares in dematerialized form.
^^ During the year the company have raise fund via Initial Public Offering of 1,00,39,277 Equity Shares (comprising of Fresh issue of 50,92,829 Equity Shares and Offer for sale of 49,46,448 Equity Shares) of face value of ₹ 10 each.

V) SHAREHOLDING OF DIRECTORS & KMP^^

Sr. No	For Each of the Directors & KMP**	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	**KAMLESH C. GANDHI, CHAIRMAN AND MANAGING DIRECTOR**				
	At the beginning of the year	62,42,818	14.53	62,42,818	14.53
	Date wise Increase / Decrease in Shareholding during the year: Increase Date: 20/12/2017, 05/02/2018, 06/02/2018, 07/03/2018 and 23/03/2018.	21,263	0.04	62,64,081	11.46
	At the end of the year	62,64,081	11.46	62,64,081	11.46
2	**MUKESH C. GANDHI, WHOLE-TIME DIRECTOR AND CFO**				
	At the beginning of the year	1,61,10,450	37.50	1,61,10,450	37.50
	Date wise Increase / Decrease in Shareholding during the year: Increase Date: 28/11/2017, 29/11/2017, 30/11/2017, 01/12/2017, 20/12/2017, 05/02/2018, 06/02/2018, 07/02/2018, 05/03/2018, 06/03/2018, 07/03/2018 and 15/03/2018	41,214	0.075	1,61,51,664	29.55
	At the end of the year	1,61,51,664	29.55	1,61,51,664	29.55
3	**DARSHANA PANDYA, DIRECTOR & COO**				
	At the beginning of the year	948	*0.00	948	*0.00
	Date wise Increase / Decrease in Shareholding during the year –Increase Date: 03/12/2017, 04/12/2017, 06/12/2017, 12/12/2017 13/12/2017, 05/02/2018, 06/02/2018, 05/03/2018, 23/03/2018, 23/03/2018	9,776	0.02	9,776	0.02
	At the end of the year	10,724	0.02	10,724	0.02
4	**BALA BHASKARAN, INDEPENDENT DIRECTOR**				
	At the beginning of the year	945	*0.00	945	*0.00
	Date wise Increase / Decrease in Shareholding during the year				No change
	At the end of the year	945	*0.00	945	*0.00
5	**CHETAN SHAH, INDEPENDENT DIRECTOR**				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year				No change
	At the end of the year	0	0.00	0	0.00
6	**UMESH SHAH, INDEPENDENT DIRECTOR**				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year				No change
	At the end of the year	0	0.00	0	0.00
7	**NIRAV PATEL, COMPANY SECRETARY AND COMPLIANCE OFFICER^**				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year: Increase	338	*0.00	338	*0.00
	At the end of the year	338	*0.00	338	*0.00
8	**RIDDHI BHAYANI, COMPANY SECRETARY AND COMPLIANCE OFFICER#**				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year: Increase	338	*0.00	338	*0.00
	At the end of the year	338	*0.00	338	*0.00

* Negligible Shareholding
**All above changes in share were due to transfer of shares in dematerialized form.
^ Resigned w.e.f. 26th February 2018
# Appointed w.e.f. 26th February 2018
^^ During the year the company have raise fund via Initial Public Offering of 1,00,39,277 Equity Shares (comprising of Fresh issue of 50,92,829 Equity Shares and Offer for sale of 49,46,448 Equity Shares) of face value of ₹ 10 each.

5. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Lakh)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	1,05,670.91	6,000.00	0.00	1,11,670.91
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	249.84	10.35	0.00	260.18
Total (i+ii+iii)	**1,05,920.75**	**6,010.35**	**0.00**	**1,11,931.09**
Change in Indebtedness during the financial year				
Addition	35,105.50	0.00		35,105.50
Reduction	18,052.75	0.00		18,052.75
Net Change	17,052.75	0.00	0.00	17,052.75
Indebtedness at the end of the financial year				
i) Principal Amount	1,22,723.66	6,000.00	0.00	1,28,723.66
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	463.09	10.36	0.00	473.45
Total (i+ii+iii)	**1,23,186.75**	**6,010.36**	**0.00**	**1,29,197.11**

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sr No.	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount (Amount in Lakh)
		KAMLESH GANDHI (CMD)	MUKESH GANDHI (WTD & CFO)	DARSHANA PANDYA (Director & COO)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	-	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	555.96	555.64	23.69	1,135.29
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others (specify)	-	-	-	-
5	Others, please specify	-	-	-	-
	Total A	**555.96**	**555.64**	**23.69**	**1,135.29**
	Ceiling as per the Act	-	-	-	1,694.07

B. Remuneration to other directors:

(Amount in Rupees)

Sr. No.	Particulars of Remuneration	Name of the Directors			Total Amount
		Bala Bhaskaran	Chetan Shah	Umesh Shah	
	Independent Directors				
1	(a) Fee for attending board committee meetings	2,00,000	2,40,000	2,05,000	6,45,000
	(b) Commission	-	-	-	-
	(c) Others, please specify.	-	-	-	-
	Total (1)	**2,00,000**	**2,40,000**	**2,05,000**	**6,45,000**
2	**Other Non Executive Directors**	-	-	-	-
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify.	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**2,00,000**	**2,40,000**	**2,05,000**	**6,45,000**
	Total Managerial Remuneration	**2,00,000**	**2,40,000**	**2,05,000**	**6,45,000**

C. Remuneration To Key Managerial Personnel other than MD/Manager/WTD

(Amount in Rupees)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Chief Financial Officer	Company Secretary#		
			Nirav Patel	Riddhi Bhayani	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961				
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	Nil	5,91,867	32,292	6,24,159
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	Stock Option	-	-		-
3	Sweat Equity	-	-		-
4	Commission				
	- as % of profit	-	-		-
	- others (specify)	-	-		-
5	Others, (Bonus, Gratuity & PF)	-	32,678	31,000	63,678
	Total	**Nil**	**6,24,545**	**63,292**	**6,87,837**

Mr. Nirav Patel resigned with effect from 26th February 2018 and Ms. Riddhi Bhayani was appointed with effect from 26th February 2018, thus salary includes payment made respectively.

7. PENALTIES/PUNISHMENT/ COMPOUNDING OF OFFENCES : NONE

Type		Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A.	**COMPANY**					
	Penalty					
	Punishment					
	Compounding					
B.	**DIRECTORS**					
	Penalty					
	Punishment					
	Compounding					
C.	**OTHER OFFICERS IN DEFAULT**					
	Penalty					
	Punishment					
	Compounding					

For and on behalf of the Board of Directors of
MAS Financial Services Limited

Mukesh C. Gandhi
Whole time Director & CFO
(DIN: 00187086)

Kamlesh C. Gandhi
Chairman and Managing Director
(DIN: 00044852)

Place : Ahmedabad
Date : 28th May 2018

Annexure - B

REMUNERATION POLICY

In accordance with the provisions of Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee recommended the following remuneration policy relating to the remuneration being paid to Directors, Key Managerial Personnel and other employees, which was approved and adopted by the Board.

- **REMUNERATION TO EXECUTIVE DIRECTORS; KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT & OTHER EMPLOYESS:**
  The payment of managerial remuneration to Executive Directors will be recommended by Nomination and Remuneration Committee which will be confirmed by Board of Directors and/or shareholders as per applicable provision of Companies Act, 2013. Further remuneration of Key Managerial Personnel and Senior Management & Other Employees (one level below executive directors) shall be decided/recommended by the management/ Executive Directors based on company's HR Policy.

  Further following points needs to be considered while making payment of remuneration to Executive Directors; Key Managerial Personnel and Senior Management:

  - The Remuneration and terms of employments shall be fixed/ recommended in such a manner that the structure is clear and meets appropriate performance benchmarks.
  - The Remuneration involve a good balance between fixed and incentive pay reflecting short and long term performance objective appropriate to the working of the Company and its goals.
  - The remuneration will be in correlation of companies HR Policy.
  - No directors or Key Managerial Personnel should be directly involved in determining their own remuneration or their performance evaluation.

- **REMUNERATION TO NON-EXECUTIVE DIRECTORS:**
  Apart from sitting fees, company is not paying any amount to Non-Executive Directors.

- **CRITERIA FOR IDENTIFICATION OF PERSONS FOR APPOINTMENT AS DIRECTORS AND IN SENIOR MANAGEMENT:**
  Pursuant to provisions of section 178(3) of the Act read with Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 the Nomination and Remuneration Committee is required to formulate the criteria for determining qualification, positive attributes and independence of a Director and senior management. The criteria adopted by the Nomination and Remuneration Committee for the aforesaid purpose is as under:

Qualification:

- He/ she should be qualified as prescribed under Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and should possess appropriate skills, experience and knowledge.

Criteria for appointing a Director:

- He should be knowledgeable and diligent in updating his knowledge and should have qualification, skills, experience and expertise by which the Company can benefit and should be person of integrity, with high ethical standards.
- Independent Director, in addition to above should fulfill the criteria for being appointed as an Independent Director prescribed under section 149 of the Companies Act, 2013 read with Schedule IV to the said Act and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.
- In addition to above Executive Directors should possess quality like leadership, vision, ability to steer the organization even in adverse condition, innovative thinking and team mentoring.

Criteria for appointing a Senior Management Employee/ Key Managerial Personal:

- He should possess required educational qualification from recognized institution.
- He should have integrity, hardworking, positive thinking and other skills as required for suitable position.
- Detailed background information will be cross checked from reliable sources.
- Criteria under Companies' HR Policy will be followed.

Annexure - C

FORM NO. MR- 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

To,
The Members
MAS Financial Services Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MAS Financial Services Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company, during the audit period covering the financial year ended on 31st March 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 and verified the provisions of the following acts and regulations and also their applicability as far as the Company is concerned during the period under audit:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA")and the rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent of their applicability to the Company;

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(i) Reserve bank of India Act, 1934

We have also examined compliance with applicable clauses of the following

1. Secretarial Standards issued by the Institute of Company Secretaries of India.
2. Provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

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

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

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

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

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

Place: Ahmedabad
Date: 9th May 2018

For, Ravi Kapoor & Associates

Ravi Kapoor
Company Secretary in practice
FCS No. 2587
C P No.: 2407

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

ANNEXURE-A

To,
The Members
IIFL Financial Services Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

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

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.

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

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

Place: Ahmedabad
Date: 9th May 2018

For, Ravi Kapoor & Associates

Ravi Kapoor
Company Secretary in practice
FCS No. 2587
C P No.: 2407

Annexure - D

FORM NO. AOC - 2

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

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

Details of Contracts or Arrangements or Transactions at Arm's length basis for the year ended on 31st March 2018.

Sr. No.	Name(s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions.	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
1.	MAS Rural Housing & Mortgage finance Limited	Rendering of Services (Agreement for Amenities)	One year	MFSL agrees to provide MRHMFL within the premises the amenities, services, facilities-Usage of commercial premises of MFSL, furnitures & fixtures including computers, telephone lines, networks, use of water and water supply, and other necessary amenities for carrying on business activities smoothly.	MRHMFL is in requirement of the premises, assets and infrastructure which is available with MFSL. So, to fully utilise the premises, MRHMFL has requested MFSL to provide several amenities, services, facilities-Usage of commercial premises for carrying on business smoothly.	24.08.2017	No such amount was paid as advances.	N.A.
2.	MAS Rural Housing & Mortgage finance Limited	Recovery Agreement	Two year	MFSL agrees to collect outstanding instalments and other dues from its customers and agrees to provide the said service under the terms and conditions as set forth in Agreement with MRHMFL.	MRHMFL being a subsidiary company carrying out business of Housing Finance is in requirement of recovery services for collecting there outstanding dues .	08.03.2017	No such amount was paid as advances.	N.A.
3.	M Power Microfinance Private Limited	Rendering of Services	24 months	MFSL agrees to grant term loans to M/s M Power Microfinance Private Limited and there is outstanding balance of ₹ 1,25,00,006.00 as on 31st March 2018.	M Power Microfinance Private Limited was in requirement of funds for further lending and the transaction was entered into in the ordinary course of business.	N.A.	Nil	N.A.
4.	M Power Microfinance Private Limited	Rendering of Services	24 months	MFSL agrees to grant term loans to M/s M Power Microfinance Private Limited and there is outstanding balance of ₹ 6,24,99,997.00 as on 31st March 2018.	M Power Microfinance Private Limited was in requirement of funds for further lending and the transaction was entered into in the ordinary course of business.	N.A.	Nil	N.A.
5.	M Power Microfinance Private Limited	Rendering of Services	24 months	MFSL agrees to grant term loans to M/s M Power Microfinance Private Limited and there is outstanding balance of ₹ 3,54,16,669.00 as on 31st March 2018.	M Power Microfinance Private Limited was in requirement of funds for further lending and the transaction was entered into in the ordinary course of business.	N.A.	Nil	N.A.
6.	M Power Microfinance Private Limited	Rendering of Services	24 months	MFSL agrees to grant term loans to M/s M Power Microfinance Private Limited and there is outstanding balance of ₹ 5,62,50,000.00 as on 31st March 2018.	M Power Microfinance Private Limited was in requirement of funds for further lending and the transaction was entered into in the ordinary course of business.	N.A.	Nil	N.A.

Sr. No.	Name(s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions.	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
7.	M Power Microfinance Private Limited	Rendering of Services	24 months	MFSL agrees to grant term loans to M/s M Power Microfinance Private Limited and there is outstanding balance of ₹ 8,75,00,002.00 as on 31st March 2018.	M Power Microfinance Private Limited was in requirement of funds for further lending and the transaction was entered into in the ordinary course of business.	N.A.	Nil	N.A.
8.	M Power Microfinance Private Limited	Rendering of Services	24 months	MFSL agrees to grant term loans to M/s M Power Microfinance Private Limited and there is outstanding balance of ₹ 10,00,00,000.00 as on 31st March 2018.	M Power Microfinance Private Limited was in requirement of funds for further lending and the transaction was entered into in the ordinary course of business.	N.A.	Nil	N.A.
9.	M Power Microfinance Private Limited	Rendering of Services	24 months	MFSL agrees to grant term loans to M/s M Power Microfinance Private Limited and there is outstanding balance of ₹ 7,50,00,000.00 as on 31st March 2018.	M Power Microfinance Private Limited was in requirement of funds for further lending and the transaction was entered into in the ordinary course of business.	N.A.	Nil	N.A.
10.	M Power Microfinance Private Limited	Rendering of Services	73 months	MFSL agrees to grant term loans to M/s M Power Microfinance Private Limited and there is outstanding balance of ₹ 5,00,00,000.00 as on 31st March 2018.	M Power Microfinance Private Limited was in requirement of funds for further lending and the transaction was entered into in the ordinary course of business.	N.A.	Nil	N.A.
11.	Paras Capfin Company Private Limited	Rendering of Services	12 months	MFSL agrees to grant term loans to M/s Paras Capfin Company Private Limited and the outstanding balance as on 31st March 2018 is ₹ 49,99,997.00	Paras Capfin Company Private Limited was in requirement of funds for further lending and the transaction was entered into in the ordinary course of business.	N.A.	Nil	N.A.
12.	Paras Capfin Company Private Limited	Rendering of Services	12 months	MFSL agrees to grant term loans to M/s Paras Capfin Company Private Limited and the outstanding balance as on 31st March 2018 is ₹ 25,00,003.00	Paras Capfin Company Private Limited was in requirement of funds for further lending and the transaction was entered into in the ordinary course of business.	N.A.	Nil	N.A.
13.	Paras Capfin Company Private Limited	Rendering of Services	36 months	MFSL agrees to grant term loans to M/s Paras Capfin Company Private Limited and the outstanding balance as on 31st March 2018 is ₹ 1,72,22,220.00	Paras Capfin Company Private Limited was in requirement of funds for further lending and the transaction was entered into in the ordinary course of business.	N.A.	Nil	N.A.
14.	Paras Capfin Company Private Limited	Rendering of Services	36 months	MFSL agrees to grant term loans to M/s Paras Capfin Company Private Limited and the outstanding balance as on 31st March 2018 is ₹ 91,66,666.00	Paras Capfin Company Private Limited was in requirement of funds for further lending and the transaction was entered into in the ordinary course of business.	N.A.	Nil	N.A.

Sr. No.	Name(s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Justification for entering into such contracts or arrangements or transactions.	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
15.	Paras Capfin Company Private Limited	Rendering of Services	24 months	MFSL agrees to grant term loans to M/s Paras Capfin Company Private Limited and the outstanding balance as on 31st March 2018 is ₹ 1,75,00,001.00	Paras Capfin Company Private Limited was in requirement of funds for further lending and the transaction was entered into in the ordinary course of business.	N.A.	Nil	N.A.
16.	Paras Capfin Company Private Limited	Rendering of Services	24 months	MFSL agrees to grant term loans to M/s Paras Capfin Company Private Limited and the outstanding balance as on 31st March 2018 is ₹ 91,66,666.00	Paras Capfin Company Private Limited was in requirement of funds for further lending and the transaction was entered into in the ordinary course of business.	N.A.	Nil	N.A.
17.	Paras Capfin Company Private Limited	Rendering of Services	24 months	MFSL agrees to grant term loans to M/s Paras Capfin Company Private Limited and the outstanding balance as on 31st March 2018 is ₹ 2,00,00,000.00	Paras Capfin Company Private Limited was in requirement of funds for further lending and the transaction was entered into in the ordinary course of business.	N.A.	Nil	N.A.
18.	Paras Capfin Company Private Limited	Rendering of Services	24 months	MFSL agrees to grant term loans to M/s Paras Capfin Company Private Limited and the outstanding balance as on 31st March 2018 is ₹ 1,00,00,000.00	Paras Capfin Company Private Limited was in requirement of funds for further lending and the transaction was entered into in the ordinary course of business.	N.A.	Nil	N.A.
19.	Paras Capfin Company Private Limited	Rendering of Services	24 months	MFSL agrees to grant term loans to M/s Paras Capfin Company Private Limited and the outstanding balance as on 31st March 2018 is ₹ 2,00,00,000.00	Paras Capfin Company Private Limited was in requirement of funds for further lending and the transaction was entered into in the ordinary course of business.	N.A.	Nil	N.A.

Details of Contracts or Arrangements or Transactions not at Arm's length basis.

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

Annexure - E

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

[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. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**
   CSR policy of the Company encompasses the Company's philosophy for aligning its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large.

2. **The Composition of CSR Committee:**
   The Company's CSR Committee consists of two Executive Directors and the independent of the Company, and is chaired by a Whole Time Director. The composition of the Committee is set out below:
   Mr. Mukesh Gandhi- Whole time Director – Chairman
   Mrs. Darshana Pandya, Director & COO - Member
   Prof. BalaBhaskaran, Independent Director - Member

3. **Average net profit of the Company for last three financial years:** ₹ 80,96,22,932

4 **Prescribed CSR Expenditure (two percent of amount stated in item 3 above):** ₹ 1,61,92,458

5. **Details of CSR spent during Financial year:**
   (a) Total amount to be spent for Financial Year: ₹ 1,61,92,458
   (b) Amount unspent, if any: ₹ 1,54,30,768.64
   (c) Manner in which amount spent during the financial year is detailed below:

Sr. No	CSR project or activity identified	Sector in which the project is covered (As per Schedule VII of Companies Act, 2013)	Projects or programs 1) Local area or other 2) Specify the states and district where the project was undertaken	Amount outlay (budget) – project or program wise (Amount in ₹)	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on project or program (2) overhead (Amount in ₹)	Cumulative expenditure upto the reporting period (Amount in ₹)	Amount spent – Direct or through implementing agency
1	The Company has sponsored fees, school bags, stationeries, and uniforms for eligible students undergoing higher studies.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	1) Local area Gujarat	10,00,000	7,61,690	7,61,690	Direct

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:**
   Your Company has taken initiatives to promote education by sponsoring fees, school bags, stationeries, and uniforms for eligible students undergoing higher studies and Company is trying to add more and more students and enlarge it's area of operations to ensure that benefits are wide spread and reaches directly to the needed students and has already sponsored 162 students. Since the process involves lot of pre-checks it is likely to take some more time to enable the Company to increase the spending and spend the entire required for CSR as per the provisions of Companies Act, 2013.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.**
   The CSR Committee hereby confirms that the implementation and monitoring of CSR activities is in compliance with CSR objectives and the CSR Policy of the Company.

Date: 28th May 2018
Place: Ahmedabad

Mr. Mukesh Gandhi
Chairman
DIN: 00187086

Mrs. Darshana Pandya
Member
DIN: 07610402

Annexure - F

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries /associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sr. No.	Particulars	Details
1.	Name of the subsidiary	MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Financial Year 2017-2018 (01.04.2017 to 31.03.2018)
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4.	Share capital	Authorised: ₹ 30,00,00,000 Paid up : ₹ 22,03,49,200
5.	Reserves & surplus	₹ 9,97,46,508
6.	Total assets	₹ 2,16,44,43,832
7.	Total Liabilities	₹ 1,84,43,48,127
8.	Investments	Nil
9.	Turnover	₹ 26,83,16,089
10.	Profit before taxation	₹ 3,42,99,618
11.	Provision for taxation	₹ 93,12,875
12.	Profit after taxation	₹ 2,49,86,743
13.	Proposed Dividend	₹ 4,32,838
14.	% of shareholding	59.61%

Notes: The following information shall be furnished at the end of the statement:
1. Names of subsidiaries which are yet to commence operations – NIL
2. Names of subsidiaries which have been liquidated or sold during the year – NIL

Part "B": Associates and Joint Ventures

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

Name of associates/Joint Ventures	N.A.
Latest audited Balance Sheet Date	
Shares of Associate/Joint Ventures held by the company on the year end	N.A.
No.	
Amount of Investment in Associates/Joint Venture	
Extend of Holding%	
Description of how there is significant influence	N.A.
Reason why the associate/joint venture is not consolidated	N.A.
Net worth attributable to shareholding as per latest audited Balance Sheet	N.A.
Profit/Loss for the year	N.A.
a) Considered in Consolidation	
b) Not Considered in Consolidation	

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For and on behalf of the Board of Directors of
MAS FINANCIAL SERVICES LIMITED

	Riddhi Bhayani	**Mukesh C. Gandhi**	**Kamlesh C. Gandhi**
Date: 28th May, 2018	Company Secretary	Whole time Director & CFO	Chairman and Managing Director
Place: Ahmedabad	Membership No.: A41206	(DIN: 00187086)	(DIN: 00044852)

Annexure - G

Particulars of Employees (pursuant to Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended)

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rules made there under:

A. Company does not have any employees who is drawing remuneration in excess of limit prescribed under section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

B. Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1) The ratio of remuneration of each director to the median remuneration of employees for the financial year:

Sr. No.	Name	Designation	Nature of Payment	Ratio against median employee's remuneration
1.	Mr. Kamlesh Gandhi	Chairman and Managing Director	Remuneration	173.37 : 1
2.	Mr. Mukesh Gandhi	Whole-time Director and Chief Financial Officer	Remuneration	173.27 : 1
3.	Mrs. Darshana Pandya	Director and Chief Operating Officer	Remuneration	7.39 : 1
4.	Mr. Bala Bhaskaran	Independent Director	Sitting Fees	00.62 : 1
5.	Mr. Chetan Shah	Independent Director	Sitting Fees	00.75 : 1
6.	Mr. Umesh Shah	Independent Director	Sitting Fees	00.64 : 1

2) The Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sr. No.	Name	Designation	Nature of Payment	Percentage Increase over previous year
1.	Mr. Kamlesh Gandhi	Chairman and Managing Director	Remuneration	33.85%
2.	Mr. Mukesh Gandhi	Whole-time Director and Chief Financial Officer	Remuneration	33.99%
3.	Mrs. Darshana Pandya	Director and Chief Operating Officer	Remuneration	42.35%
4.	Mr. Bala Bhaskaran	Independent Director	Sitting Fees	60.00%
5.	Mr. Chetan Shah	Independent Director	Sitting Fees	65.52%
6.	Mr. Umesh Shah	Independent Director	Sitting Fees	241.67%
7.	Mr. Nirav Patel*	Company Secretary and Compliance Officer	Remuneration	54.48%
8.	Ms. Riddhi Bhayani**	Company Secretary and Compliance Officer	Remuneration	30.29%

*Resigned w.e.f. 26th February 2018.
** Appointed w.e.f. 26th February 2018.

Note: the percentage increase over previous year is given only if there is an increase in the payment and the person acted in the same capacity for the year ended on 31st March 2018 and 31st March 2017.

3) The percentage increase in the median remuneration of employees in the financial year: The median remuneration of employees was increased by 6.08% over a previous year.

4) The number of permanent employees on the rolls of the Company: 1,046 Employees

5) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: The Average salaries of the employees of the Company were increased by 11.29% while the Managerial remuneration increased by 33.92% in the current year. Annual increments, if any, are decided by the Nomination and Remuneration Committee within the salary scale approved by the members and are effective from April 1, of each year.

The Board of Directors of the Company affirmed that remuneration of all the Key Managerial Personnel of the Company are as per the Remuneration Policy of the Company

FOR, **FINANCIAL SERVICES LIMITED**

Mukesh C. Gandhi
Whole time Director & CFO
(DIN: 00187086)

Kamlesh C. Gandhi
Chairman and Managing Director
(DIN: 00044852)

Date: 28th May 2018
Place: Ahmedabad

Annexure - H

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

The Indian economy posted a growth of 6.6% in FY2017-18 compared to 7.1% in FY2016-17, as the first round of effects of demonetisation and the implementation of GST played out. However, a host of other policies, implemented during and before FY 2017-18 – such as the Insolvency and Bankruptcy Code, reforms in the real estate sector in the form of RERA, allowing of FDI in various industries, fast-tracking of project clearances, various measures for financial inclusion, etc. - are expected to propel growth upwards, going forward. While the IMF projects that India's GDP will increase at 7.4% in FY2019 and 7.8% in FY2020, the World Bank expects growth to reach 7.3% in FY2019 and rise further to 7.5% in FY2020.

INDUSTRY OVERVIEW

MSME Sector

The MSME sector, which currently comprises over 50 million businesses, has grown dynamically. Today, the sector accounts for around 40% of the country's exports and has been creating millions of jobs, annually. With immense potential for growth in the coming years, access to financial capital and timely credit remains one of the primary constraints for the sector. While the government has implemented numerous measures in general and through the Union Budget 2018 to augment the availability of funds to the sector, credit from NBFCs, on flexible and tailored terms, has begun to increase.

Housing Finance

In India, the housing finance industry comprises both banks and Non-Banking Finance Companies (NBFC). These organisations provide loans for a variety of purposes, including the purchase of ready or under-construction housing units, home renovation/extension, self-construction, purchase of plots and composite loans for the purchase of plot and self-construction, etc.

The business activity and, therefore, share of housing finance companies (HFCs) in the NBFC sector has been increasing gradually over the years due to their focus on home loans, access to low cost funds from Indian and International non-bank sources and investors, strong origination skills, good consumer service and use of data and technology at various levels from lead generation and loan origination till recovery.

The size of the housing loans market has also been increasing, especially in the affordable housing segment, due to the country's demographic profile, growing income levels and on the back of various initiatives by the government to promote housing for all by 2022.

Automobiles

As per data, released by the Society of Indian Automobile Manufacturers (SIAM), the automobile industry produced a total 2,90,75,605 vehicles, including passenger vehicles, commercial vehicles, three-wheelers, two-wheelers and quadricycle in April-March 2018, against 2,53,30,967 in April-March 2017, registering a growth of 14.78% over the corresponding period of the previous year. The combination of higher economic growth coupled with two successive favourable monsoons, which will boost farm income, are the leading factors that are expected to drive growth in the automobile sector, in the near future.

According to ICRA, while the two-wheeler industry grew by a moderate 6.9% in FY2017, the performance began to pick up with a growth of 9.2% in the first four months of FY2018 over the corresponding period of the previous year. The rating agency attributed this revival in the domestic two wheeler industry to healthy wholesale demand, post regulatory changes and tax reforms. ICRA expects domestic volumes to grow by 8-10% during FY2018 on the back of improved rural and urban sentiments. The market for relatively short term loans for two-wheelers is also expected to grow concomitantly.

BUSINESS PERFORMANCE

MAS has been a part of the financial services sector since 1995. It is registered with the Reserve Bank of India as an NBFC. With a plethora of retail finance options in its arsenal, MAS is focused on fulfilling the requirements of lower income and middle-income groups of the society. The Company offers a range of financial services for micro enterprise loans, SME loans, home loans, two-wheeler loans, used car loans and commercial vehicle loans. The Company's focus remains on the vast lower income and middle income groups of society spread across urban, semi urban and rural areas, in the formal and informal financial sectors. The Company has been serving these segments of the population for over two decades.

Distribution Network

With the aim of acquiring a significant market share in financial services distribution, MAS undertakes assessment of creditability, in the absence of proper and systematic credit documents, from various perspectives, including credit worthiness through other channels. It also leverages its distribution network of partner NBFC-MFIs/NBFCs/HFCs/franchisees, thus extending financial services to the under-penetrated regions and the Bottom of the Pyramid (BOP) segment.

In its quest to provide the most efficient last mile delivery of credit, right at the doorstep of the masses, MAS has opened several branches. It has a network of 77 branches in major cities of Gujarat, Maharashtra, Rajasthan, Madhya Pradesh, Tamil Nadu and Karnataka, which cater to over 3,300 centres.

Partnerships with Regional NBFCs and NBFC- MFIs
Over the years, MAS has met with great success while partnering with many NBFCs and NBFC-MFIs for the distribution of its products by providing them with lines of credit to create the portfolio within the MAS target segment. This model rests on the philosophy that regional players are best placed to undertake the last mile of credit delivery. In addition to funding, MAS provides its partners with domain knowledge, which the company has amassed over the past two decades of operations.

MSME Loans
The company has Assets under Management under MSME Loans of ₹ 3,605.79 Crore as on 31st March 2018 compared to ₹ 2,748.70 Crore as on 31st March 2017 registering growth of 31.18%.

Housing Loans
Through its subsidiary - MAS Rural Housing & Mortgage Finance Ltd. – MFSL serves the middle and lower income segments of the economy, especially in the semi-urban and rural areas. The company has Assets under Management under of ₹ 203.95 Crore as on 31st March 2018 compared to ₹ 176.43 Crore as on 31st March 2017 registering growth of 15.60%.

Commercial Vehicle and Two-wheeler Loans
The company has Assets under Management under Commercial Vehicle and Two Wheeler Loans of ₹ 508.66 Crore as on 31st March 2018 compared to ₹ 407.45 Crore as on 31st March 2017 registering growth of 24.84%.

FINANCIAL PERFORMANCE

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year Ended on 31st March 2018	Year Ended on 31st March 2017	Year Ended on 31st March 2018	Year Ended on 31st March 2017
Revenue from Operations	42,618.94	34,063.15	45,302.10	36,374.62
Other Income	168.31	88.56	194.15	95.57
Total Income	**42,787.25**	**34,151.71**	**45,496.25**	**36,470.19**
Total Expenditure	**26,981.89**	**23,844.55**	**29,353.29**	**25,871.29**
Profit Before Tax	15,805.36	10,307.16	16,142.96	10,598.90
Provision for Taxation (Including Current tax, Deferred Tax & Income Tax of earlier Years)	5,467.94	3,569.93	5,561.07	3,666.98
Net Profit	**10,337.42**	**6,737.23**	**-**	**-**
Net Profit after profit attributable to minority shareholders	-	-	10,480.97	6,853.28
Profit Brought Forward	8,166.76	5776.84	8,455.75	5,988.62
Profit Available for Appropriation	**18,504.18**	**11,377.69**	**18,914.53**	**11,705.52**
APPROPRIATIONS:				
Transfer to Statutory Reserve	2,067.48	1,347.45	2114.15	1386.31
Interim Dividend on Equity Shares	819.93	1,250.01	819.93	1,250.01
Interim Dividend on Preference Shares	13.14	299.57	13.14	299.56
Dividend on Preference Shares	28.95	-	28.95	-
Dividend distribution tax on Preference Shares	8.57	59.38	8.57	59.38
Dividend distribution tax on Equity Shares	166.95	254.52	168.00	254.51
Surplus Balance carried to Balance Sheet	15,399.16	8,166.76	15,761.79	8,455.75

OUTLOOK

The mission to promote financial inclusion in India is gaining momentum in government as well as private circles. Where the government is concerned, it is addressing various regulatory issues that have been constraints to transparency and better access until now. It has also been ensuring easier recourse to institutional credit and reducing the cost of lending to BOP borrowers. Private companies have been surmounting troublesome issues of the past – measurement of creditworthiness and reach - with the help of technological solutions. And last, but not the least, riding on better growth and rising incomes, the demand for funds for various purposes has improved. All these factors point to a bright future for financiers, especially those that cater to the large unserved or under-served segments of the economy, over the long term.

LIABILITY MANAGEMENT

With its robust performance in the past as well as internal systems and processes, the Company has built a track

record of reliability and rectitude. This has enabled MAS to nurture strong bonds with a clutch of leading banks and various financial institutions.

The proceeds from the IPO last year have resulted in a stronger balance sheet, which will enable the Company to further leverage its position to deliver benefits for its clients and gains for its stakeholders.

CAPITAL MANAGEMENT

While adhering to the guidelines laid down by the RBI from time to time, the Company works towards maximising the returns on capital employed through an efficient capital management strategy.

RISK MANAGEMENT

As in the case of any lending entity, the entire proposition of the Company – providing finance to various segments of the economy is on the fundamentals of managing the risk rather than avoiding it. With tried and tested credit models and robust operational systems in place, the Company successfully manages these risks.

Towards de-risking the entire process of receivables management, the Company begins with inculcating the culture of credit buyers among its ranks and file rather than just a marketing strategy to promote various products. These debtors are under the Company's surveillance and regular follow-ups for collection are executed.

The net NPAs of the Company stood at 0.91% of the AUM as at the end of FY 2017-18

The company extends loan for an average tenure of 27 months. The company lends at a fixed a rate of interest and borrows at a floating rate which may create pressure on NIM in the case of high volatility in the interest rate. However the same is mitigated due to sufficient spreads, relatively short tenure of loan and resetting of the lending rates from time to time.

The company has a very diversified portfolio of borrowers within its segments of operation. The diversified segment and the diversity within the segment accompanied by a very huge market size, serve as a very potent cover against the market risk due to various macro developments. However the company has to constantly be on vigil to understand the changes at the market place from time to time.

OPPORTUNITIES & THREATS

Over the years the consistent and the quality growth of the company can be attributed to the huge market size within the targeted segments of operations namely MSME and serving the hinterlands through various other offerings namely two wheeler, commercial vehicle, and the newly introduced segment of used car. This huge market size undoubtedly presents a huge opportunity too. Over the years MAS has understood and hence anchors to the belief that every opportunity is as good as its execution. The most significant threat for any lending activity is to constantly exhibit operational excellence and contain the loss given defaults within the acceptable limits. The Company believes that this task is to be worked upon continuously through a very sharp learning and unlearning in order to achieve operational excellence.

INTERNAL CONTROL, SYSTEMS AND THEIR ADEQUACY

The primary focus of internal control and systems at MAS is to improve on operational efficiencies and create quality portfolio.

In the business of lending internal risk usually exceeds the external risk for the very reason that, personnel of a company has the potentiality to influence larger number of loans as compared to a single borrower. The internal control at MAS is a constantly evolving process. There are adequate controls right from tracking the originators activities, quality of logins followed by a stringent credit checks and appraisal, which are evaluated on the basis of the quality of the portfolio. A 360 degree view of the credit assessment comprises of framing credit screens based on a reliable demographic data followed by the strict adherence of the same with an element of adaptability without compromising on the fundamentals of extending credit where it is due. The internal audit department comprises of the competent internal and the external team to highlight the gaps whereas the risk and monitoring department is expected to exercise constant vigil on the various trends of the portfolio behaviour and also the macro developments from time to time. The other significant internal control at MAS comprises of strict vigil on the operational expenditure with a constant endeavour to bring it down through better efficiencies rather than just focusing on curtailing the expenditure. The execution plan pertaining to the internal controls and its adequacy is driven by our understanding of constantly challenging ourselves.

HUMAN RESOURCES

Acknowledging that human resources play a crucial role in enabling it to meet its objectives, the Company chooses its people very carefully, ensuring that they conform to the company's culture and follow its values and belief system. Setting the benchmark high, with its good governance the promoters are hands-on involved in the management of the Company with strategic inputs from a well-diversified and competent board.

The core management team at MAS, which comprises a competent group of experienced and dedicated personnel, is well-equipped to craft and execute strategies that drive the company forward. A large part of this team has been with the Company since its inception, constantly extending its unstinted efforts as they align their personal objectives with those of the company.

MAS is constantly looking at strengthening its human resources at every level and ensures that its standards percolate to the grass root level.

As on 31st March 2018, MAS had total team strength of 1,564.

Annexure - I

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company believes that effective Corporate Governance is not just the framework enforced by the regulation but it is supported through the principles of transparency, unity, integrity, spirit and responsibility towards the stakeholders, shareholders, employees and customers. Good Corporate Governance requires competence and capability levels to meet the expectations in managing the business and its resources and helps to achieve goals and objectives of the organization. Good Corporate Governance should provide proper incentives for the board and management to pursue objectives that are in the interests of the Company and its shareholders and should facilitate effective monitoring. The Company acutely and consistently reviews its systems, policies and internal controls with an objective to establish sound risk management system and impeccable internal control system.

BOARD OF DIRECTORS:

At the helm of the Company's Corporate Governance practice is its Board. The Board provides strategic guidance and independent views to the Company's senior management while discharging its fiduciary responsibilities. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholder's aspirations and societal expectations.

CONSTITUTION OF BOARD:

The Board of the Company comprises six Directors out of which two (2) are Promoter Executive Directors, one (1) is women Executive Director and three (3) are non-promoter Independent Directors as on 31st March 2018. As on the date of this report, the Board comprises following Directors;

Name of Director	Category Cum Designation	Date of Appointment	Total Directorship~	No. of Committee Membership/ chairman in other Domestic company		No. of Equity Shares held as on 31st March 2018
				Chairman	Members	
Mr. Kamlesh Chimanlal Gandhi	Chairman & Managing Director (Promoter)	25/05/1995	4	-	-	62,64,081
Mr. Mukesh Chimanlal Gandhi	Whole-time Director & CFO (Promoter)	25/05/1995	5	-	1	1,61,51,664
Mrs. Darshana Saumil Pandya	Director & COO	23/09/2016	2	-	-	10,724
Mr. Balabhaskaran	Independent Director	25/05/1995	4	2	-	945
Mr. Chetan Ramniklal Shah	Independent Director	06/06/2008	2	-	2	Nil
Mr. Umesh Rajanikant Shah	Independent Director	21/12/2016	1	-	-	Nil

^Committee includes Audit Committee, Nomination & Remuneration Committee and Shareholders' Grievances Committee across all Public Companies.

None of the above Directors bear inter-se relation with other Director except, Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi are brothers.

The composition of Board complies with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

None of the Directors of Board is a member of more than ten Committees or Chairman of more than five committees across all the Public companies in which they are Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

BOARD MEETING:

Regular meetings of the Board are held at least once in a quarter, inter-alia, to review the quarterly results of the Company. Additional Board meetings are convened, as and when required, to discuss and decide on various business policies, strategies and other businesses. The Board meetings are held at registered office of the Company.

During the year under review, Board of Directors of the Company met 14 times, viz 17th May 2017, 21st June 2017, 7th July 2017, 29th July 2017, 24th August 2017, 12th September 2017, 13th September 2017, 21st September 2017, 25th September 2017, 11th October 2017, 8th November 2017, 6th December 2017, 24th January 2018 and 26th February 2018.

The details of attendance of each Director at the Board Meeting and Annual General Meeting are given below;

Name of Director	Mr. Kamlesh Gandhi	Mr. Mukesh Gandhi	Mrs. Darshana Pandya	Mr. Balabhaskaran	Mr. Chetan Shah	Mr. Umesh Shah
No. of Board Meeting held	14	14	14	14	14	14
No. of Board Meeting attended	14	14	14	12	14	13
Presence at the previous AGM	Yes	Yes	Yes	Yes	Yes	Yes

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 terms and conditions of appointment of Independent Directors and Code for Independent Director are incorporated on the website of the Company at www.mas.co.in. 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.

A separate meeting of Independent Directors was held on 30th March 2018 to review the performance of Non-Independent Directors and Board as whole.

FAMILIARIZATION PROGRAMME:

The Company has adopted the Familiarization Programme to familiarize Independent Directors of the Company. The regular meeting of the Independent Directors is being held with Executive Directors to interact with the strategy, operation and functions of the Company. Further, the Independent Directors are provided with opportunity to interact with the Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.

The Familiarization Programme, as adopted by the Board, has been uploaded on the website of the Company at www.mas.co.in.

Details of Committees

A. Audit Committee:

The Company has formed audit committee in line with the provisions Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations. Audit Committee meeting is generally held one in quarter for the purpose of recommending the quarterly / half yearly / yearly financial result and the gap between two meetings did not exceed one hundred and twenty days. Additional meeting is held for the purpose of reviewing the specific item included in terms of reference of the Committee. During the year under review, Audit Committee met 8 (Eight) times on 17th May 2017, 21st June 2017, 29th July 2017, 24th August 2017, 13th September 2017, 7th November 2017, 6th December 2017 and 23rd January 2018.

The composition of the Committee and the details of meetings attended by its members are given below:

Name	Designation	Number of meetings during the financial year 2017-18	
		Held	Attended
Mr. Balabhaskaran	Chairman	8	7
Mr. Chetan Shah	Member	8	8
Mr. Umesh Shah	Member	8	7

The Statutory Auditors and Internal Auditors of the Company are invited in the meeting of the Committee wherever requires. Chief Financial Officer of the Company is a regular invitee at the Meeting.

Mr. Balabhaskaran, the Chairman of the Committee had attended last Annual General Meeting of the Company held on 21st June 2017.

Recommendations of Audit Committee have been accepted by the Board of wherever/whenever given.

A. Broad terms of Reference:

The role of the audit committee shall include the following:

(1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

(3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

(a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

(b) changes, if any, in accounting policies and practices and reasons for the same;

(c) major accounting entries involving estimates based on the exercise of judgment by management;

(d) significant adjustments made in the financial statements arising out of audit findings;

(e) compliance with listing and other legal requirements relating to financial statements;

(f) disclosure of any related party transactions;

(g) modified opinion(s) in the draft audit report;

(5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

(7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.

(8) Approval or any subsequent modification of transactions of the listed entity with related parties;

(9) Scrutiny of inter-corporate loans and investments;

(10) Valuation of undertakings or assets of the listed entity, wherever it is necessary;

(11) Evaluation of internal financial controls and risk management systems;

(12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(14) Discussion with internal auditors of any significant findings and follow up there on;

(15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

(16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(18) To review the functioning of the whistle blower mechanism;

(19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

B. The audit committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;

2. statement of significant related party transactions (as defined by the audit committee), submitted by management;

3. management letters / letters of internal control weaknesses issued by the statutory auditors;

4. internal audit reports relating to internal control weaknesses; and

5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

6. statement of deviations:

   a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

   b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

B. Nomination and Remuneration Committee:

The Company has formed Nomination and Remuneration committee in line with the provisions Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations. Nomination and Remuneration Committee meetings are generally held for identifying the person who is qualified to become Directors and may be appointed in senior management and recommending their appointments and removal. During the year under review, Nomination and Remuneration Committee met 5 (Five) times on 17th May 2017, 12th September 2017, 7th November 2017, 23rd January 2018 and 29th March 2018.

The composition of the Committee and the details of meetings attended by its members are given below:

Name	Designation	Number of meetings during the financial year 2017 -18	
		Held	Attended
Mr. Balabhaskaran	Chairman	5	5
Mr. Chetan Shah	Member	5	5
Mr. Umesh Shah	Member	5	4

Broad terms of reference:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

2. formulation of criteria for evaluation of performance of independent directors and the board of directors;

3. devising a policy on diversity of board of directors;

4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

5. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Remuneration of Directors:

The Company has not entered into any pecuniary relationship or transactions with Non-Executive Directors of the Company.

Further, criteria for making payment, if any, to non-executive directors are provided under the Nomination and Remuneration Policy of the Company which is hosted on the website of the Company viz; www.mas.co.in/policy.html

During the year under review, the Company has paid remuneration to Executive Directors of the Company, details of which are as under;

Sr. No.	Name of Directors	Designation	Component of payment	Remuneration paid (₹ In lakhs)
1.	Mr. Kamlesh Gandhi	Chairmen & Managing Director	Salary	555.96/-
2.	Mr. Mukesh Gandhi	Whole-Time Director & CFO	Salary	555.64/-
3.	Mrs. Darshana Pandya	Director & COO	Salary	23.69/-

During the year under review, the Company has paid Sitting fees to Non – Executive Independent Directors of the Company, details of which are as under;

Sr. No.	Name of Directors	(Amount in ₹)
1.	Mr. Bala Bhaskaran	2,00,000/-
2.	Mr. Chetan Shah	2,40,000/-
3.	Mr. Umesh Shah	2,05,000/-

The remuneration of the Directors is decided by the Nomination and Remuneration Committee based on the performance of the Company in accordance with the Nomination and Remuneration Policy within the limit approved by the Board or Members.

C. Stakeholder's Relationship Committee:

The Company has constituted Stakeholder's Relationship Committee mainly to focus on the redressal of Shareholders' / Investors' Grievances, if any, like Transfer / Transmission / Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Dividend Warrants; etc. During the year under review, Stakeholder's Grievance & Relationship Committee met 2 (Two) times on 6th December 2017 and 23rd January 2018.

The composition of the Committee and the details of meetings attended by its members are given below:

Name	Designation	Number of meetings during the financial year 2017-18	
		Held	Attended
Mr. Balabhaskaran	Chairman	2	1
Mr. Mukesh Gandhi	Member	2	2
Mr. Chetan Shah	Member	2	2

Complaint

During the year, the Company had received 177 complaints from the Shareholders and company has tried to resolve the same. There was no complaint pending as on 31st March 2018.

Broad terms of reference

The Stakeholder's Relationship Committee as a committee of the Board has been constituted mainly to focus on the redressal of Shareholders' / Investors' Grievances, if any, like Transfer / Transmission / Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Dividend Warrants; etc.

The equity shares of the Company are compulsorily traded in electronic form on the stock exchanges and hence the handling of physical transfer of shares is minimal. The Company has no transfers pending at the close of the financial year.

D. General Body Meetings

a. Annual General Meetings:

Financial Year	Date	Location of Meeting	Time	No. of Special Resolutions passed
2016-17	21st June 2017	**Registered Office:** 5th Floor Narayan Chambers, B/H Patang Hotel Ashram Road, Ahmedabad – 380 006, Gujarat	11.00 A.M.	2
2015-16	29th June 2016	**Registered Office**: 5th Floor Narayan Chambers, B/H Patang Hotel Ashram Road, Ahmedabad – 380 006, Gujarat	12.00 Noon	Nil
2014-15	24th June 2015	**Registered Office**: 5th Floor Narayan Chambers, B/H Patang Hotel Ashram Road, Ahmedabad – 380 006, Gujarat	12.00 Noon	2

The Company has not passed/proposed any Special Resolutions through Postal Ballot during the year under reference.

E. Means of Communication:

a. Financial Results:

The quarterly, half-yearly and annual results are published in widely circulating national and local dailies such as "Free press Gujarat" and/ or "Financial Express" in English and "Lok Mitra" and/or "Financial Express" in Gujarati language and are displayed on the website of the Company www.mas.co.in.

b. Website:

The Company's website www.mas.co.in contains a separate dedicated section namely "Investors" where shareholders information is available. The Annual Report of the Company is also available on the website of the Company www.mas.co.in in a downloadable form.

c. During the year under review, the Company has made presentations to institutional investors / to the analysts. Further, the Company has displayed official news releases which are available on company's website www.mas.co.in.

F. General Shareholders Information:

a. Company Registration details:

The Company is registered in the State of Gujarat, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U65910GJ1995PLC026064.

b. Registered Office:

6 Ground Floor, Narayan Chambers, B/H Patang Hotel Ashram Road, Ahmedabad – 380 006, Gujarat.

c. Date, time and venue of the 23rd Annual General Meeting:

23rd Annual General Meeting is to be held on Wednesday, 27th June 2018 at 10.00 A.M. at the Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015.

d. Financial Year:

Financial year is April 1 to March 31 and financial results will be declared as per the following schedule.

Particulars	Tentative Schedule
Quarterly Results	
Quarter ending on 30th June 2018	On or before 14th August 2018
Quarter ending on 30th September 2018	On or before 14th November 2018
Quarter ending on 31st December 2018	On or before 14th February 2019
Annual Result of 2018-19	On or before End of May, 2019

e. Dividend Payment:

The company has paid Interim Dividend on 400 - 9.75% Compulsory Convertible Cumulative Preference Share having face value of ₹ 1,00,000/- aggregating to ₹ 13,14,245/- (Rupees Thirteen Lakh Fourteen Thousand Two Hundred and Forty Five only) during the year.

The Company has also paid an interim dividend of ₹ 1.50/- (One Rupee Fifty Paise only) per share on 5,46,62,043 Equity Shares of ₹ 10/- fully paid up aggregating to ₹ 8,19,93,064.5 (Rupees Eight Crore Nineteen Lakh Ninety Three Thousand Sixty Four Rupees and Fifty Paise only).

The Board of Directors of the Company has proposed a Final Dividend of ₹ 2.16/- (Two Rupee Sixteen Paise Only) per share on 5,46,62,043 Equity Shares of ₹ 10/- fully paid up aggregating to ₹ 11,80,70,012.88 (Rupees Eleven Crore Eighty Lakh Seventy Thousand Twelve Rupees and Eighty Eight Paise only)

f. Book closure date:

The Register of Members and Share Transfer Books of the Company will be closed from Friday, 15th June 2018 to Wednesday, 27th June 2018 (both days inclusive) for the purpose of 23rd Annual General Meeting.

g. Listing on Stock Exchanges:

The Company's equity shares are listed on the BSE Ltd. (Scrip Code: 526241) and National Stock Exchange of India Limited (Symbol: MASFIN). The ISIN of the Company is INE348L01012.

The Company's Debt Securities are listed on BSE Ltd. (Scrip Code: 951920 and 952312)

Annual listing fees for the year 2018-2019 have been paid by the Company to BSE Ltd.

h. Market Price Data:

Month	Company's Shares	
	High (In ₹) – BSE	Low (In ₹) - BSE
April, 2017	The Company was an unlisted company till September, 2017 and the Securities of the Company got listed on 18th October 2017.	
May, 2017		
June, 2017		
July, 2017		
August, 2017		
September, 2017		
October, 2017	701.3	625
November, 2017	665.5	564
December, 2017	665	601.3
January, 2018	657	597.45
February, 2018	643.45	590
March 2018	628.9	541.1

The performance of the equity share price of the Company at BSE Limited is as under:

Month	MASFIN Share Price at BSE**	SENSEX**
April-17	The Company was an unlisted company till September, 2017 and the Securities of the Company got listed on 18th October 2017.	29918.4
May-17		31145.8
June-17		30921.61
July-17		32514.94
August-17		31730.49
September-17		31283.72
October-17	638.35	33213.13
November-17	646.35	33149.35
December-17	625.55	34056.83
January-18	624.2	35965.02
February-18	594.85	34184.04
March-18	594.6	32968.68

** closing data on the last day of the month

Month	Company's Shares	
	High (In ₹) – NSE	Low (In ₹) - NSE
April, 2017	The Company was an unlisted company till September, 2017 and the Securities of the Company got listed on 18th October 2017.	
May, 2017		
June, 2017		
July, 2017		
August, 2017		
September, 2017		
October, 2017	701.95	625
November, 2017	664.85	565.05
December, 2017	667.7	603
January, 2018	658.9	599.35
February, 2018	642	590
March 2018	625	551

The performance of the equity share price of the Company at National Stock Exchange is as under:

Month	MASFIN Share Price at NSE**	NIFTY**
April-17	The Company was an unlisted company till September, 2017 and the Securities of the Company got listed on 18th October 2017.	9304.05
May-17		9621.25
June-17		9520.9
July-17		10077.1
August-17		9917.9
September-17		9788.6
October-17	636.9	10335.3
November-17	646.75	10226.55
December-17	626.75	10530.7
January-18	628.9	11027.7
February-18	593.05	10492.85
March-18	593.05	10113.7

** closing data on the last day of the month

i. Registrar & Transfer Agents

Link Intime India Private Limited
C-101, 1st Floor,
247 Park Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai – 400 083
Tel No.: +91 22 -49186200
Fax No.: +91 22 -49186195
Email: mas.ipo@linkintime.co.in Web: www.linkintime.co.in

j. Share Transfer Procedure:

All the transfers are processed by the Registrar and Share Transfer Agents and are approved by the Stakeholders' Relationship Committee.

Pursuant to Regulation 40(9) of the Listing Regulations, the Company obtains a Certificate from a Practicing Company Secretary on half yearly basis, for due compliance of share transfer formalities.

Pursuant to SEBI (Depositories and Participants) Regulations, 1996, a certificate have also been obtained from a Practicing Company Secretary for timely dematerialization of the shares of the Company and for conducting Secretarial Audit on a quarterly basis for reconciliation of the share capital of the Company. The Company files copy of these certificates with the stock exchanges as required.

k. Shareholding as on 31st March 2018:

a. Distribution of Shareholding as on 31st March 2018:

Range of No. of Shares	No. of Shareholders		Shares held	
From – To	Number	%	Number	%
Up to 5000	22,845	98.4486	86,62,170	1.5847
5001-10,000	153	0.6593	12,00,260	0.2196
10,001-20,000	61	0.2629	8,94,350	0.1636
20,001-30,000	31	0.1336	7,89,060	0.1444
30,001-40,000	18	0.0776	6,43,550	0.1177
40,001-50,000	14	0.0603	6,62,410	0.1212
50,001-1,00,000	27	0.1164	19,41,230	0.3551
1,00,001 and above	56	0.2413	53,18,27,400	97.2937

b. Shareholding Pattern as on 31st March 2018:

Category	No. of shares held		Total No. of Shares	% of Holding
	Physical	Demat		
Promoter and Promoter Group	-	4,00,83,952	4,00,83,952	73.32
Mutual Funds	-	51,75,314	51,75,314	9.47
Banks / FI / Central Govt. / State Govts / Trusts & Insurance Companies	-	19,130	19,130	0.03
Foreign Institutional Investors / Portfolio Investor	-	23,48,412	23,48,412	4.30
NRI	-	39,318	39,318	0.07
Foreign Nationals	-	-	-	-
Foreign Companies	-	5,12,289	5,12,289	0.94
Bodies Corporate	-	4,60,984	4,60,984	0.84
Clearing Member	-	1,19,541	1,19,541	0.22
Directors / Relatives of Director	-	-	-	-
Indian Public / HUF	-	14,45,756	14,45,756	2.64
Trusts	-	40,15,487	40,15,487	7.35
Alternate Investment Funds	-	4,41,860	4,41,860	0.81
Total	**-**	**5,46,62,043**	**5,46,62,043**	**100.00**

l. Dematerialization of Shares and Liquidity

The Company's shares are traded in dematerialized form. All the Equity shares of the Company are dematerialized as on 31st March 2018.

The Company's shares are traded on the 'BSE Limited' and 'National Stock Exchange of India Limited'.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE348L01012.

m. Outstanding GDRs/ADRs/Warrants or any convertible instrument, conversion and likely impact on equity:

There is no outstanding ADR/GDR, Warrants, or any other convertible instrument likely impact on equity.

n. Commodity Price Risk / Foreign Exchange Risk and Hedging:

Commodity Price Risk / Foreign Exchange Risk and Hedging is not applicable to the company.

o. Site location:

The Company is in service sector and does not have any Site / Plant locations. However, the Company operates from its Registered Office only and has 77 branches as on 31st March 2018.

p. Address of Correspondence:

i) MAS Financial Services Limited
Ms. Riddhi Bhaveshbhai Bhayani
Company Secretary and Compliance Officer
6 Ground Floor, Narayan Chamber, , Behind Patang Hotel, Ashram Road,
Ahmedabad – 380 009
E-Mail: riddhi_bhayani@mas.co.in
Phone: +91-79-41106638

ii) For transfer/dematerialization of shares, change of address of members and other queries:

Link Intime India Private Limited
Ms. Jiny Elizabeth
C-101, 1st Floor,
247 Park Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai – 400 083
Email: mas.ipo@linkintime.co.in
Tel No.: +91-22-49186200
Web: www.linkintime.co.in

G. Other Disclosures:

a. There were no materially significant Related Party Transactions and pecuniary transactions that may have potential conflict with the interest of the Company at large. The details of Related Party Transactions are disclosed in financial section of this Annual Report. The Board has approved a policy for related party transactions which is uploaded on the website of the Company at www.mas.co.in.

b. There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority.

c. The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safe guards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company at www.mas.co.in.

d. The Company has complied with all mandatory requirements laid down by the Regulation 27 of the Listing Obligations and Disclosure Requirements Regulation, 2015. The non-mandatory requirements complied with wherever requires and the same has been disclosed at the relevant places.

e. The Company has 1 subsidiary Company and therefore, the Company has adopted Policy for determining Material Subsidiary which is uploaded on the website of the Company at www.mas.co.in.

f. The Company has adopted Related Party Transactions Policy which is uploaded on the website of the Company at www.mas.co.in.

g. The Chief Executive Officer and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on 31st March 2018 in compliance with Regulation 17(8) of Listing Regulations. The certificate is appended as an Annexure to this report. They have also provided quarterly certificates on financial results while placing the same before the Board pursuant to Regulation 33 of Listing Regulation.

h. A qualified Practicing Company Secretary carried out a reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Secretarial Audit confirms that the total issued/paid-up capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

i. The designated Senior Management Personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

j. The Company has also adopted Material Events Policy, and Policy on Preservation of Documents which is uploaded on the website of the Company at www.mas.co.in.

k. Details of the familiarization programme of the independent directors are available on the website of the company at www.mas.co.in.

l. With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

m. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It has obtained a certificate affirming the compliances from Practising Company Secretary, CS Ravi Kapoor and the same is attached to this Report.

n. The Company has executed the Listing Agreement with the BSE Ltd. and the National Stock Exchange

of India pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Director seeking re-appointment at the forthcoming AGM are given herein and in the Annexure to the Notice of the 23rd AGM to be held on 27th June 2018.

o. In the preparation of the financial statements, the Company has followed the accounting policies and practices as prescribed in the Accounting Standards.

p. The Company does not have any demat suspense account/unclaimed suspense account and therefore, the details pertaining the same are not given.

H. Lock in shares:

Following shares held by the promoters of the company are under lock in as on 31st March 2018:

Sr. No.	Name	Category	No. of shares in lock in	Percentage of total shares held by them.
1.	Shweta Kamlesh Gandhi	Promoter	1,63,38,450	100
2.	Mukesh Chimanlal Gandhi	Promoter & Director	1,61,26,713	99.8455
3.	Kamlesh Chimanlal Gandhi	Promoter & Director	62,59,081	99.9202
4.	Prarthna Marketing Private Limited	Promoter	13,05,257	100

I. Compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations

Particulars	Regulation Number	Compliance Status
Board composition	17(1)	Yes
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees / compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
Composition and role of Risk Management Committee	21(1), (2), (3), (4)	N. A.
Vigil Mechanism	22	Yes
Policy for related party transaction	23(1),(5),(6), (7) & (8)	Yes
Prior or omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
Approval for material related party transactions	23(4)	Yes
Composition of Board of Directors of unlisted material subsidiary	24(1)	Yes
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2), (3), (4), (5) & (6)	N. A.
Maximum directorship & tenure	25(1) & (2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of independent directors	25(7)	Yes
Membership in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior Management	26(3)	Yes
Disclosure of shareholding by Non-Executive Directors	26(4)	Yes
Policy with respect to obligations of directors and senior management	26(2) & 26(5)	Yes

Particulars	Regulation Number	Compliance Status
Terms and conditions of appointment of independent directors	46(2)(b)	Yes
Composition of various committees of board of directors	46(2)(c)	Yes
Code of conduct of board of directors and senior management personnel	46(2)(d)	Yes
Details of establishment of vigil mechanism/ Whistle Blower Policy	46(2)(e)	Yes
Criteria for making payments to non-executive directors	46(2)(f)	Yes
Policy for dealing with related party transactions	46(2)(g)	Yes
Policy for determining 'material' subsidiaries	46(2)(h)	Yes
Details of familiarization programmes imparted to independent directors	46(2)(i)	Yes

For and on behalf of the Board of Directors of
MAS FINANCIAL SERVICES LIMITED

Riddhi Bhayani
Company Secretary
Membership No.: A41206

Mukesh C. Gandhi
Whole time Director & CFO
(DIN: 00187086)

Kamlesh C. Gandhi
Chairman and Managing Director
(DIN: 00044852)

Date : 28th May 2018
Place : Ahmedabad

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
MAS Financial Services Limited

We have examined the Compliance Conditions of Corporate Governance by MAS Financial Services Limited for the year ended on 31st March 2018 as per para E of Schedule V read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 1st April, 2017 to 31st March 2018. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanation given to us, and the representation made by the Directors and the Management, we certify that the Company has materially complied with the conditions of Corporate Governance as stipulated Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, Ravi Kapoor & Associates
Company Secretaries

Ravi Kapoor
Proprietor
Membership No.2587

Date: 9th May, 2018
Place: Ahmedabad

DECLARATION

I, Kamlesh Gandhi, Managing Director of MAS Financial Services Limited hereby declare that as of 31st March 2018, all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct and Ethics for Directors and Senior Management Personnel laid down by the Company.

For and on behalf of the Board of Directors of
MAS FINANCIAL SERVICES LIMITED

Kamlesh C. Gandhi
Chairman and Managing Director
(DIN: 00044852)

Date : 28th May 2018
Place : Ahmedabad

CERTIFICATE OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

We, Kamlesh Gandhi, Chairman and Managing Director & Mukesh Gandhi, Whole-time Director and Chief Financial Officer of **MAS Financial Services Limited** certify that:

We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2018 and to the best of our knowledge and belief:

i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

iii. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2018 which are fraudulent, illegal or violative of the Company's Code of Conduct.

iv. We accept responsibility for establishing and maintaining internal control system and that we have evaluated the effectiveness of the internal control system of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control system, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

v. We further certify that we have indicated to the auditors and the Audit Committee:

   a. There have been no significant changes in internal control over financial reporting system during the year;

   b. There have been no significant changes in accounting policies during the year except for the changes disclosed in the notes to the financial statements, if any; and

   c. There have been no instances of significant fraud, of which we have become aware, involving management or any employee having a significant role in the Company's internal control system over financial reporting.

Kamlesh C. Gandhi
Chairman and Managing Director
(DIN: 00044852)

Mukesh C. Gandhi
Whole time Director & CFO
(DIN: 00187086)

Date : 28th May 2018
Place : Ahmedabad

Annexure - J

Disclosures pursuant to Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 ("said Master Direction").

RELATED PARTY TRANSACTIONS

(Pursuant to clause 4.3 of Annex XII of the said Master Direction)

(1) Details of all material transaction with related parties are disclosed at Note No. 33 to the Standalone Financial Statements and Note No. 34 to the Consolidated Financial Statements ;

(2) The web-link for the policy on dealing with the Related Party Transactions is https://mas.co.in/policy.html

Independent Auditor's Report

TO THE MEMBERS OF MAS FINANCIAL SERVICES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of MAS **FINANCIAL SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018, and its profits and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

   (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the Company as on

31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

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

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)

Kartikeya Raval
Partner
Membership No. 106189

Place: Ahmedabad
Date: 9th May 2018

Annexure "A"

TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of MAS Financial Services Limited ("the Company") as of 31st March 2018 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 ("the Guidance Note") 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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 31st March 2018, based on the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)

Kartikeya Raval
Partner
Membership No. 106189

Place: Ahmedabad
Date: 9th May 2018

Annexure "B"

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of buildings which are freehold, are held in the name of the Company as at the balance sheet date. Immovable properties of buildings whose title deeds have been pledged as security for loans, are held in the name of the Company based on the confirmations directly received by us from lenders.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies covered in the register maintained under section 189 of the Act, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the year-end.

(iv) The provisions of section 185 of the Act are not applicable to the Company. The Company has complied with the provisions of section 186 of the Act to the extent applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits during the year and hence compliance with the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, with regard to the deposits accepted is not applicable to the Company.

(vi) According the information and explanations given to us, maintenance of cost records has not been specified for the Company by the Central Government under section 148(1) of the Act.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods & Service Tax (GST), Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods & Service Tax (GST), Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Goods & Service Tax (GST), Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31st March 2018 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and dues to debenture holders. There are no loans or borrowings from governments.

(ix) The Company has raised moneys by way of initial public offer and the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has made preferential allotment of equity shares during the year under audit. The Company has not issued any debentures during the year.

In respect of the above issue of shares, we further report that:

(a) The requirement of section 42 of the Act, as applicable, have been complied with; and

(b) The amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable and hence reporting under clause (xii) of the Order is not applicable.

(xvi) The Company is required to be registered under section 45-I of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)

Kartikeya Raval
Partner
Membership No. 106189

Place: Ahmedabad
Date: 9th May 2018

Balance Sheet

as at 31st March 2018

(₹ in Lakhs)

Particulars	Notes	As at 31st March 2018	As at 31st March 2017
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	5,466.20	9,042.72
Reserves and Surplus	4	65,925.95	23,651.46
		71,392.15	**32,694.18**
Compulsorily Convertible Debentures (Unsecured)	3.3(d)	-	4,998.00
Non-current liabilities			
Long-term borrowings	5	20,514.39	20,304.28
Other Long-term Liabilities	6	36,933.26	24,550.95
Long-term provisions	7	474.63	306.38
		57,922.28	**45,161.61**
Current liabilities			
Short-term borrowings	8	93,198.22	76,789.70
Trade payables :			
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		321.90	255.85
Other current liabilities	9	41,210.39	41,229.48
Short-term provisions	10	2,135.10	1,287.61
		1,36,865.61	**1,19,562.64**
Total		**2,66,180.04**	**2,02,416.43**
ASSETS			
Non-current assets			
Property, Plant and Equipments	11(a)	5,636.66	703.06
Intangible assets	11(b)	17.40	13.16
		5,654.06	**716.22**
Non-current investments	12	1,075.70	1,075.70
Deferred tax assets (net)	13	681.20	422.26
Long-term loans and advances	14	1,18,828.75	76,765.89
Other non-current assets	15	320.56	913.41
		1,20,906.21	**79,177.26**
Current assets			
Cash and bank balances	16	4,576.23	3,667.55
Short-term loans and advances	14	1,32,210.17	1,16,787.22
Other current assets	17	2,833.37	2,068.18
		1,39,619.77	**1,22,522.95**
Total		**2,66,180.04**	**2,02,416.43**

See accompanying explanatory notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date : 9th May 2018

For and on behalf of the Board of Directors of
MAS Financial Services Ltd.

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

Riddhi Bhayani
(Company Secretary)

Place: Ahmedabad
Date : 9th May 2018

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

Mukesh C. Gandhi
(Whole Time Director & Chief Financial Officer)
(DIN - 00187086)

Statement of Profit & Loss

for the year ended 31st March 2018

(₹ in Lakhs)

Particulars	Notes	Year ended 31st March 2018	Year ended 31st March 2017
INCOME			
Revenue from Operations	18	42,618.94	34,063.15
Other Income	19	168.31	88.56
Total Income		**42,787.25**	**34,151.71**
EXPENSES			
Employee Benefits Expense	20	3,727.42	2,624.09
Finance Costs	21	15,184.80	15,131.49
Depreciation and Amortisation Expense	22	120.24	96.12
Provisions and Loan Losses	23	4,642.62	2,673.64
Other Expenses	24	3,306.81	3,319.21
Total Expenses		**26,981.89**	**23,844.55**
Profit Before Tax		**15,805.36**	**10,307.16**
Tax Expense:			
Current Tax		5,727.00	3,690.00
Short / (Excess) provision for tax relating to prior years		(0.12)	1.39
Net current tax expense		**5,726.88**	**3,691.39**
Deferred Tax		(258.94)	(121.46)
Net tax expense		**5,467.94**	**3,569.93**
Profit for the year		**10,337.42**	**6,737.23**
Earnings per share (of ₹ 10 each):	25		
Basic		20.94	15.85
Diluted		20.94	15.07

See accompanying explanatory notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date : 9th May 2018

For and on behalf of the Board of Directors of
MAS Financial Services Ltd.

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

Riddhi Bhayani
(Company Secretary)

Place: Ahmedabad
Date : 9th May 2018

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

Mukesh C. Gandhi
(Whole Time Director & Chief Financial Officer)
(DIN - 00187086)

Cash Flow Statement

for the year ended 31st March 2018

(₹ in Lakhs)

Particulars		Year ended 31st March 2018		Year ended 31st March 2017	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit Before Tax		**15,805.36**		**10,307.16**
	Adjustments for :				
	Depreciation and Amortisation	120.24		96.12	
	Finance Costs	15,184.80		15,131.49	
	Provision for Non Performing Assets	514.38		65.28	
	Contingent Provision against Standard Assets	226.89		292.90	
	Loss Assets Written Off (Net)	3,716.38		2,151.94	
	Loss on Sale of Property, Plant & Equipments and Intangible Assets	0.37		1.24	
	Loss on Sale of Repossessed Assets	184.97		163.52	
	Interest Income	(42,618.94)		(34,063.15)	
	Interest Income from Investments and Deposits	(150.92)		(67.58)	
	Dividend Income	(5.39)		(0.01)	
	Income on distribution on PTC held as non-current investments	-	**(22,827.22)**	(8.97)	**(16,237.22)**
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**(7,021.86)**		**(5,930.06)**
	Changes in Working Capital:				
	Adjustments for (increase)/decrease in operating assets:				
	Loans and Advances	(61,651.68)		(36,083.76)	
	Other Current and Non-Current Assets	(205.21)		(202.50)	
	Adjustments for increase/(decrease) in operating liabilities:				
	Trade Payables	66.05		(202.16)	
	Security Deposits from Borrowers	8,784.66		8,895.19	
	Advance from Borrowers	680.48		663.14	
	Other Current Liabilities	1,825.13		3,284.80	
	Short Term Provisions	13.14	**(50,487.43)**	8.18	**(23,637.11)**
	CASH GENERATED FROM / (USED IN) OPERATIONS		**(57,509.29)**		**(29,567.17)**
	Finance Costs paid	(14,519.30)		(14,031.34)	
	Income Tax Paid (Net)	(5,465.55)		(3,642.94)	
	Interest Income Received	41,965.67	**21,980.82**	33,824.84	**16,150.56**
	CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES (A)		(35,528.47)		**(13,416.61)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Capital expenditure on Property, Plant & Equipments and Intangible Assets, including capital advances	(4,844.66)		(386.11)	
	Proceeds from sale of Property, Plant & Equipments and Intangible Assets	0.13		1.42	
	Bank balances not considered as Cash and Cash Equivalents				
	- Fixed Deposits Matured	22.91		75.00	
	- Fixed Deposits Placed	(185.04)		(136.12)	
	Interest Income from Investments and Deposits	89.07		30.60	
	Income on distribution on PTC held as non-current investments	-		8.97	
	Proceeds from redemption of Long Term Investments	-		26.63	
	Dividend Income	5.39		0.01	
	CASH FLOW (USED IN) INVESTING ACTIVITIES (B)		**(4,912.20)**		**(379.60)**

Cash Flow Statement

for the year ended 31st March 2018 (contd.)

(₹ in Lakhs)

Particulars		Year ended 31st March 2018	Year ended 31st March 2017
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Issue of Shares	26,799.99	10,000.00
	Shares Issue Expenses	(2,164.33)	(602.66)
	Proceeds from Issue of Convertible Cumulative Preference Shares	-	400.00
	Proceeds from Long Term Borrowings	18,696.98	9,500.00
	Proceeds from Issue of Commercial Papers	-	7,342.01
	Redemption of Commercial Papers	-	(7,500.00)
	Repayments of Long Term Borrowings	(18,052.75)	(19,900.36)
	Net Increase / (Decrease) in Working Capital Borrowings	16,408.52	2,678.17
	Dividends paid including Dividend Distribution Tax	(1,037.54)	(1,983.69)
	CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES (C)	**40,650.87**	**(66.53)**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**210.20**	**(13,862.74)**
	Cash and Cash Equivalents at the beginning of the year	3,585.75	17,448.49
	Cash and Cash Equivalents at the end of the year (Refer Note 1 below)	**3,795.95**	**3,585.75**

(₹ in Lakhs)

Particulars		As at 31st March 2018	As at 31st March 2017
	Notes:		
1	Cash and bank balances at the end of the year comprises:		
	(a) Cash on Hand	12.93	12.83
	(b) Balances with banks	3,783.02	3,572.92
	Cash and Cash Equivalents as per Cash Flow Statement	**3,795.95**	**3,585.75**
	Other Bank Balances (Refer Note 16)	780.28	81.80
	Cash and Cash Equivalents as per Balance Sheet	**4,576.23**	**3,667.55**
2	The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements specified under Section 133 of the Companies Act, 2013.		

See accompanying explanatory notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date : 9th May 2018

For and on behalf of the Board of Directors of
MAS Financial Services Ltd.

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

Riddhi Bhayani
(Company Secretary)

Place: Ahmedabad
Date : 9th May 2018

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

Mukesh C. Gandhi
(Whole Time Director & Chief Financial Officer)
(DIN - 00187086)

Notes

Forming Part of The Financial Statements for the year ended 31st March 2018

1. CORPORATE INFORMATION

MAS Financial Services Limited is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956. It is registered as a Non-Banking Finance Company (NBFC) with Reserve Bank of India. The Company is engaged in the business of providing Micro Enterprise Loans, SME Loans, Two Wheeler Loans, Commercial Vehicle Loans, Agri Based Loans and loans to Micro Financial Institutions (MFI) and NBFCs. During the year, the equity shares of the Company were listed on BSE Limited and National Stock Exchange Limited pursuant to the Initial Public Offering ("IPO") and Offer of Sales("OFS").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with relevant provisions of the Companies Act, 2013 ("the Act"). The financial statements have been prepared on accrual basis under the historical cost convention. Further, the Company follows the prudential norms for income recognition and provisioning for Non-performing Assets as prescribed by the Reserve Bank of India for Non-Banking Financial Companies. Loans to customers outstanding at the close of the year are stated net of amount written off. The Company assesses all receivables for their recovery and accordingly provisions for non-performing assets are enhanced as considered necessary, based on past experience, emerging trends and estimates. The accounting policies adopted in the preparation of the financial statements are consistent with those adopted in the preparation of the financial statements in the previous year.

Amounts less than ₹ 500 have been shown at actual by way of referencing against the particular line item.

B. USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the 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 year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the years in which the results are known / materialize.

C. PROPERTY, PLANT & EQUIPMENTS AND INTANGIBLE ASSETS

Property, Plant & Equipments and Intangible Assets are carried at cost, less accumulated depreciation/ amortisation and impairment losses, if any. The cost of Property, Plant & Equipments and Intangible Assets 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. Subsequent expenditure on Property, Plant & Equipments and Intangible Assets after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably.

D. DEPRECIATION AND AMORTISATION

Depreciable amount for assets is the cost of an asset less its estimated residual value. Depreciation on Property, Plant & Equipments has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Act. In respect of Property, Plant & Equipments purchased or put to use during the period, depreciation is provided on a pro-rata basis from the date on which such asset is purchased or put to use.

Intangible Assets are stated at cost and are amortised equally over a period of three years from the year of purchase.

E. IMPAIRMENT OF ASSETS

The carrying values of assets / cash generating units at 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.

Notes

Forming Part of The Financial Statements for the year ended 31st March 2018 (contd.)

F. INVESTMENTS

Long term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

G. REVENUE RECOGNITION

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

Income from Loans

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

Service charges and stamp and documentation charges are recognised as income at the commencement of the contract.

Income from Assignment of receivables

At Par Structure

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

H. OTHER INCOME

Interest income on Bank deposits is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

I. REPOSSESSED ASSETS

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

J. EMPLOYEE BENEFITS

Defined contribution plans

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

Defined benefit plans

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

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

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.

K. BORROWING COSTS

Borrowing Costs include interest and amortisation of other ancillary costs incurred in connection with borrowings. Costs incurred in connection with borrowing of funds to the extent not directly related to acquisition of a qualifying asset are charged to the Statement of Profit and Loss over the tenure of the loan.

Certain Share Issue Expenses are being adjusted against the Securities Premium Account.

L. EARNINGS PER SHARE

Basic earnings per share is computed by dividing the profit after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by

Notes

Forming Part of The Financial Statements for the year ended 31st March 2018 (contd.)

dividing the profit after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. 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. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. 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 and bonus shares, as appropriate.

M. TAXES ON INCOME

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.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

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

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

O. CASH FLOW STATEMENT

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

P. LEASES

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

Q. PROVISIONS AND CONTINGENCIES

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

R. OPERATING CYCLE

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Notes

Forming Part of The Financial Statements for the year ended 31st March 2018 (contd.)

Note 3. Share Capital

(₹ in Lakhs)

Particulars		As at 31st March 2018	As at 31st March 2017
Authorized Shares:			
6,40,00,000	Equity Shares of ₹ 10 each (As at 31st March 2017: 6,40,00,000 Equity Shares of ₹ 10 each)	6,400.00	6,400.00
2,20,00,000	0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31st March 2017: 2,20,00,000 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	2,200.00	2,200.00
2,20,00,000	13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31st March 2017: 2,20,00,000 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	2,200.00	2,200.00
400	9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each (As at 31st March 2017: 400 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each)	400.00	400.00
		11,200.00	**11,200.00**
Issued, Subscribed and Fully Paid-Up Shares:			
5,46,62,043	Equity Shares of ₹ 10 each fully paid-up (As at 31st March 2017: 4,29,56,182 Equity Shares of ₹ 10 each fully paid-up)	5,466.20	4,295.62
-	0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31st March 2017: 2,17,35,545 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	-	2,173.55
-	13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31st March 2017: 2,17,35,545 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	-	2,173.55
-	9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each (As at 31st March 2017: 400 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each)	-	400.00
		5,466.20	**9,042.72**

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

Particulars	As at 31st March 2018		As at 31st March 2017	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Equity Shares				
Outstanding at the beginning of the year	4,29,56,182	4,295.62	1,60,00,125	1,600.01
Issued during the year (Refer Note No. 3.2 and 3.3)	1,17,05,861	1,170.58	29,55,869	295.59
Bonus issue during the year	-	-	2,40,00,188	2,400.02
Outstanding at the end of the year	**5,46,62,043**	**5,466.20**	**4,29,56,182**	**4,295.62**
13.31% Compulsorily Convertible Cumulative Preference Shares				
Outstanding at the beginning of the year	2,17,35,545	2,173.55	2,17,35,545	2,173.55
Less: Converted into Equity Shares (Refer Note No. 3.3)	(2,17,35,545)	(2,173.55)	-	-
Outstanding at the end of the year	**-**	**-**	**2,17,35,545**	**2,173.55**
0.01% Compulsorily Convertible Cumulative Preference Shares				
Outstanding at the beginning of the year	2,17,35,545	2,173.55	2,17,35,545	2,173.55
Less: Converted into Equity Shares (Refer Note No. 3.3)	(2,17,35,545)	(2,173.55)	-	-
Outstanding at the end of the year	**-**	**-**	**2,17,35,545**	**2,173.55**
9.75% Compulsorily Convertible Cumulative Preference Shares				
Outstanding at the beginning of the year	400	400.00	-	-
Issued during the year	-	-	400	400.00
Less: Converted into Equity Shares (Refer Note No. 3.3)	(400)	(400.00)	-	-
Outstanding at the end of the year	**-**	**-**	**400**	**400.00**

3.2 Issue of Share Capital

(a) Pursuant to the Private Placement offer letter ("Offer Document") dated 30th March 2017, the Company has allotted 10,34,553 number of equity shares on 19th April 2017 having face value of ₹ 10/- per share at a premium of ₹ 328.31/- per share under the second tranche of the Offer Document. The Company has raised total of ₹ 13,500 lakhs towards private placement offer letter as of date.

Notes

Forming Part of The Financial Statements for the year ended 31st March 2018 (contd.)

(b) Pursuant to the Initial Public Offering ("IPO"), the Company has allotted 50,92,829 equity shares of ₹ 10/- each as fresh issue of equity shares. Out of which, 1,69,082 equity shares were allotted to eligible employees at premium of ₹ 404 per share and 49,23,747 were allotted to public at premium of ₹ 449 per share.

(c) Pursuant to the conversion of various compulsorily convertible instruments as mentioned in Note 3.3 below, the Company has issued and alloted 55,78,479 equity shares to the convertible instrument holders. Out of converted equity shares, 49,46,448 equity shares were offered for sale by the convertible instrument holders.

3.3 Conversion of Compulsorily Convertible Instruments

All the compulsorily convertible instruments were converted into Equity Shares as per agreements, amended from time to time, in the following manner:

(a) 0.01% Compulsorily Convertible Cumulative Preference Shares were converted into 17,39,865 Equity Shares having face value of ₹ 10/- each at a premium of ₹ 114.93/share;

(b) 13.31% Compulsorily Convertible Cumulative Preference Shares were converted into 12,80,723 Equity Shares having face value of ₹ 10/- each at a premium of ₹ 159.71/share;

(c) 9.75% Compulsorily Convertible Cumulative Preference Shares were converted into 87,716 Equity Shares having face value of ₹ 10/- each at a premium of ₹ 446/share; and

(d) 13% Compulsorily Convertible Debentures were converted into 24,70,175 Equity Shares having face value of ₹ 10/- at a premium of ₹ 192.33/share.

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

Class of shares / Name of shareholder	As at 31st March 2018		As at 31st March 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity Shares				
Kamlesh C. Gandhi	62,64,081	11.46%	62,42,818	14.53%
Shweta Kamlesh Gandhi	1,63,38,450	29.89%	1,63,38,450	38.04%
Mukesh C. Gandhi	1,61,51,664	29.55%	1,61,10,450	37.50%
M/s. Motilal Oswal Financial Services Limited	-	-	23,64,695	5.51%
Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Long Term Equity Fund	28,53,993	5.22%	-	-
Vistra Itcl I Ltd Business Excellence Turst Iii Inidia Business	39,90,422	7.30%	-	-
0.01% Compulsorily Convertible Cumulative Preference Shares				
Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V	-	-	2,17,35,545	100.00%
13.31% Compulsorily Convertible Cumulative Preference Shares				
Sarva Capital LLC (formerly known as Lok Capital II LLC)	-	-	2,17,35,545	100.00%
9.75% Compulsorily Convertible Cumulative Preference Shares				
Viraj Amar Patel	-	-	125	31.25%
G N G Investment Limited	-	-	25	6.25%
Pranav Natwarlal Shah	-	-	25	6.25%
Minesh Shah	-	-	25	6.25%
Reena Mehta	-	-	25	6.25%
Asha Dineshchandra Gawarvala	-	-	50	12.50%
Sutaria Devendrakumar S	-	-	25	6.25%
Capitalsquare Advisors Private Limited	-	-	25	6.25%

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

(a) 60,00,000 Equity Shares of ₹ 10 each fully paid-up were allotted as bonus shares by capitalisation of Capital Redemption Reserve during 2013-14

(b) 2,40,00,188 Equity Share of ₹ 10 each fully paid-up were allotted as bonus shares by capitalisation of free reserves during 2016-17

Notes

Forming Part of The Financial Statements for the year ended 31st March 2018 (contd.)

Note 4. Reserves and Surplus

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Reserve u/s. 45-IA of RBI Act, 1934		
Outstanding at the beginning of the year	5,847.97	4,500.52
Additions during the year	2,067.48	1,347.45
Outstanding at the end of the year	**7,915.45**	**5,847.97**
Securities Premium Account		
Outstanding at the beginning of the year	9,636.73	299.40
Additions during the year	35,374.52	9,704.41
Less: Utilised for Initial Public Offer expenses (Refer Note No. 27)	(2,399.91)	(367.08)
Outstanding at the end of the year	**42,611.34**	**9,636.73**
General Reserve		
Outstanding at the beginning of the year	-	1,263.64
Less : Utilised for issue of bonus shares	-	(1,263.64)
Outstanding at the end of the year	**-**	**-**
Surplus in Statement of Profit and Loss		
Outstanding at the beginning of the year	8,166.76	5,776.84
Less: Utilised for issue of bonus shares	-	(1,136.38)
Add: Profit for the year	10,337.42	6,737.23
	18,504.18	**11,377.69**
Less : Appropriations:		
Transfer to Reserve u/s. 45-IA of RBI Act,1934	(2,067.48)	(1,347.45)
Interim Dividend on Equity Shares	(819.93)	(1,250.01)
Interim Dividend on Preference Shares	(13.14)	(299.57)
Dividend on Preference Shares	(28.95)	-
Dividend distribution tax on preference dividend	(8.57)	(59.38)
Dividend distribution tax on equity dividend	(166.95)	(254.52)
Total Appropriations	**(3,105.02)**	**(3,210.93)**
Net Surplus in Statement of Profit and Loss	**15,399.16**	**8,166.76**
Total Reserves and Surplus	**65,925.95**	**23,651.46**

Note 5. Long Term Borrowings

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at 31st March 2018	As at 31st March 2017	As at 31st March 2018	As at 31st March 2017
(a) Debentures (Refer Note No. 5.1)				
Unsecured (Sub-ordinate Debt)				
400, 14.00% Unsecured, Redeemable, Non-Convertible Debentures of ₹ 10 lakhs each	4,000.00	4,000.00	-	-
200, 13.50% Unsecured, Redeemable, Non-Convertible Debentures of ₹ 10 lakhs each	2,000.00	2,000.00	-	-
(b) Term Loans (Refer Note No. 5.1)				
Secured				
From Banks	13,332.57	11,529.69	11,618.28	11,336.51
From Financial Institutions	1,181.82	2,774.59	3,392.77	3,240.42
	20,514.39	**20,304.28**	**15,011.05**	**14,576.93**

Notes

Forming Part of The Financial Statements for the year ended 31st March 2018 (contd.)

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

(₹ in Lakhs)

Particulars	Non Current	Current	Terms of Redemption/ Repayment	Security
Debentures				
400, 14.00% Unsecured, Redeemable, Non-Convertible Debentures of ₹ 10 lakhs each	4,000.00	-	Coupon Rate: 14.00% p.a. Coupon Payment frequency: Quarterly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor :7 years	N.A.
200, 13.50% Unsecured, Redeemable, Non-Convertible Debentures of ₹ 10 lakhs each	2,000.00	-	Coupon Rate: 13.50% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years & 6 months	N.A.
Total Debentures	**6,000.00**	**-**		
Term Loans from Banks				
Term Loan - 1	-	416.50	Repayable in 6 half yearly installments from 30th December 2015. Rate of interest: Base Rate + Spread Maturity Period: < 1 years Remaining no. of installments: 1	Secured by exclusive charge on specific standard assets portfolio of receivables of the company
Term Loan - 2	625.00	500.00	Repayable in 20 Quarterly installments from 30th September 2015. Rate of interest: One Year MCLR + Spread Maturity Period: 2-3 years Remaining no. of installments: 9	Secured by a first ranking and exclusive charge on standard receivables of the company created out of the loan availed. Personal Guarantee of Mr Kamlesh Gandhi, Mr Mukesh Gandhi and Mrs Shweta Gandhi
Term Loan - 3	375.00	300.00	Repayable in 20 Quarterly installments from 30th September 2015. Rate of interest: One Year MCLR + Spread Maturity Period: 2-3 years Remaining no. of installments: 9	Secured by a first ranking and exclusive charge on standard receivables of the company created out of the loan availed. Personal Guarantee of Mr Kamlesh Gandhi, Mr Mukesh Gandhi and Mrs Shweta Gandhi
Term Loan - 4	1,800.00	800.00	Repayable in 20 Quarterly installments from 30th September 2016. Rate of interest: One Year MCLR + Spread Maturity Period: 3-4 years Remaining no. of installments: 13	Secured by a first ranking and exclusive charge on standard receivables of the company created out of the loan availed. Personal Guarantee of Mr Kamlesh Gandhi, Mr Mukesh Gandhi and Mrs Shweta Gandhi
Term Loan - 5	-	1 ,562.39	Repayable in 36 monthly installments from 7th February 2016. Rate of interest: Base Rate + Spread Maturity Period: < 1 years Remaining no. of installments: 10	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed
Term Loan - 6	1,891.96	1,731.26	Repayable in 36 monthly installments from 7th April 2017. Rate of interest: One Year MCLR + Spread Maturity Period: < 2 years Remaining no. of installments: 24	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed
Term Loan - 7	-	166.67	Repayable in 36 monthly installments from 31st August 2015. Rate of interest: Base Rate + Spread Maturity Period: < 1 years Remaining no. of installments: 4	Exclusive hypothecation charge on specific present and future receivables in respect of assets financed/ to be financed by bank. Personal Guarantee of Mr Kamlesh Gandhi and Mr Mukesh Gandhi
Term Loan - 8	-	347.22	Repayable in 36 monthly installments from 14th September 2015. Rate of interest: Base Rate + Spread Maturity Period: < 1 years Remaining no. of installments: 5	Exclusive hypothecation charge on specific present and future receivables in respect of assets financed/ to be financed by bank. Personal Guarantee of Mr Kamlesh Gandhi and Mr Mukesh Gandhi
Term Loan - 9	-	666.67	Repayable in 36 monthly installments from 30th April 2016. Rate of interest: Base Rate + Spread Maturity Period: < 1 years Remaining no. of installments: 12	Exclusive hypothecation charge on specific present and future receivables in respect of assets financed/ to be financed by bank. Personal Guarantee of Mr Kamlesh Gandhi and Mr Mukesh Gandhi
Term Loan - 10	-	180.49	Repayable in 11 Quarterly installments from 31st March 2016. Rate of interest: Base Rate + Spread Maturity Period: < 1 years Remaining no. of installments: 2	Secured by a first ranking and exclusive charge on standard receivables of the company created out of the loan availed. Personal Guarantee of Mr Kamlesh Gandhi, Mr Mukesh Gandhi
Term Loan - 11	-	180.97	Repayable in 11 Quarterly installments from 30th June 2016. Rate of interest: Base Rate + Spread Maturity Period: < 1 years Remaining no. of installments: 2	Secured by a first ranking and exclusive charge on standard receivables of the company created out of the loan availed. Personal Guarantee of Mr Kamlesh Gandhi, Mr Mukesh Gandhi

Notes

Forming Part of The Financial Statements for the year ended 31st March 2018 (contd.)

(₹ in Lakhs)

Particulars	Non Current	Current	Terms of Redemption/ Repayment	Security
Term Loan - 12	-	298.59	Repayable in 11 Quarterly installments from 30th September 2016. Rate of interest: Base Rate + Spread Maturity Period: < 1 years Remaining no. of installments: 2	Secured by a first ranking and exclusive charge on standard receivables of the company created out of the loan availed. Personal Guarantee of Mr Kamlesh Gandhi, Mr Mukesh Gandhi
Term Loan - 13	-	881.00	Repayable in 12 Quarterly installments from 30th March 2016. Rate of interest: One Year MCLR + Spread Maturity Period: < 1 years Remaining no. of installments: 3	Secured by exclusive charge on receivables of the company created out of the loan availed
Term Loan - 14	5,000.00	2,500.00	Repayable in 16 Quarterly installments from 30th June 2017. Rate of interest: One Year MCLR + Spread Maturity Period: 3 years Remaining no. of installments: 12	Secured by Hypothecation of portfolio of the company created out of the term loan.Personal Guarantee of Mr Kamlesh Gandhi, Mr Mukesh Gandhi and Mrs Shweta Gandhi
Term Loan - 15	1,180.56	833.33	Repayable in 36 monthly installments from 01st September 2017. Rate of interest: One Year MCLR + Spread Maturity Period: 2-3 years Remaining no. of installments: 29	Exclusive charge by way of hypothecation of the specific receivables/book debts.
Term Loan-16	2,460.05	236.95	Repayable in 96 monthly installments from 07th April 2018. Rate of interest: One Year MCLR + Spread Maturity Period: 8-9 years Remaining no. of installments: 96	Secured by mortgage on land and building
Vehicle Loans - 17	-	14.38	Repayable in 36 monthly installments from 10th August 2015. Rate of interest: Fixed Remaining no. of installments: 4	Secured by hypothecation of the vehicle financed.
Vehicle Loans - 18	-	1.87	Repayable in 36 monthly installments from 15th August 2015. Rate of interest: Fixed Remaining no. of installments: 4	Secured by hypothecation of the vehicle financed.
Total Term Loans from Banks	**13,332.57**	**11,618.29**		
Term Loans from Others				
Term Loans from a Financial Institution - 1	-	333.35	Repayable in 36 monthly installments from 15th April 2016. Rate of interest: LTLR - Spread Maturity Period: < 1 years Remaining no. of installments: 12	Secured by hypothecation of book debts created out of the loan availed
Term Loans from a Financial Institution - 2	-	166.69	Repayable in 36 monthly installments from 15th April 2016. Rate of interest: LTLR - Spread Maturity Period: < 1 years Remaining no. of installments: 12	Secured by hypothecation of book debts created out of the loan availed
Term Loans from a Financial Institution - 3	-	820.00	Repayable in 36 monthly installments from 10th April 2016. Rate of interest: PLR - Spread Maturity Period: < 1 years Remaining no. of installments: 12	Secured by exclusive first charge by way of hypothecation of specific book debts of the company created out of the loan availed. Personal Guarantee of Mr Kamlesh Gandhi and Mr Mukesh Gandhi
Term Loans from a Financial Institution - 4	-	545.46	Repayable in 11 quarterly installments from 30th September 2016. Rate of interest: BASE RATE - Spread Maturity Period: 1 years Remaining no. of installments: 4	Secured by exclusive first charge by way of hypothecation of specific book debts of the company created out of the loan availed
Term Loans from a Financial Institution - 5	181.82	727.27	Repayable in 11 quarterly installments from 31st December 2016. Rate of interest: BASE RATE - Spread Maturity Period: 1-2 years Remaining no. of installments: 5	Secured by exclusive first charge by way of hypothecation of specific book debts of the company created out of the loan availed
Term Loans from a Financial Institution - 6	1,000.00	800.00	Repayable in 10 quarterly installments from 31st March 2018. Rate of interest: Base Rate - Spread Maturity Period: 2-3 years Remaining no. of installments: 9	Secured by exclusive first charge by way of hypothecation of specific book debts of the company created out of the loan availed
Total Term Loans from Others	**1,181.82**	**3,392.77**		

Notes

Forming Part of The Financial Statements for the year ended 31st March 2018 (contd.)

Note 6. Other Long Term Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Security deposits received	34,837.07	22,930.73
Interest accrued but not due on security deposits	1,530.36	846.05
Advances received against loan agreements (Refer Note No. 6.1 below)	565.83	774.17
	36,933.26	**24,550.95**

6.1 Advances received against loan agreements are repayable/adjusted over the period of the contract.

Note 7. Long-term Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Contingent Provision against Standard Assets	474.63	306.38
	474.63	**306.38**

Note 8. Short-term borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Secured		
Loans repayable on demand:		
From Banks:		
Cash Credit and Overdrafts	18,698.22	8,889.70
Short Term Loans:		
From Banks	73,500.00	67,900.00
From Financial Institutions	1,000.00	-
	93,198.22	**76,789.70**

Note: Cash Credits/Overdrafts/Short Term Loans from Banks are secured by hypothecation of movable assets of the Company and goods covered under HP Agreements/ Loan cum Hypothecation Agreements and relative book debts, receivables, loans and advances and entire portfolio outstanding (except specific portfolio generated from various term loans sanctioned by various banks/FIs on an exclusive basis) and equitable mortgage/negative lien by deposit of title deeds on some of the Company's immovable properties, as collateral security. The loans are also guaranteed by Mr. Kamlesh Chimanlal Gandhi, Mr. Mukesh Chimanlal Gandhi and Mrs. Shweta Kamlesh Gandhi.

Note 9. Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Current Maturities of long-term debt (Refer Note No. 5)	15,011.05	14,576.93
Interest accrued but not due		
Interest accrued but not due on borrowings	884.52	744.24
Interest accrued but not due on others	955.95	1,141.71
Statutory remittances	375.96	328.44
Dues to the assignees towards collections from assigned receivables	12,995.87	11,218.26
Security deposits received	10,056.55	13,178.23
Advances received against loan agreements (Refer Note No. 6.1)	930.49	41.67
Unpaid Dividend on Equity Shares	*0.00	-
	41,210.39	**41,229.48**

*₹ 145/- Unpaid Dividend on Equity Shares

Notes

Forming Part of The Financial Statements for the year ended 31st March 2018 (contd.)

Note 10. Short-term Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Provision for Employee Benefits		
Compensated Absences	75.57	62.43
Other Provisions		
Provision for Tax [net of Advance Tax of ₹ 5,161.04 lakhs, (Previous Year ₹ 3,407.23 lakhs)]	565.95	304.62
Provision for Non-Performing Assets	973.99	459.60
Contingent Provision against Standard Assets	519.59	460.96
	2,135.10	**1,287.61**

Note 11. Property, Plant and Equipments and Intangible assets

(₹ in Lakhs)

Nature of Assets	Property, Plant and Equipments (a)						Intangible Assets (b)	
	Freehold Land	Buildings	Office equipments	Furniture and Fixtures	Vehicles	Total	Software	Total
Gross Block								
Balance as at 1st April 2017	-	358.09	691.13	311.24	190.40	1,550.86	30.03	30.03
Additions	4,530.51	356.31	73.23	86.94	-	5,046.99	11.59	11.59
Disposals	-	-	10.08	-	-	10.08	-	-
Balance As at 31st March 2018	**4,530.51**	**714.40**	**754.28**	**398.18**	**190.40**	**6,587.77**	**41.62**	**41.62**
Accumulated depreciation/ amortisation								
Balance as at 1st April 2017	-	52.33	532.38	209.18	53.91	847.80	16.87	16.87
Depreciation/amortisation expense	-	9.12	55.95	26.37	21.45	112.89	7.35	7.35
Eliminated on disposal of assets	-	-	9.58	-	-	9.58	-	-
Balance As at 31st March 2018	-	**61.45**	**578.75**	**235.55**	**75.36**	**951.11**	**24.22**	**24.22**
Net Block As at 31st March 2018	**4,530.51**	**652.95**	**175.53**	**162.63**	**115.04**	**5,636.66**	**17.40**	**17.40**
Gross Block								
Balance as at 1st April 2016	-	335.05	600.18	293.13	194.90	1,423.26	16.03	16.03
Additions	-	23.04	102.67	38.00	-	163.71	14.00	14.00
Disposals	-	-	11.72	19.89	4.50	36.11	-	-
Balance as at 31st March 2017	-	**358.09**	**691.13**	**311.24**	**190.40**	**1,550.86**	**30.03**	**30.03**
Accumulated depreciation/ amortisation								
Balance as at 1st April 2016	-	46.80	496.89	206.31	35.96	785.96	16.03	16.03
Depreciation/amortisation expense	-	5.53	46.56	20.97	22.23	95.29	0.84	0.84
Eliminated on disposal of assets	-	-	11.07	18.10	4.28	33.45	-	-
Balance as at 31st March 2017	-	**52.33**	**532.38**	**209.18**	**53.91**	**847.80**	**16.87**	**16.87**
Net Block as at 31st March 2017	-	**305.76**	**158.75**	**102.06**	**136.49**	**703.06**	**13.16**	**13.16**

Notes

Forming Part of The Financial Statements for the year ended 31st March 2018 (contd.)

Note 12. Non-Current Investments (at cost)

(₹ in Lakhs)

Particulars	Face Value Per Share/ Bond ₹	As at 31st March 2018 No. of Shares/Bonds	As at 31st March 2018 ₹	As at 31st March 2017 No. of Shares/Bonds	As at 31st March 2017 ₹
(A) TRADE:					
UNQUOTED					
In Subsidiary Company					
Fully paid up Equity Shares of					
MAS Rural Housing & Mortgage Finance Limited	10	1,07,50,000	1,075.00	1,07,50,000	1,075.00
(B) OTHERS:					
QUOTED					
In Equity Shares (Fully Paid Up):					
Apple Finance Limited	10	100	0.02	100	0.02
Athena Finance Limited	10	1	(a) 0.00	1	(a) 0.00
Cholamandalam Finance Limited	10	1	(b) 0.00	1	(b) 0.00
Dena Bank	10	3,209	0.88	3,209	0.88
First Leasing Finance Limited	10	1	(c) 0.00	1	(c) 0.00
Gujarat Lease Financing Limited	10	125	0.05	125	0.05
HDFC Bank Limited	2	15	0.03	15	0.03
ICICI Bank Limited	2	16	0.05	15	0.05
IndusInd Bank Limited	10	102	0.05	102	0.05
Kotak Mahindra Bank Limited	5	500	0.02	500	0.02
Reliance Capital Limited	10	1	(d) 0.00	1	(d) 0.00
Reliance Home Finance Limited	1	62	-	-	-
Housing Development Finance Corporation Limited (HDFC)	2	5	-	5	-
			1.10		1.10
Less : Provision for diminution			(0.47)		(0.47)
			0.63		**0.63**
UNQUOTED					
In Equity Shares (Fully Paid-Up):					
Cosmos Co-operative Bank Limited	25	277	0.07	277	0.07
Total Non-Current Investment			**1,075.70**		**1,075.70**
1. Aggregate amount of Quoted Investments:					
Cost			1.10		1.10
Market Value			8.12		7.39
2. Aggregate amount of Unquoted Investments			1,075.07		1,075.07

Particulars		Amount in ₹	Amount in ₹
(a)	Athena Finance Limited	7.00	7.00
(b)	Cholamandalam Finance Limited	52.00	52.00
(c)	First Leasing Finance Limited	23.00	23.00
(d)	Reliance Capital Limited	77.00	77.00

Notes

Forming Part of The Financial Statements for the year ended 31st March 2018 (contd.)

Note 13. Deferred Tax Asset

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Tax effect of items constituting Deferred Tax Liability		
1 Difference between book balance and tax balance of Property, Plant & Equipments and Intangible Assets	(32.98)	(23.97)
Total Deferred Tax Liabilities	**(32.98)**	**(23.97)**
Tax effect of items constituting Deferred Tax Assets		
1 Provision for non-performing assets	340.35	159.06
2 Contingent Provision for Standard Assets	347.42	265.56
3 Provision for Compensated Absences	26.41	21.61
Total Deferred Tax Assets	**714.18**	**446.23**
Net Deferred Tax Assets	**681.20**	**422.26**

Note 14. Loans and Advances

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at 31st March 2018	As at 31st March 2017	As at 31st March 2018	As at 31st March 2017
(A) Loans to Customers				
(i) Secured				
Loans	80,786.96	59,606.59	85,519.21	65,479.63
Retained Interest on securitisation/assignment	4,648.08	2,573.67	11,167.11	7,956.20
Installments and other dues from borrowers	-	-	812.22	523.28
	85,435.04	**62,180.26**	**97,498.54**	**73,959.11**
(ii) Unsecured				
Loans	32,889.83	14,069.09	25,507.61	34,707.84
Retained Interest on securitisation/assignment	251.01	82.81	1,647.33	1,002.79
Installments and other dues from borrowers	-	-	2,019.03	1,856.35
	33,140.84	**14,151.90**	**29,173.97**	**37,566.98**
Total Loans to Customers (A)	**1,18,575.88**	**76,332.16**	**1,26,672.51**	**1,11,526.09**
Notes:				
14.1 Secured exposures are exposures secured wholly or partly by hypothecation of assets and/or undertaking to create a security.				
14.2 Percentage of loans against gold to total assets	-	-	-	0.0001%
14.3 The Company has advanced loans to its officer. Principal amount of such loans outstandings is:	-	-	-	2.51
14.4 Refer Note No. 33 (b) for Loans to Company in which directors are interested				
(B) Other Loans and Advances				
Unsecured, considered good				
(i) Advance Funding				
Considered Good	-	-	5,134.43	4,899.07
Considered Provision for Non Performing Assets	-	-	1.44	2.98
	-	-	5,135.87	4,902.05
(ii) Security deposits	53.80	47.77	300.00	-
(iii) Advances to employees	-	-	13.92	14.94
(iv) Prepaid expenses	-	-	9.61	325.96
(v) Other Advances	-	-	5.77	11.74
(vi) Gratuity Fund	27.03	-	6.02	6.44
(vii) Capital Advances	-	213.92	-	-
(viii) Balance with Government Authorities	-	-	66.47	-
(ix) Income tax Receivable	172.04	172.04	-	-
Total Other Loans and Advances (B)	**252.87**	**433.73**	**5,537.66**	**5,261.13**
Total Loans and Advances (A) + (B)	**1,18,828.75**	**76,765.89**	**1,32,210.17**	**1,16,787.22**

Notes

Forming Part of The Financial Statements for the year ended 31st March 2018 (contd.)

Note 15. Other Non-Current Assets

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Non-current Bank Balances		
In Fixed Deposit Accounts:		
Deposits given as security against borrowings and other commitments	241.38	762.78
Unamortised Borrowing Costs	49.89	65.08
Interest Accrued but not due on Deposits	29.29	85.55
	320.56	**913.41**

Note 16. Cash and Bank Balances

(₹ in Lakhs)

Particulars	Current	
	As at 31st March 2018	As at 31st March 2017
(A) Cash and Cash Equivalents		
Cash on Hand	12.93	12.83
Balances with Banks:		
In Current/ Cash Credit Accounts	3,783.02	3,572.92
Total Cash and Cash Equivalents	**3,795.95**	**3,585.75**
(As per AS3 Cash Flow Statements)		
(B) Other Bank Balances		
In Current Accounts (Refer Note No. 16.1 below)	61.27	46.32
Unpaid Dividend Bank Balances	*0.00	-
In Fixed Deposit Accounts		
Deposits given as security against borrowings and other commitments	719.01	35.48
Total Other Bank Balances	**780.28**	**81.80**
Total Cash and Bank Balances (A + B)	**4,576.23**	**3,667.55**

Note:
16.1 Balance represents balance with banks in earmarked account i.e. "Collection and Payout Account".
*₹ 145/- Unpaid Dividend Bank Balances

Note 17. Other Current Assets

(₹ in Lakhs)

Particulars	Current	
	As at 31st March 2018	As at 31st March 2017
Unamortised Borrowing Costs	185.22	196.70
Interest Accrued		
On Loans and Advances	2,411.72	1,758.45
On Deposits	129.68	11.57
	2,541.40	**1,770.02**
Re-possessed Assets	106.75	101.46
	2,833.37	**2,068.18**

Note 18. Revenue from operations

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
(a) Income from Financing Activity		
i) Interest	39,366.07	31,475.04
ii) Other Operating Revenue		
Service Charges, Stamp & Document Charges etc.	3,249.44	2,585.03
(b) Income from Non-Financing Activity	3.43	3.08
	42,618.94	**34,063.15**

Notes

Forming Part of The Financial Statements for the year ended 31st March 2018 (contd.)

Note 19. Other Income

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Interest Income:		
On Bank Deposits	150.92	67.58
Dividend Income from Long-Term Investments:		
Subsidiary	5.38	-
Others	0.01	0.01
Income distribution on Pass Through Certificates	-	8.97
Rent	12.00	12.00
	168.31	**88.56**

Note 20. Employee Benefits Expense

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Salaries, Bonus and Allowances	3,538.99	2,452.64
Contributions to Provident & Other Funds (Refer Note No. 31)	152.29	121.25
Staff Welfare Expenses	36.14	50.20
	3,727.42	**2,624.09**

Note 21. Finance Costs

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Interest:		
On Bank Borrowings	9,926.12	9,587.07
On Debentures	991.99	1,479.74
On Others	3,558.44	3,189.90
	14,476.55	**14,256.71**
Discount on Commercial Papers	-	176.81
Other Borrowing Costs	708.25	697.97
	15,184.80	**15,131.49**

Note 22. Depreciation and Amortisation

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Depreciation on Property, Plant & Equipment	112.89	95.28
Amortisation of intangible assets	7.35	0.84
	120.24	**96.12**

Note 23. Provisions and Loan Losses

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Loss Assets Written Off (Net of Recoveries)	3,716.38	2,151.94
Loss on Sale of Repossessed Assets (Net)	184.97	163.52
Provision for Non-Performing Assets	514.38	65.28
Contingent Provision against Standard Assets	226.89	292.90
	4,642.62	**2,673.64**

Notes

Forming Part of The Financial Statements for the year ended 31st March 2018 (contd.)

Note 24. Other Expenses

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Rent (Refer Note No. 30)	166.75	147.42
Rates & Taxes	18.93	26.99
Stationery & Printing	71.21	74.25
Telephone	81.53	77.46
Electricity	60.00	54.89
Postage & Courier	71.73	68.33
Insurance	100.02	94.65
Conveyance	190.29	233.62
Travelling	248.32	231.43
Repairs & Maintenance:		
Building	29.99	14.71
Others	128.56	90.05
Professional Fees (Refer Note below)	616.64	304.90
Director's Sitting Fees	6.93	4.40
Legal Expenses	32.54	177.08
Bank Charges	81.46	102.69
Commission	671.25	877.73
Advertisement Expenses	310.17	222.06
Sales Promotion Expenses	89.17	67.40
Loss on Sale of Property, Plant & Equipment	0.37	1.24
Donation	0.05	-
Recovery Contract Charges	205.09	314.19
Corporate Social Responsibility Expenditure (Refer Note No. 28)	7.62	2.90
Miscellaneous Expenses	118.19	130.82
	3,306.81	**3,319.21**
Note: Payment to Statutory Auditors (including Taxes)		
For Statutory Audit Fees	24.12	17.83
For Other Services	23.25	5.03
	47.37	**22.86**

Notes

Forming Part of The Financial Statements for the year ended 31st March 2018 (contd.)

Note 25. Earnings Per Share

(₹ in Lakhs)

Particulars		Year ended 31st March 2018	Year ended 31st March 2017
(A)	**Basic**		
	Computation of Profit (Numerator)		
	Net Profit for the year	10,337.42	6,737.23
	Less: Preference dividend including tax thereon	(15.82)	(395.41)
	Net Profit for the year attributable to Equity Shareholders	**10,321.60**	**6,341.82**
	Computation of Weighted Average Number of Shares (Denominator)	**Nos.**	**Nos.**
	Weighted average number of Equity Shares of ₹ 10 each used for calculation of Basic Earnings per Share (Refer note 1 below)	4,92,80,936	4,00,16,510
	Basic Earnings per Share of face value of ₹ 10 each (in ₹)	20.94	15.85
(B)	**Diluted**		
	Computation of Profit (Numerator)		
	Net Profit attributable to Equity Shareholder's as above	10,321.60	6,341.82
	Add: Dividend on Compulsorily Convertible Cumulative Preference Shares including tax and Interest Expense on Compulsorily Convertible Debentures net of tax	-	425.14
	Net Profit attributable to Equity Shareholder's (on dilution)	**10,321.60**	**6,766.96**
	Computation of Weighted Average Number of Shares (Denominator)	**Nos.**	**Nos.**
	Weighted average number of Equity Shares as above (Refer note 1 below)	4,92,80,936	4,00,16,510
	Add: Effect of Compulsorily Convertible Cumulative Preference Shares and Compulsorily Convertible Debentures which are dilutive	-	48,90,451
	Weighted average number of Equity Shares for Diluted Earnings per Share	**4,92,80,936**	**4,49,06,961**
	Diluted Earnings per Share of face value of ₹ 10 each (in ₹)	20.94	15.07

Note

1. Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings Per Share". As per the requirements of AS 20 "Earnings Per Share", the weighted average number of equity shares considered for calculation of Basic and Diluted Earnings per Share.

Notes

Forming Part of The Financial Statements for the year ended 31st March 2018 (contd.)

Note 26. Contingent Liabilities and Commitments (to the extent not provided for)

(₹ in Lakhs)

Particulars		As at 31st March 2018	As at 31st March 2017
Contingent Liabilities			
I)	In respect of disputed Income-tax matters :	-	28.52
II)	Guarantees given on behalf of subsidiary Company :		
	a) To banks		
	Amount of guarantees ₹ 7,000 lakhs		
	Amount of loans outstanding	1,859.82	2,857.44
	b) To National Housing Bank (NHB)		
	Amount of guarantee ₹ 1,200 lakhs		
	Amount of loan outstanding	759.18	892.90
III)	Guarantees given to NSE Limited :		
	During the year, the Company has given Bank Guarantee to NSE Limited amounting to ₹ 160.04 lakhs as a security deposites in connection with its IPO.	160.04	-
Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for:			
a)	Property, Plant & Equipment	-	114.85
b)	Intangible Assets	-	8.95

27. The Company has incurred various expenditure of ₹ 2,399.91 lakhs during the year and ₹ 2,766.99 lakhs (net of recovery from selling shareholders ₹ 832.50 lakhs) as at 31st March 2018 respectively towards private placement of equity shares, IPO and OFS. The Company has adjusted the expenses incurred to the Security Premium account.

28. Corporate Social Responsibility (CSR) Expenses:

The Gross amount required to be spent by the Company during the year towards Corporate Social Responsibility is ₹ 161.92 lakhs (Previous year: ₹ 124.90 lakhs) as per section 135 of Companies Act, 2013. Details of amount spent towards CSR as below: .

(₹ in Lakhs)

Particulars		In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any assets	-	-	-
	(Previous Year)	-	-	-
(ii)	On purposes other than (i) above	7.62	-	7.62
	(Previous Year)	2.90	-	2.90

Notes

Forming Part of The Financial Statements for the year ended 31st March 2018 (contd.)

29. The company sells loans through securitization and direct assignment transactions.

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

(a) For Securitization Transaction

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March 2018	As at 31st March 2017
1	No of SPVs sponsored by the company for securitization transactions	Nil	Nil
2	Total amount of securitised assets as per books of the SPVs sponsored by the company	Nil	Nil
3	Total amount of exposures retained by the company to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	b) On-balance sheet exposures		
	• First loss	Nil	Nil
	• Others	Nil	Nil
4	Amount of exposures to securitization transactions other than Minimum Retention Requirement (MRR)		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	ii) Exposure to third party securitizations		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	ii) Exposure to third party securitizations		
	• First loss	Nil	Nil
	• Others	Nil	Nil

Note:- Figures for the previous year are based on the information duly certified by the SPV's auditors obtained by the Company from the SPV.

Notes

Forming Part of The Financial Statements for the year ended 31st March 2018 (contd.)

(b) For Assignment Transaction

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March 2018	As at 31st March 2017
1	No of SPVs sponsored by the company for assignment transactions	N.A.	N.A.
2	Total amount of assigned assets as per books of the company (excluding accrued interest)	1,70,454.73	1,30,538.91
3	Total amount of exposures retained by the company to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	b) On-balance sheet exposures		
	• First loss	Nil	Nil
	• Others	17,713.54	11,615.47
4	Amount of exposures to assignment transactions other than Minimum Retention Requirement (MRR)		
	a) Off-balance sheet exposures		
	i) Exposure to own assignments		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	ii) Exposure to third party assignments		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	b) On-balance sheet exposures		
	i) Exposure to own assignments		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	ii) Exposure to third party assignments		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	Dues to assignees towards collections from assigned receivables	12,995.87	11,218.26

30. Disclosures for operating leases under Accounting Standard 19 – "Accounting for Leases".

(a) The Company has entered into leave and license agreements for taking office premises along with furniture and fixtures as applicable and godown premises on rental basis ranging from 11 to 60 months. The specified disclosure in respect of these agreements is given below:

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Lease payments recognised in the Statement of Profit and Loss	166.75	147.42

Note:-

i. The Company has given refundable, interest free security deposits under certain agreements.
   1. There are no sub-leases.

ii. Certain agreements contain a provision for their renewal.

(b) The company has let out portions of office premises along with furnitures & fixtures and other amenities on operating lease to its subsidiary MAS Rural Housing & Mortgage Finance Limited. Lease rental income recognised in the Statement of Profit and Loss is as follows:

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Lease rental income recognised in the Statement of Profit and Loss	12.00	12.00

Notes

Forming Part of The Financial Statements for the year ended 31st March 2018 (contd.)

31. Employee Benefits

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

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

(₹ in Lakhs)

	Particulars	As at 31st March 2018	As at 31st March 2017
A	**Net liability /(assets) recognised in the Balance Sheet:**		
	Present value of funded obligation	159.13	117.42
	Fair value of plan assets	191.55	123.86
	Unrecognised Past Service Cost	(0.63)	-
	Net liability/(assets)	(33.05)	(6.44)
B	**Expense recognised in the Statement of Profit and Loss for the year:**		
	Current service cost	24.80	16.23
	Interest on obligation	8.52	5.74
	Expected return on plan assets	(9.92)	(7.75)
	Net actuarial losses /(gains)	* 0.00	26.30
	Recognised Past Service Cost-Vested	10.58	-
	Total expense included in employee benefit expense (Refer Note No. 20)	33.99	40.53
	Actual return on Plan assets	9.01	6.76
	* Net actuarial losses /(gains) ₹ 178/-		
C	**Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:**		
	Opening defined benefit obligation	117.41	72.21
	Service Cost	24.80	16.23
	Interest Cost	8.52	5.74
	Actuarial losses /(gains)	(0.90)	25.31
	Past service cost	11.21	-
	Benefits paid	(1.91)	(2.08)
	Closing defined benefit obligation	159.13	117.41
D	**Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof:**		
	Opening balance of fair value of plan assets	123.85	102.46
	Expected return	9.92	7.75
	Actuarial gains / (losses)	(0.91)	(0.99)
	Contributions by Employer	60.60	16.71
	Benefits paid	(1.91)	(2.08)
	Closing balance of fair value of plan assets	191.55	123.85
E	**Major categories of plan assets as a percentage of total plan assets:**		
	Qualifying insurance policy with LIC (Break-up of plan assets not available)	100%	100%
F	**Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):**		
	Discount rate (Refer note 1(b) below)	7.70%	7.40%
	Expected return on plan assets	7.70%	7.40%
	Annual increase in salary costs (Refer note 1(a) below)	8.00%	7.00%

Notes:

1 (a) The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

(b) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

(c) Overall expected rate of return on assets taken is the rate declared by LIC.

Notes

Forming Part of The Financial Statements for the year ended 31st March 2018 (contd.)

2 Defined Contribution Plans

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Amount recognised as an expense and included in Note No. 20 of Statement of Profit and Loss		
Provident Fund	78.06	56.30
Employees' State Insurance Corporation (ESIC)	32.75	7.86
Total	**110.81**	**64.16**

3 Experience Adjustments

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014
Present value of the defined benefit obligation	159.13	117.42	72.21	55.90	55.10
Fair value of the plan assets	191.55	123.86	102.46	85.26	82.07
Unrecognised Past Service Cost	0.63	-	-	-	-
Deficit/(Surplus) in the plan	(33.05)	(6.44)	(30.25)	(29.37)	(26.97)
Experience (gain) / loss adjustments on plan liabilities	(0.90)	25.31	2.30	(4.98)	(2.64)
Experience (gain) / loss adjustments on plan assets	0.91	0.99	(0.41)	0.18	(0.21)

32. Segment Reporting

The Company is engaged primarily in the business of Financing and all its operations are in India only. Accordingly, there are no separate reportable segments as per Accounting Standard 17 – "Segment Reporting".

33. Related Party Disclosures

(a) Related party disclosures as required by Accounting Standard 18, "Related Party Disclosures".

List of related parties and relationships:

Sr. No.	Nature of Relationship	
1	Subsidiary	MAS Rural Housing & Mortgage Finance Limited
2	Key Management Personnel	Mr. Kamlesh C. Gandhi (Chairman & Managing Director)
		Mr. Mukesh C. Gandhi (Whole Time Director & Chief Finance Officer)
		Mrs. Darshana S. Pandya (Director & Chief Operating Officer)
3	Entities under common control	Swalamb Mass Financial Services Limited
		Anamaya Capital LLP
		Kamlesh C. Gandhi (HUF)
		Prarthna Marketing Private Limited
4	Relatives of Key Management Personnel	Mrs. Shweta K. Gandhi
		Mrs. Urmilaben C. Gandhi
		Mr. Dhvanil K. Gandhi
		Mr. Saumil D. Pandya

Notes

Forming Part of The Financial Statements for the year ended 31st March 2018 (contd.)

Related party transactions:

(₹ in Lakhs)

Sr. No.	Nature of transactions	Year ended 31st March 2018	Year ended 31st March 2017
1	**Rent income:**		
	MAS Rural Housing & Mortgage Finance Limited	12.00	12.00
2	**Recovery Contract charges received:**		
	MAS Rural Housing & Mortgage Finance Limited	2.40	2.40
3	**Expenditure reimbursed by:**		
	MAS Rural Housing & Mortgage Finance Limited	26.60	116.79
4	**Remittances of Collection Received on behalf of :**		
	MAS Rural Housing & Mortgage Finance Limited	9.41	5.16
5	**Subscription to compulsorily Convertible Cumulative Preference Shares:**		
	Mr. Kamlesh C. Gandhi	-	25.00
	Mr. Mukesh C. Gandhi	-	25.00
6	**Remuneration (Including Bonus):**		
	Mr. Kamlesh C. Gandhi	555.96	415.37
	Mr. Mukesh C. Gandhi	555.64	414.67
	Mrs. Darshana S. Pandya	23.69	8.11
	Mr. Saumil D. Pandya	30.09	12.62
	Mr. Dhvanil K. Gandhi	12.00	8.75
7	**Dividend Received:**		
	MAS Rural Housing & Mortgage Finance Limited	5.38	-
8	**Dividend Paid:**		
	Mr. Mukesh C. Gandhi	241.66	518.60
	Mr. Kamlesh C. Gandhi	93.64	208.76
	Mr. Mukesh C. Gandhi (HUF)	-	16.29
	Mrs. Shweta K. Gandhi	245.08	539.99
	Mrs. Urmilaben C. Gandhi	-	* 0.00
	Prarthna Marketing Private Limited	19.58	43.14
	Mrs. Darshana S. Pandya	0.02	0.03
	Mr. Saumil D. Pandya	0.02	0.03
	*Mrs. Urmilaben C. Gandhi ₹ 171/-		
9	**Loan granted:**		
	Mrs. Darshana S. Pandya	-	5.80
10	**Balance outstanding at the end of the year:**		
	Guarantees given to MAS Rural Housing & Mortgage Finance Limited	8,200.00	8,200.00
	However the outstanding amount of loans against which guarantees have been given	2,619.00	3,750.34
	Investment in MAS Rural Housing & Mortgage Finance Limited	1,075.00	1,075.00
	Loan granted Mrs. Darshana S. Pandya	-	2.51
11	**Bonus Payable:**		
	Mr. Kamlesh C. Gandhi	30.92	24.00
	Mr. Mukesh C. Gandhi	30.92	24.00
	Mrs. Darshana S. Pandya	0.86	0.74
	Mr. Saumil D. Pandya	1.12	0.92
	Mr. Dhvanil K. Gandhi	0.28	0.24

Notes

Forming Part of The Financial Statements for the year ended 31st March 2018 (contd.)

(b) Disclosures as per Regulation 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015).

Loans and advances in the nature of loans to companies in which directors are interested as under:

(₹ in Lakhs)

Sr. No.	Name	As at 31st March 2018	Maximum balance out-standing during the year 2017-18	As at 31st March 2017	Maximum balance out-standing during the year 2016-17
1	Paras Capfin Company Private Limited	1,105.56	1,139.31	326.54	608.59
2	M Power Micro Finance Private Limited	4,791.67	4,876.79	396.29	800.51
3	Jain Sons Finlease Limited*	-	-	2,244.92	3,129.04
4	Shubham Housing Development Finance Company Private Limited*	-	-	1,961.80	2,750.05

*The Director interested in Jain Sons Finlease Limited and Shubham Housing Development Finance Company Private Limited ceased to be a director in MAS Financial Services Limited with effect from 27th February 2017. Hence, the disclosures made are of amount outstanding as on 27th February 2017 and maximum balance outstanding upto that date.

34. The Company has not received any intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 for the year. Hence information relating to amounts due to micro enterprises and small enterprises as required by the Act has not been given.

35. Amounts remitted in foreign currency on account of dividend

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Amount of dividend remitted in foreign currency		
Final Dividend for F.Y. 2016-17	28.95	-
Interim Dividend for F.Y. 2017-18	7.76	-
Final Dividend for F.Y. 2015-16	-	28.95
Interim Dividend for F.Y. 2016-17	-	260.58
Total number of non-resident shareholders (to whom the dividends where remitted in foreign currency)	1	3
Total number of Compulsorily Convertible Cumulative Preference Shares held by them on which dividend was due	-	4,34,71,090
Total number of Equity Shares held by them on which dividend was due	5,17,303	500

36. Expenditure in Foreign Currency

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Interest Paid	161.99	649.74

37. During the year, pursuant to initial public offering (IPO) and Offer For Sale, the Company has offered 1,00,39,277 equity shares out of which:

(i) 50,92,829 equity shares of ₹ 10/- each were allotted as fresh issue of equity shares. Out of which, 1,69,082 equity shares were allotted to eligible employees at premium of ₹ 404 per share and 49,23,747 equity shares were allotted to public at premium of ₹ 449 per share.

(ii) 49,46,448 equity shares of ₹ 10/- each were offered for sale by the existing shareholders at premium of ₹ 449 per share.

Notes

Forming Part of The Financial Statements for the year ended 31st March 2018 (contd.)

38. The disclosures required in terms of Annexure XII of the RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are given in Annexure A forming part of these Financial Statements.

39. The disclosures required in terms of Paragraph 13 of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are given in Annexure B forming part of these Financial Statements.

40. The Board of directors recommended dividend of ₹ 2.16/- per equity share of face value of ₹ 10 each, which is subject to approval by shareholders of the Company.

41. Details of Non-Performing Assets (NPA) and % of Assets Under Management (AUM) are as follow:

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Gross NPA on AUM	4,721.15	3,454.47
Net NPA on AUM	3,747.17	2,994.86
Gross NPA as % of AUM	1.15%	1.09%
Net NPA as % of AUM	0.91%	0.95%

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

For and on behalf of the Board of Directors of
MAS Financial Services Ltd.

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

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

Riddhi Bhayani
(Company Secretary)

Mukesh C. Gandhi
(Whole Time Director & Chief Financial Officer)
(DIN - 00187086)

Place: Ahmedabad
Date : 9th May 2018

Annexure A

(Forming part of the financial statements) Notes for the year ended 31st March 2018 (contd.)

Disclosures required in terms of Annexure XII of the RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

1. Capital

(₹ in Lakhs)

Particulars		Current Year	Previous Year
i)	CRAR (%)	31.29	22.94
ii)	CRAR - Tier I Capital (%)	29.06	16.88
iii)	CRAR - Tier II Capital (%)	2.23	6.06
iv)	Amount of subordinated debt raised as Tier-II capital	4,400.00	5,600.00
v)	Amount raised by issue of Perpetual Debt Instruments	-	-

2. Investments

(₹ in Lakhs)

Particulars			Current Year	Previous Year
1.	Value of Investments			
	(i)	Gross Value of Investments		
		(a) In India	1,076.17	1,076.17
		(b) Outside India	-	-
	(ii)	Provisions for Depreciation		
		(a) In India	0.47	0.47
		(b) Outside India	-	-
	(iii)	Net Value of Investments		
		(a) In India	1,075.70	1,075.70
		(b) Outside India	-	-
2.	Movement of provisions held towards depreciation on investments.			
	(i)	Opening balance	0.47	0.47
	(ii)	Add : Provisions made during the year	-	-
	(iii)	Less : Write-off / write-back of excess provisions during the year	-	-
	(iv)	Closing balance	0.47	0.47

3. Derivatives

The Company has not entered into any Derivative transactions

4. Disclosures relating to Securitisation

Refer Note no. 29 to the financial statements.

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

Nil

6. Details of Assignment transactions undertaken by NBFCs

(₹ in Lakhs)

Particulars		Current Year	Previous Year
(i)	No. of accounts	1,59,047	1,28,612
(ii)	Aggregate value (net of provisions) of accounts sold	1,79,365.48	1,50,804.26
(iii)	Aggregate consideration	1,79,365.48	1,50,804.26
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v)	Aggregate gain / loss over net book value	Nil	Nil

7. Details of non-performing financial assets purchased / sold.

Nil

Annexure A

(Forming part of the financial statements) Notes for the year ended 31st March 2018 (contd.)

8. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities.

(₹ in Lakhs)

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
Bank Fixed Deposits	5.35	3.43	5.72	651.28	53.23	216.38	-	25.00	960.39
Advances (Net of Security Deposits)	23,757.54	9,905.84	9,792.33	28,548.02	57,452.72	83,308.31	12,807.39	5,977.28	2,31,549.42
Investments	-	-	-	-	-	-	-	-	-
Borrowings	1,860.05	662.57	3,047.61	4,011.57	98,627.46	12,400.71	8,113.68	-	1,28,723.65
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

9. Exposure to Real Estate Sector

(₹ in Lakhs)

Category			Current Year	Previous Year
a)	Direct exposure			
	(i)	Residential Mortgages -		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower of that is rented; (Individual housing loans up to ₹ 15 lakh may be shown separately)	Nil	Nil
	(ii)	Commercial Real Estate -		
		Lending secured by mortgages on commercial real estates (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	Nil	Nil
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
		a. Residential	Nil	Nil
		b. Commercial Real Estate	Nil	Nil
b)	Indirect exposure			
	Fund bases and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).		13,713.35	11,179.04

10. Exposure to Capital Market

(₹ in Lakhs)

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;	1,076.17	1,076.17
(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;	Nil	Nil
(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;	Nil	Nil
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	Nil	Nil
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
(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;	Nil	Nil
(vii)	Bridge loans to companies against expected equity flows / issues;	Nil	Nil
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
Total Exposure to Capital Market		**1,076.17**	**1,076.17**

Annexure A

(Forming part of the financial statements) Notes for the year ended 31st March 2018 (contd.)

11. Details of financing of parent company products

Not Applicable

12. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

i) Loans and advances, excluding advance funding but including off-balance sheet exposures to any single party in excess of 15 per cent of owned fund of the non-banking financial company:
Nil

ii) Loans and advances to (excluding advance funding but including debentures/bonds and off-balance sheet exposures) and investment in the shares of single party in excess of 25 per cent of the owned fund of the non-banking financial company:
Nil

13. Unsecured Advances

a) Refer Note no. 14 to the financial statements.

b) The Company has not granted any advances against intangible securities.

14. Registration number obtained from RBI:

B. 01. 00241

15. Disclosure of Penalties imposed by RBI and other regulators

During the financial year 2017-18 no penalties have been imposed by RBI and other regulators.

16. Related Party Transactions

Refer Note no. 33 to the financial statements.

17. Ratings assigned by credit rating agencies and migration of ratings during the year

By India Ratings:

Instrument	Amount	Current Rating	Previous Rating
Long term bank facilities (Cash Credit/Term Loan)	₹ 3,00,000.00 Lakh	IND A (Stable)	No migration of rating

By ICRA:

Instrument	Amount	Current Rating	Previous Rating
Long term bank facilities (Cash Credit/Term Loan)	₹ 5,719.00 Lakh	[ICRA] A (stable)	[ICRA] A-(Positive)
Subordinate Debt	₹ 6,000.00 Lakh	[ICRA] A (stable)	[ICRA] A-(Positive)

By CRISIL:

Instrument	Amount	Current Rating	Previous Rating
Commercial paper programme	₹ 9,500.00 Lakh	CRISIL A1 + (SO)	No migration of rating

18. Remuneration of Directors

Refer Note no. 33 to the financial statements.

19. Provisions and Contingencies

The information on all Provisions and Contingencies is as under:

(₹ in Lakhs)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Current Year	Previous Year
Provision towards NPA	514.38	65.28
Provision made towards Income tax	5,727.00	3,711.85
Provision for Standard Assets	226.89	292.90
Provision for Employee Benefits	13.14	8.18

Annexure A

(Forming part of the financial statements) Notes for the year ended 31st March 2018 (contd.)

20. Concentration of Deposits (for deposit taking NBFCs)

Not Applicable

21. Concentration of Advances

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Total Advances to twenty largest borrowers	66,233.34	44,355.56
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	26.45%	23.01%

22. Concentration of Exposures

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Total Exposure to twenty largest borrowers / customers	62,224.42	41,541.48
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	26.87%	23.07%

23. Concentration of NPAs

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Total Exposure to top four NPA accounts	528.07	77.81

24. Sector-wise NPAs (Gross)

Sector	% of NPAs to Total Advances in that sector Current Year	% of NPAs to Total Advances in that sector Previous Year
(i) Agriculture & allied activities	4.53	3.74
(ii) MSME	1.12	1.36
(iii) Corporate borrowers	1.12	0.02
(iv) Services	2.62	1.44
(v) Unsecured personal loans	3.66	4.32
(vi) Auto loans	2.56	1.80
(vii) Other personal loans	-	-

25. Movement of NPAs

(₹ in Lakhs)

Particulars	Current Year	Previous Year
(i) Net NPAs to Net Advances (%)	1.28%	1.29%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	2,957.20	2,304.38
(b) Additions during the year	4,042.34	2,936.57
(c) Reductions during the year	2,798.56	2,283.75
(d) Closing balance	4,200.98	2,957.20
(iii) Movement of Net NPAs		
(a) Opening balance	2,497.60	1,910.05
(b) Additions during the year	3,527.95	2,871.30
(c) Reductions during the year	2,798.56	2,283.75
(d) Closing balance	3,226.99	2,497.60
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	459.60	394.33
(b) Provisions made during the year	514.39	65.27
(c) Write-off / write-back of excess provisions	-	-
(d) Closing balance	973.99	459.60

Annexure A

(Forming part of the financial statements) Notes for the year ended 31st March 2018 (contd.)

26. Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Nil

27. Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Nil

28. Disclosure of Customers Complaints

Particulars	Current Year	Previous Year
(a) No. of complaints pending at the beginning of the year	2	1
(b) No. of complaints received during the year	39	101
(c) No. of complaints redressed during the year	40	100
(d) No. of complaints pending at the end of the year	1	2

For and on behalf of the Board of Directors of
MAS Financial Services Ltd.

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

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

Riddhi Bhayani
(Company Secretary)

Mukesh C. Gandhi
(Whole Time Director & Chief Financial Officer)
(DIN - 00187086)

Place: Ahmedabad
Date : 9th May 2018

Annexure B

(Forming part of the financial statements) Notes for the year ended 31st March 2018

Information as required in terms of Paragraph 13 of the RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

(₹ in Lakhs)

Particulars			Year ended 31st March 2018	
			Amount Outstanding	Amount Overdue
Liabilities side :				
1.	**Loans and advances availed by the NBFCs Inclusive of interest accrued thereon but not paid**			
	(a)	Debentures : Secured	Nil	Nil
		: Unsecured	6,010.36	Nil
		(other than falling within the meaning of Public deposits*)		
	(b)	Deferred Credits	Nil	Nil
	(c)	Term Loans	29,664.72	Nil
	(d)	Inter-corporate loans and borrowing	Nil	Nil
	(e)	Commercial Paper	Nil	Nil
	(f)	Other Loans:		
		From Banks	93,522.02	Nil
		From a Company	Nil	Nil
		Security Deposits	47,379.94	Nil
		Advances received against loan agreements	1,496.32	Nil
*Please see note 1 Below				

			Amount Outstanding
Assets side:			
2	**Break-up of Loans and Advances including bills receivables (other than those included In (4) below)**		
	(a)	Secured	1,82,933.57
	(b)	Unsecured	67,450.68

			Amount Outstanding
3	**Break up of leased Assets and stock on hire and other assets counting towards AFC Activities**		
	(i)	Lease assets including lease rentals under sundry debtors:	
		(a) Financial lease	NA
		(b) Operating lease	NA
	(ii)	Stock on hire including hire charges under sundry debtors :	
		(a) Assets on hire	NA
		(b) Repossessed Assets	NA
	(iii)	Other loans counting towards AFC activities	
		(a) Loans where assets have been Repossessed	NA
		(b) Loans other than (a) above	NA

Annexure B

(Forming part of the financial statements) Notes for the year ended 31st March 2018 (contd.)

			Amount Outstanding
4	**Break-up of investments**		
	Current investments :		
	1 Quoted :		
	(i) Shares : (a)	Equity	Nil
	(b)	Preference	Nil
	(ii)	Debentures and Bonds	Nil
	(iii)	Units of mutual funds	Nil
	(iv)	Government Securities	Nil
	(v)	Others (please specify)	Nil
	2 Unquoted :		
	(i) Shares : (a)	Equity	Nil
	(b)	Preference	Nil
	(ii)	Debentures and Bonds	Nil
	(iii)	Units of mutual funds	Nil
	(iv)	Government Securities	Nil
	(v)	Others (please specify)	Nil
	Long Term Investments :		
	1 Quoted :		
	(i) Shares : (a)	Equity	0.63
	(b)	Preference	Nil
	(ii)	Debentures and Bonds	Nil
	(iii)	Units of mutual funds	Nil
	(iv)	Government Securities	Nil
	(v)	Others (please specify)	Nil
	2 Unquoted :		
	(i) Shares : (a)	Equity	1,075.07
	(b)	Preference	Nil
	(ii)	Debentures and Bonds	Nil
	(iii)	Units of mutual funds	Nil
	(iv)	Government Securities	Nil
	(v)	Others (please specify)	Nil

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

Category		Amount net of provisions		
		Secured	Unsecured	Total
1.	Related Parties**			
	(a) Subsidiaries	Nil	Nil	Nil
	(b) Companies in the same group	Nil	Nil	Nil
	(c) Other related parties	Nil	Nil	Nil
2.	Other than related Parties	1,82,933.57	67,450.68	2,50,384.25
Total		**1,82,933.57**	**67,450.68**	**2,50,384.25**

Annexure B

(Forming part of the financial statements) Notes for the year ended 31st March 2018 (contd.)

Category			Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
6	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) Please see note 3 below**			
	1.	Related Parties**		
		(a) Subsidiaries (Refer Note below)	1,669.65	1,075.00
		(b) Companies in the same group	Nil	Nil
		(c) Other related parties	Nil	Nil
	2.	Other than related Parties	8.19	0.70
Total			**1,677.84**	**1,075.70**

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

Note: Subsidiary Company being unlisted, value is derived based upon the net asset value as shown in the subsidiary company balance sheet as on 31st March 2018.

Particulars			Amount Outstanding
7	**Other information**		
	(i)	Gross Non-Performing Assets	
		(a) Related parties	Nil
		(b) Other than related parties	4,200.98
	(ii)	Net Non-Performing Assets	
		(a) Related parties	Nil
		(b) Other than related parties	3,226.99
	(iii)	Assets acquired in satisfaction of debt	106.75

Notes:

1. As defined in paragraph 2 (1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
2. Provisioning norms are applicable as prescribed in the Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016.
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (4) above.

For and on behalf of the Board of Directors of
MAS Financial Services Ltd.

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

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

Riddhi Bhayani
(Company Secretary)

Mukesh C. Gandhi
(Whole Time Director & Chief Financial Officer)
(DIN - 00187086)

Place: Ahmedabad
Date : 9th May 2018

Independent Auditor's Report

TO THE MEMBERS OF MAS FINANCIAL SERVICES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of MAS **FINANCIAL SERVICES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditor in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiary, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards and Other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 21,644.43 lacs as at 31st March 2018, total revenues of Rs. 2,726.38 lacs and net cash inflows amounting to Rs.74.79 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matter with respect to our reliance on the work done and report of other auditor.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2018 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company, none of the directors of the Group companies is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**", which is based on the auditors' reports of the Holding company and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's / subsidiary company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

(ii) The Group did not have any 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 Holding Company and its subsidiary company.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)

Kartikeya Raval
Partner
Membership No. 106189

Place: Ahmedabad
Date: 9th May 2018

Annexure "A"

TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2018, we have audited the internal financial controls over financial reporting of MAS Financial Services Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary company, are responsible for establishing and maintaining internal financial controls based on the criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary company, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting include obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary company, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the aforesaid entities.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor referred to in the Other Matters paragraph below, the Holding Company and its subsidiary company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary company, is based on the corresponding report of the auditor of that company.

Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)

Kartikeya Raval
Partner
Membership No. 106189

Place: Ahmedabad
Date: 9th May 2018

Consolidated Balance Sheet

as at 31st March 2018

(₹ in Lakhs)

Particulars	Notes	As at 31st March 2018	As at 31st March 2017
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	5,466.20	9,042.72
Reserves and Surplus	4	66,520.53	24,125.73
		71,986.73	**33,168.45**
Minority Interest		1,131.37	1,049.83
Preference Shares issued by subsidiary company outside the group	5	400.00	400.00
Compulsorily Convertible Debentures (Unsecured)	3.5	-	4,998.00
Non-current liabilities			
Long-term borrowings	6	31,986.19	31,089.12
Deferred Tax Liabilities (Net)	7A	63.78	56.49
Other Long-term Liabilities	8	37,948.50	25,204.52
Long-term provisions	9	557.01	370.43
		70,555.48	**56,720.56**
Current liabilities			
Short-term borrowings	10	93,204.75	76,798.91
Trade payables :			
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		360.70	275.91
Other current liabilities	11	46,922.59	45,314.68
Short-term provisions	12	2,187.87	1,338.92
		1,42,675.91	**1,23,728.42**
Total		**2,86,749.49**	**2,20,065.26**
ASSETS			
Non-current assets			
Property, Plant and Equipments	13(a)	5,758.98	860.64
Intangible assets	13(b)	19.07	13.79
		5,778.05	**874.43**
Non-current investments	14	0.70	0.70
Deferred tax assets (net)	7B	681.20	422.26
Long-term loans and advances	15	1,35,349.68	88,397.20
Other non-current assets	16	378.52	948.14
		1,36,410.10	**89,768.30**
Current assets			
Cash and bank balances	17	5,721.74	4,736.60
Short-term loans and advances	15	1,35,862.25	1,22,487.51
Other current assets	18	2,977.35	2,198.42
		1,44,561.34	**1,29,422.53**
Total		**2,86,749.49**	**2,20,065.26**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date : 9th May 2018

For and on behalf of the Board of Directors of
MAS Financial Services Ltd.

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

Riddhi Bhayani
(Company Secretary)

Place: Ahmedabad
Date : 9th May 2018

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

Mukesh C. Gandhi
(Whole Time Director & Chief Financial Officer)
(DIN - 00187086)

Consolidated Statement of Profit & Loss

for the year ended 31st March 2018

(₹ in Lakhs)

Particulars	Notes	Year ended 31st March 2018	Year ended 31st March 2017
INCOME			
Revenue from Operations	19	45,302.10	36,374.62
Other Income	20	194.15	95.57
Total Income		**45,496.25**	**36,470.19**
EXPENSES			
Employee Benefits Expense	21	4,155.03	2,938.78
Finance Costs	22	16,729.09	16,429.45
Depreciation and Amortisation Expense	23	164.03	137.67
Provisions and Loan Losses	24	4,725.13	2,722.37
Other Expenses	25	3,580.01	3,643.02
Total Expenses		**29,353.29**	**25,871.29**
Profit Before Tax		**16,142.96**	**10,598.90**
Tax Expense:			
Current Tax		5,813.40	3,776.10
(Excess) / Short provision for tax relating to prior years		(0.69)	(1.82)
Net current tax expense		**5,812.71**	**3,774.28**
Deferred Tax		(251.64)	(107.30)
Net tax expense		**5,561.07**	**3,666.98**
Profit after tax before share of profit attributable to minority interest		**10,581.89**	**6,931.92**
Less: Share of profit attributable to minority Interest		(100.92)	(78.64)
Profit for the year attributable to the shareholders of the Company		**10,480.97**	**6,853.28**
Earnings per share (of ₹ 10 each)	26		
Basic		21.12	16.14
Diluted		21.12	15.33

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date : 9th May 2018

For and on behalf of the Board of Directors of
MAS Financial Services Ltd.

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

Riddhi Bhayani
(Company Secretary)

Place: Ahmedabad
Date : 9th May 2018

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

Mukesh C. Gandhi
(Whole Time Director & Chief Financial Officer)
(DIN - 00187086)

Consolidated Cash Flow Statement

for the year ended 31st March 2018

(₹ in Lakhs)

	Particulars	Year ended 31st March 2018		Year ended 31st March 2017	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit Before Tax		**16,142.96**		**10,598.90**
	Adjustments for :				
	Depreciation and Amortisation	164.03		137.65	
	Finance Costs	16,729.09		16,429.46	
	Provision for Non Performing Assets	520.25		74.38	
	Contingent Provision against Standard Assets	239.65		315.62	
	Loss Assets Written Off (Net)	3,780.26		2,168.85	
	Loss on Sale of Property, Plant & Equipments and Intangible Assets	0.37		1.24	
	Loss on Sale of Repossessed Assets	184.97		163.52	
	Interest Income	(45,302.10)		(36,374.62)	
	Interest Income from Investments and Deposits	(192.65)		(86.59)	
	Dividend Income	(0.01)		(0.01)	
	Income on distribution on PTC	-	**(23,876.14)**	(8.96)	**(17,179.46)**
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**(7,733.18)**		**(6,580.56)**
	Changes in Working Capital:				
	Adjustments for (increase)/decrease in operating assets:				
	Loans and Advances	(64,346.50)		(39,989.06)	
	Other Current and Non-Current Assets	(206.89)		(204.06)	
	Adjustments for increase/(decrease) in operating liabilities:				
	Trade Payables	84.79		(193.18)	
	Security Deposits from Borrowers	9,297.52		9,502.69	
	Advance from Borrowers	697.20		665.03	
	Other Current Liabilities	1,826.84		3,289.95	
	Short Term Provisions	14.29	**(52,632.75)**	10.03	**(26,918.60)**
	CASH GENERATED FROM / (USED IN) OPERATIONS		**(60,365.93)**		**(33,499.16)**
	Finance Costs paid	(16,044.35)		(15,302.26)	
	Income Tax Paid (Net)	(5,761.85)		(3,717.29)	
	Interest Income Received	44,643.86	**22,837.66**	36,091.56	**17,072.01**
	NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES [A]		**(37,528.27)**		**(16,427.15)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Capital expenditure on Property, Plant & Equipments and Intangible Assets, including capital advances	(4,854.23)		(405.99)	
	Proceeds from sale of Property, Plant & Equipments and Intangible Assets	0.13		1.42	
	Bank balances not considered as Cash and Cash Equivalents				
	- Fixed Deposits Matured	7,710.91		4,785.00	
	- Fixed Deposits Placed	(7,873.04)		(4,846.12)	
	Interest Income from Investments and Deposits	130.80		49.61	
	Income on distribution on PTC held as non-current investments	-		8.97	
	Proceeds from redemption of Long Term Investments	-		26.63	
	Dividend Income	0.01		0.01	
	NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES [B]		**(4,885.42)**		**(380.47)**

Consolidated Cash Flow Statement

for the year ended 31st March 2018 (contd.)

(₹ in Lakhs)

	Particulars	Year ended 31st March 2018	Year ended 31st March 2017
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Issue of Shares	26,799.99	10,000.00
	Shares Issue Expenses	(2,164.33)	(602.66)
	Proceeds from Issue of Convertible Cumulative Preference Shares	-	400.00
	Proceeds from Issue of Preference Shares to Minority Shareholders	-	200.00
	Proceeds from Long Term Borrowings	25,000.98	15,250.00
	Proceeds from Issue of Commercial Papers	-	7,342.01
	Redemption of Commercial Papers	-	(7,500.00)
	Repayments of Long Term Borrowings	(22,263.65)	(22,408.02)
	Net Increase / (Decrease) in Working Capital Borrowings	16,405.84	2,687.32
	Dividends paid including Dividend Distribution Tax	(1,080.16)	(1,988.51)
	NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES [C]	**42,698.67**	**3,380.14**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**284.98**	**(13,427.48)**
	Cash and Cash Equivalents at the beginning of the year	4,653.25	18,080.73
	Cash and Cash Equivalents at the end of the year (Refer Note 17(A))	**4,938.23**	**4,653.25**

		As at 31st March 2018	As at 31st March 2017
	Notes:		
1	Cash and bank balances at the end of the year comprises:		
	(a) Cash on Hand	23.48	20.98
	(b) Balances with banks	4,914.75	4,632.27
	Cash and Cash Equivalents as per Cash Flow Statement	**4,938.23**	**4,653.25**
	Other Bank Balances (Refer Note 17)	783.51	83.35
	Cash and Bank Balance as per Balance Sheet	**5,721.74**	**4,736.60**
2	The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements.		

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad
Date : 9th May 2018

For and on behalf of the Board of Directors of
MAS Financial Services Ltd.

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

Riddhi Bhayani
(Company Secretary)

Place: Ahmedabad
Date : 9th May 2018

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

Mukesh C. Gandhi
(Whole Time Director & Chief Financial Officer)
(DIN - 00187086)

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018

1 CORPORATE INFORMATION

MAS Financial Services Limited ("the Company/the Holding Company") together with its subsidiary MAS Rural Housing & Mortgage Finance Limited, hereinafter referred to as 'the Group' are public companies domiciled in India. The Company is registered as a Non-Banking Finance Company (NBFC) with Reserve Bank of India. MAS Rural Housing & Mortgage Finance Limited is registered as a Housing Finance Company (HFC) with National Housing Bank (NHB). The Group is engaged in the business of providing Micro Enterprise Loans, SME Loans, Two Wheeler Loans, Commercial Vehicle Loans, Agri-based Loans, Loans to Micro Financial Institutions (MFI) and NBFCs and housing finance by way of providing housing loans, commercial loans and project loans for real estate projects to customers especially in the segment of Affordable Housing in Rural & Urban areas. During the year, the equity shares of the Company were listed on BSE Limited and National Stock Exchange Limited pursuant to the Initial Public Offering ("IPO") and Offer of Sale ("OFS").

2 BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING AND PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company and its subsidiary (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the Act"). The consolidated financial statements have been prepared on accrual basis under the historical cost convention. Further, the Group follows the prudential norms for income recognition and provisioning for Non-performing Assets as prescribed by the Reserve Bank of India / National Housing Bank for Non-Banking Financial Companies / Housing Finance Companies. Loans to customers outstanding at the close of the year are stated net of amounts written off. The Group assesses all receivables for their recovery and accordingly provisions for non-performing assets are enhanced as considered necessary, based on past experience emerging trends and estimates. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

Amounts less than ₹ 500 have been shown at actual by way of referencing against the particular line item.

B. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to MAS Financial Services Limited and its subsidiary company. The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the subsidiary company used in the consolidation are drawn upto the same reporting date as that of the Company i.e. 31st March 2018.

b) The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions and resulting unrealised profit or losses, unless cost cannot be recovered.

c) The excess of share of equity of the Group in the subsidiary company as on the date of investments over the cost of investments of the Group in the subsidiary company is recognised as 'Capital Reserve on Consolidation' and shown under the head 'Reserves & Surplus', in the consolidated financial statements.

d) Minority Interest in the net assets of the consolidated subsidiary consists of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary company were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit for the period of the subsidiary attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to the shareholders of the Company.

e) The following subsidiary company has been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power as at	
				31st March 2018	31st March 2017
MAS Rural Housing and Mortgage Finance Limited	Subsidiary Company	India	MAS Financial Services Limited	59.61%	59.61%

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

f) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's standalone financial statements.

C. USE OF ESTIMATES

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the 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. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize.

D. PROPERTY, PLANT AND EQUIPMENTS & INTANGIBLE ASSETS

Property, Plant & Equipments and Intangible Assets are carried at cost, less accumulated depreciation/ amortisation and impairment losses, if any. The cost of Property, Plant & Equipments and Intangible Assets 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. Subsequent expenditure on Property, Plant & Equipments and Intangible Assets after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably.

E. DEPRECIATION AND AMORTISATION

Depreciable amount for assets is the cost of an asset less its estimated residual value. Depreciation on Property, Plant & Equipments has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Act. In respect of Property, Plant & Equipments purchased or put to use during the period, depreciation is provided on a pro-rata basis from the date on which such asset is purchased or put to use.

Intangible Assets are stated at cost and are amortised equally over a period of three years from the year of purchase.

F. IMPAIRMENT OF ASSETS

The carrying values of assets / cash generating units at 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 condensed consolidated 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 an 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 condensed consolidated statement of profit and loss.

G. INVESTMENTS

Long term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

H. GOVERNMENT GRANTS

Subsidies related to depreciable Property, Plant & Equipments are treated as deferred income which is recognised in the consolidated statement of profit and loss over the periods and in the proportion in which depreciation on those assets is charged. The deferred income balance is separately disclosed in the consolidated financial statements as “Deferred Subsidy".

I. REVENUE RECOGNITION

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

Income from Loans

Interest income on loan transactions is accounted for over the period of the contract by applying the interest rate implicit in such contracts. In respect of the subsidiary company, Equated Monthly Instalments (EMIs) commence once the entire loan is disbursed. Pending commencement of EMIs, pre EMI interest is payable every month.

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

Service charges, Processing Fees and stamp and documentation charges are recognised as income at the commencement of the contract. In respect of the subsidiary company, processing fees which are refunded on rejection of application are recognised as an expense in the period the same are refunded.

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

J. OTHER INCOME
Interest income on bank deposits is accounted on accrual basis. Dividend income is accounted for when the right to receive is established.

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

L. EMPLOYEE BENEFITS
Defined contribution plans
Contribution to provident fund and employee state insurance scheme by the entities in the Group are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

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

Short-term employee benefits
The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

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.

M. BORROWING COSTS
Borrowing Costs include interest and amortisation of other ancillary costs incurred in connection with borrowings. Costs incurred in connection with borrowing of funds to the extent not directly related to acquisition of a qualifying asset are charged to the condensed consolidated statement of profit and loss over the tenure of the loan.

Certain Share Issue Expenses are being adjusted against the Securities Premium Account.

N. EARNINGS PER SHARE
Basic earnings per share is computed by dividing the profit after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

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. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. 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 and bonus shares, as appropriate.

O. TAXES ON INCOME

Current tax is determined on the basis of taxable income computed for each of the entities in the Group in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the consolidated statement of profit and loss.

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

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

Q. CASH FLOW STATEMENT

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

R. LEASES

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the consolidated statement of profit and loss on a straight-line basis over the lease term.

S. PROVISIONS AND CONTINGENCIES

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the consolidated financial statements.

T . OPERATING CYCLE

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

Note 3. Share Capital

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Authorized Shares:		
6,40,00,000 Equity Shares of ₹ 10 each (As at 31st March 2017: 6,40,00,000 Equity Shares of ₹ 10 each)	6,400.00	6,400.00
2,20,00,000 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31st March 2017: 2,20,00,000 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	2,200.00	2,200.00
2,20,00,000 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31st March 2017: 2,20,00,000 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	2,200.00	2,200.00
400 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each (As at 31st March 2017: 400 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each)	400.00	400.00
	11,200.00	**11,200.00**
Issued, Subscribed and Fully Paid-Up Shares:		
5,46,62,043 Equity Shares of ₹ 10 each fully paid-up (As at 31st March 2017: 4,29,56,182 Equity Shares of ₹ 10 each fully paid-up)	5,466.20	4,295.62
- 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31st March 2017: 2,17,35,545 0.01% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	-	2,173.55
- 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each (As at 31st March 2017: 2,17,35,545 13.31% Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each)	-	2,173.55
- 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each (As at 31st March 2017: 400 9.75% Compulsorily Convertible Cumulative Preference Shares of ₹ 1,00,000 each)	-	400.00
	5,466.20	**9,042.72**

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

Particulars	As at 31st March 2018		As at 31st March 2017	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Equity Shares				
Outstanding at the beginning of the year	4,29,56,182	4,295.62	1,60,00,125	1,600.01
Issued during the year (Refer Note No. 3.2 and 3.3)	1,17,05,861	1,170.58	29,55,869	295.59
Bonus issue during the year	-	-	2,40,00,188	2,400.02
Outstanding at the end of the year	**5,46,62,043**	**5,466.20**	**4,29,56,182**	**4,295.62**
13.31% Compulsorily Convertible Cumulative Preference Shares				
Outstanding at the beginning of the year	2,17,35,545	2,173.55	2,17,35,545	2,173.55
Less: Converted into Equity Shares (Refer Note No. 3.3)	(2,17,35,545)	(2,173.55)	-	-
Outstanding at the end of the year	**-**	**-**	**2,17,35,545**	**2,173.55**
0.01% Compulsorily Convertible Cumulative Preference Shares				
Outstanding at the beginning of the year	2,17,35,545	2,173.55	2,17,35,545	2,173.55
Less: Converted into Equity Shares (Refer Note No. 3.3)	(2,17,35,545)	(2,173.55)	-	-
Outstanding at the end of the year	**-**	**-**	**2,17,35,545**	**2,173.55**
9.75% Compulsorily Convertible Cumulative Preference Shares				
Outstanding at the beginning of the year	400	400.00	-	-
Issued during the year	-	-	400	400.00
Less: Converted into Equity Shares (Refer Note No. 3.3)	(400)	(400.00)	-	-
Outstanding at the end of the year	**-**	**-**	**400**	**400.00**

3.2 Issue of Share Capital

(a) Pursuant to the Private Placement offer letter ("Offer Document") dated 30th March 2017, the Company has allotted 10,34,553 number of equity shares on 19th April 2017 having face value of ₹ 10/- per share at a premium of ₹ 328.31/- per share under the second tranche of the Offer Document. The Company has raised total of ₹ 13,500 lakhs towards private placement offer letter as of date.

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

(b) Pursuant to the Initial Public Offering ("IPO"), the Company has allotted 50,92,829 equity shares of ₹ 10/- each as fresh issue of equity shares. Out of which, 1,69,082 equity shares were allotted to eligible employees at premium of ₹ 404 per share and 49,23,747 were allotted to public at premium of ₹ 449 per share.

(c) Pursuant to the conversion of various compulsorily convertible instruments as mentioned in Note 3.3 below, the Company has issued and alloted 55,78,479 equity shares to the convertible instrument holders. Out of converted equity shares, 49,46,448 equity shares were offered for sale by the convertible instrument holders.

3.3 Conversion of Compulsorily Convertible Instruments

All the compulsorily convertible instruments were converted into Equity Shares as per agreements, amended from time to time, in the following manner:

(a) 0.01% Compulsorily Convertible Cumulative Preference Shares were converted into 17,39,865 Equity Shares having face value of ₹ 10/- each at a premium of ₹ 114.93/share;

(b) 13.31% Compulsorily Convertible Cumulative Preference Shares were converted into 12,80,723 Equity Shares having face value of ₹ 10/- each at a premium of ₹ 159.71/share;

(c) 9.75% Compulsorily Convertible Cumulative Preference Shares were converted into 87,716 Equity Shares having face value of ₹ 10/- each at a premium of ₹ 446/share; and

(d) 13% Compulsorily Convertible Debentures were converted into 24,70,175 Equity Shares having face value of ₹ 10/- at a premium of ₹ 192.33/share.

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

Class of shares / Name of shareholder	As at 31st March 2018		As at 31st March 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity Shares				
Kamlesh C. Gandhi	62,64,081	11.46%	62,42,818	14.53%
Shweta Kamlesh Gandhi	1,63,38,450	29.89%	1,63,38,450	38.04%
Mukesh C. Gandhi	1,61,51,664	29.55%	1,61,10,450	37.50%
M/s. Motilal Oswal Financial Services Limited	-	-	23,64,695	5.51%
Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Long Term Equity Fund	28,53,993	5.22%	-	-
Vistra Itcl I Ltd Business Excellence Turst Iii Inidia Business	39,90,422	7.30%	-	-
0.01% Compulsorily Convertible Cumulative Preference Shares				
Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V	-	-	2,17,35,545	100.00%
13.31% Compulsorily Convertible Cumulative Preference Shares				
Sarva Capital LLC (formerly known as Lok Capital II LLC)	-	-	2,17,35,545	100.00%
9.75% Compulsorily Convertible Cumulative Preference Shares				
Viraj Amar Patel	-	-	125	31.25%
G N G Investment Limited	-	-	25	6.25%
Pranav Natwarlal Shah	-	-	25	6.25%
Minesh Shah	-	-	25	6.25%
Reena Mehta	-	-	25	6.25%
Asha Dineshchandra Gawarvala	-	-	50	12.50%
Sutaria Devendrakumar S	-	-	25	6.25%
Capitalsquare Advisors Private Limited	-	-	25	6.25%

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

(a) 60,00,000 Equity Shares of ₹ 10 each fully paid-up were allotted as bonus shares by capitalisation of Capital Redemption Reserve during 2013-14

(b) 2,40,00,188 Equity Share of ₹ 10 each fully paid-up were allotted as bonus shares by capitalisation of free reserves during 2016-17

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

Note 4. Reserves and Surplus

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Reserve u/s. 45-IA of RBI Act, 1934		
Outstanding at the beginning of the year	5,847.97	4,500.52
Additions during the year	2,067.48	1,347.45
Outstanding at the end of the year	**7,915.45**	**5,847.97**
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	1.80	1.80
b. Amount of Special Reserve u/s 36(i)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve u/s 29C of The NHB Act, 1987	151.98	113.12
c. Total	**153.78**	**114.92**
Addition / Appropriation / Withdrawal during the period		
a. Amount transferred 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	46.67	38.86
Closing Balance		
a. Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	1.80	1.80
b. Amount of Special Reserve u/s 36(i)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve u/s 29C of The NHB Act, 1987	198.65	151.98
c. Total	**200.45**	**153.78**
Securities Premium Account		
Outstanding at the beginning of the year	9,655.51	318.18
Additions during the year	35,374.52	9,704.41
Less: Utilised for Initial Public Offer expenses (Refer Note 28)	(2,399.91)	(367.08)
Outstanding at the end of the year	**42,630.12**	**9,655.51**
General Reserve		
Outstanding at the beginning of the year	-	1,263.64
Less : Utilised for issue of bonus shares	-	(1,263.64)
Outstanding at the end of the year	**-**	**-**
Capital Reserve on Consolidation		
Outstanding at the beginning of the year	12.72	12.72
Outstanding at the end of the year	**12.72**	**12.72**
Surplus in Statement of Profit and Loss		
Outstanding at the beginning of the year	8,455.75	5,988.62
Less: Utilised for issue of bonus shares	-	1,136.38
Add: Profit for the year	10,480.97	6,853.28
	18,936.72	**11,705.52**
Less: Dividend on preference shares issued by subsidary company outside the Group (including tax thereon)	(22.19)	-
	18,914.53	**11,705.52**
Less :Appropriations: (Refer Note 4.1 below)		
Transfer to Reserve u/s. 45-IA of RBI Act,1934	(2,067.48)	(1,347.45)
Reserve u/s.29-C of NHB Act,1987 & Special Reserve U/s 36(1)(viii) of Income Tax Act,1961	(46.67)	(38.86)
Interim Dividend on Equity Shares	(819.93)	(1,250.01)
Interim Dividend on Preference Shares	(13.14)	(299.56)
Dividend on Preference Shares	(28.95)	-
Dividend distribution tax on preference dividend	(8.57)	(59.38)
Dividend distribution tax on equity dividend	(168.00)	(254.51)
Total Appropriations	**(3,152.74)**	**(3,249.77)**
Net Surplus in Statement of Profit and Loss	**15,761.79**	**8,455.75**
Total Reserves and Surplus	**66,520.53**	**24,125.73**

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

Note No. 4.1 Special Reserve has been created in terms of Section 36(1) (viii) of the Income Tax Act,1961 out of the distributable profits of Subsidiary Company. As per Section 29C of NHB Act, 1987, the Subsidiary Company is required to transfer at least 20% of its net profits prior to distribution of the dividend every year to a reserve. For this purpose any Special Reserve created by the Subsidiary Company in terms of Section 36(1) (viii) of the Income Tax Act, 1961 is considered an eligible transfer.

Note 5. Preference Shares issued by the Subsidiary Company outside the group

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
40,00,000 8% Optionally Convertible Preference Shares of ₹ 10/-each fully paid-up	400.00	400.00
	400.00	**400.00**

Note 5.1 The Subsidiary Company has one class of Optionally Convertible Preference Shares (OCPS) having a par value of ₹ 10 each per share which are issued on private placement basis. The OCPS carry a right to be paid fixed dividend at the rate of 8% per annum free of income-tax. The holder of the preference share capital shall, in respect of such capital, have a right to vote only on resolutions placed before the Company which directly affect the rights attached to his preference shares. The OCPS are optionally convertible into equity shares, at a price to be determined in accordance with the valuation report to be obtained at the time of conversion and as per the guidelines of Regulating authority prevailing at the time of conversion. The option of conversion can be exercised by the holder for 33.33% of shares held in each of the 5th, 6th and 7th year from the date of issue and if such option is not exercised, the 33.33% of the shares held shall be redeemed in each of the 5th, 6th and 7th year from the date of issue.

Note 6. Long Term Borrowings

(₹ in Lakhs)

Particulars		Non Current		Current	
		As at 31st March 2018	As at 31st March 2017	As at 31st March 2018	As at 31st March 2017
(a)	**Debentures (Refer Note 6.1)**				
	Unsecured (Sub-ordinate Debt)				
	400, 14.00% Unsecured, Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each	4,000.00	4,000.00	-	-
	200, 13.50% Unsecured, Redeemable, Non-Convertible Debentures of ₹ 10,00,000 each	2,000.00	2,000.00	-	-
(b)	**Term Loans (Refer Note 6.1)**				
	Secured				
	From Banks	22,047.26	20,860.83	16,063.40	15,094.67
	From Financial Institutions	2,389.36	2,774.59	4,025.73	3,240.42
	From National Housing Bank	1,549.57	1,453.70	225.42	139.20
		31,986.19	**31,089.12**	**20,314.55**	**18,474.29**

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

(₹ in Lakhs)

Particulars	Amount Non Current	Amount Current	Terms of Redemption/ Repayment	Security
Debentures 400, 14.00% Unsecured, Redeemable, Non-Convertible Debentures of ₹ 10 lakhs each	4,000.00	-	Coupon Rate: 14.00% p.a. Coupon Payment frequency: Quarterly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor :7 years	N.A.
200, 13.50% Unsecured, Redeemable, Non-Convertible Debentures of ₹ 10 lakhs each	2,000.00	-	Coupon Rate: 13.50% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years & 6 months	N.A.
Total Debentures	**6,000.00**	**-**		

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

(₹ in Lakhs)

Particulars	Amount Non Current	Amount Current	Terms of Redemption/ Repayment	Security
Term Loans from Banks				
Term Loan - 1	-	416.50	Repayable in 6 half yearly installments from 30th December 2015. Rate of interest: Base Rate + Spread Maturity Period: < 1 years Remaining no. of installments: 1	Secured by exclusive charge on specific standard assets portfolio of receivables of the company
Term Loan - 2	625.00	500.00	Repayable in 20 Quarterly installments from 30th September 2015. Rate of interest: One Year MCLR + Spread Maturity Period: 2-3 years Remaining no. of installments: 9	Secured by a first ranking and exclusive charge on standard receivables of the company created out of the loan availed. Personal Guarantee of Mr Kamlesh Gandhi, Mr Mukesh Gandhi and Mrs Shweta Gandhi
Term Loan - 3	375.00	300.00	Repayable in 20 Quarterly installments from 30th September 2015. Rate of interest: One Year MCLR + Spread Maturity Period: 2-3 years Remaining no. of installments: 9	Secured by a first ranking and exclusive charge on standard receivables of the company created out of the loan availed. Personal Guarantee of Mr Kamlesh Gandhi, Mr Mukesh Gandhi and Mrs Shweta Gandhi
Term Loan - 4	1,800.00	800.00	Repayable in 20 Quarterly installments from 30th September 2016. Rate of interest: One Year MCLR + Spread Maturity Period: 3-4 years Remaining no. of installments: 13	Secured by a first ranking and exclusive charge on standard receivables of the company created out of the loan availed. Personal Guarantee of Mr Kamlesh Gandhi, Mr Mukesh Gandhi and Mrs Shweta Gandhi
Term Loan - 6	-	1,562.39	Repayable in 36 monthly installments from 7th February 2016. Rate of interest: Base Rate + Spread Maturity Period: < 1 years Remaining no. of installments: 10	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed
Term Loan - 7	1,891.96	1,731.26	Repayable in 36 monthly installments from 7th April 2017. Rate of interest: One Year MCLR + Spread Maturity Period: < 2 years Remaining no. of installments: 24	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed
Term Loan - 8	-	166.67	Repayable in 36 monthly installments from 31st August 2015. Rate of interest: Base Rate + Spread Maturity Period: < 1 years Remaining no. of installments: 4	Exclusive hypothecation charge on specific present and future receivables in respect of assets financed/ to be financed by bank. Personal Guarantee of Mr Kamlesh Gandhi and Mr Mukesh Gandhi
Term Loan - 9	-	347.22	Repayable in 36 monthly installments from 14th September 2015. Rate of interest: Base Rate + Spread Maturity Period: < 1 years Remaining no. of installments: 5	Exclusive hypothecation charge on specific present and future receivables in respect of assets financed/ to be financed by bank. Personal Guarantee of Mr Kamlesh Gandhi and Mr Mukesh Gandhi
Term Loan - 10	-	666.67	Repayable in 36 monthly installments from 30th April 2016. Rate of interest: Base Rate + Spread Maturity Period: < 1 years Remaining no. of installments: 12	Exclusive hypothecation charge on specific present and future receivables in respect of assets financed/ to be financed by bank. Personal Guarantee of Mr Kamlesh Gandhi and Mr Mukesh Gandhi
Term Loan - 11	-	180.49	Repayable in 11 Quarterly installments from 31st March 2016. Rate of interest: Base Rate + Spread Maturity Period: < 1 years Remaining no. of installments: 2	Secured by a first ranking and exclusive charge on standard receivables of the company created out of the loan availed. Personal Guarantee of Mr Kamlesh Gandhi, Mr Mukesh Gandhi
Term Loan - 12	-	180.97	Repayable in 11 Quarterly installments from 30th June 2016. Rate of interest: Base Rate + Spread Maturity Period: < 1 years Remaining no. of installments: 2	Secured by a first ranking and exclusive charge on standard receivables of the company created out of the loan availed. Personal Guarantee of Mr Kamlesh Gandhi, Mr Mukesh Gandhi
Term Loan - 13	-	298.59	Repayable in 11 Quarterly installments from 30th September 2016. Rate of interest: Base Rate + Spread Maturity Period: < 1 years Remaining no. of installments: 2	Secured by a first ranking and exclusive charge on standard receivables of the company created out of the loan availed. Personal Guarantee of Mr Kamlesh Gandhi, Mr Mukesh Gandhi
Term Loan - 14	-	881.00	Repayable in 12 Quarterly installments from 30th March 2016. Rate of interest: One Year MCLR + Spread Maturity Period: < 1 years Remaining no. of installments: 3	Secured by exclusive charge on receivables of the company created out of the loan availed

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

(₹ in Lakhs)

Particulars	Amount Non Current	Amount Current	Terms of Redemption/ Repayment	Security
Term Loan - 15	5,000.00	2,500.00	Repayable in 16 Quarterly installments from 30th June 2017. Rate of interest: One Year MCLR + Spread Maturity Period: 3 years Remaining no. of installments: 12	Secured by Hypothecation of portfolio of the company created out of the term loan.Personal Guarantee of Mr Kamlesh Gandhi, Mr Mukesh Gandhi and Mrs Shweta Gandhi
Term Loan - 16	1,180.56	833.33	Repayable in 36 monthly installments from 01st September 2017. Rate of interest: One Year MCLR + Spread Maturity Period: 2-3 years Remaining no. of installments: 29	Exclusive charge by way of hypothecation of the specific receivables/book debts.
Term Loan-17	2,460.05	236.95	Repayable in 96 monthly installments from 07th April 2018. Rate of interest: One Year MCLR + Spread Maturity Period: 8-9 years Remaining no. of installments: 96	Secured by mortgage on land and building
Vehicle Loans - 18	-	14.38	Repayable in 36 monthly installments from 10th August 2015. Rate of interest: Fixed Remaining no. of installments: 4	Secured by hypothecation of the vehicle financed.
Vehicle Loans - 19	-	1.87	Repayable in 36 monthly installments from 15th August 2015. Rate of interest: Fixed Remaining no. of installments: 4	Secured by hypothecation of the vehicle financed.
Term Loan - 20	-	62.50	Repayable in 28 Quarterly installments from 24/03/2011. Rate of interest: One Year MCLR+Spread Maturity Period: < 1 years Remaining No. of Installments due: 4	Loan is secured by Hypothecation on receivables. Corporate Guarantee of MAS Financial Services Ltd. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - 21	321.43	142.86	Repayment in 28 Quarterly Installment from 30/04/2014 Rate of interest: One Year MCLR+Spread p.a. Maturity Period: 3-4 years Remaining No. of Installments due: 14	Loan is secured by Hypothecation on receivables. Corporate Guarantee of MAS Financial Services Ltd. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - 22	250.00	83.33	Repayment in 24 Quarterly Installments beginning from 30.06.2016 Rate of Interest One Year MCLR+Spread Maturity Period: 4 years Remaining No. of Installments due: 16	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - 23	541.67	166.67	Repayment in 24 Quarterly Installments beginning from 31.07.2016 Rate of Interest One Year MCLR+Spread Maturity Period: 4-5 years Remaining No. of Installments due: 17	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - 24	333.33	83.33	Repayment in 24 Quarterly Installments starting from 30.06.2017 Rate of Interest One Year MCLR+Spread Maturity Period: 5 years Remaining No. of Installments due: 20	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - 25	666.67	166.67	Repayment in 24 Quarterly Installments starting from 30.06.2017 Rate of Interest One Year MCLR+Spread Maturity Period: 5 years Remaining No. of Installments due: 20	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - 26	187.50	250.00	Repayable in 24 Quarterly installments from 28/02/2014. Rate of interest: One Year MCLR +Spread Maturity Period: 1-2 years Remaining No. of Installments due: 7	Loan is secured by hypothecation charge on portfolio created form the bank finance. Corporate Guarantee of MAS Financial Services Ltd. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - 27	421.13	336.90	Repayment in 24 Quarterly Installments starting from 01/09/2014 Rate of Interest: One Year MCLR+Spread Maturity Period: 2-3 years Remaining No. of Installments due: 9	Loan is secured by hypothecation charge on portfolio created form the bank finance. Corporate Guarantee of MAS Financial Services Ltd. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - 28	625.00	166.67	Repayment in 24 Quarterly Installments starting from 31/03/2017 Rate of Interest: One Year MCLR+Spread Maturity Period: 4-5 years Remaining No. of Installments due: 19	Loan is secured by hypothecation charge on portfolio created form the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

(₹ in Lakhs)

Particulars	Amount Non Current	Amount Current	Terms of Redemption/ Repayment	Security
Term Loan -29	8.42	22.38	Repayable in 27 Quarterly installments from 01/07/2013. Rate of interest: Fixed Maturity Period: 1-2 years Remaining No. of Installments due: 5	A first exclusive mortgage and for 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 - 30	314.57	30.96	Repayment in 51 Quarterly Installment from 01/07/2014 Rate of interest:Fixed Maturity Period: 9-10 years Remaining No. of Installments due: 36	A first exclusive mortgage and for 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 - 31	350.90	31.95	Repayment in 47 Quarterly Installment from 01/10/2015 Rate of interest:Fixed Maturity Period: 9-10 years Remaining No. of Installments due: 37	A first exclusive mortgage and for 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 - 32	875.68	140.13	Repayment in 39 Quarterly Installment from 01/07/2017 Rate of interest:Fixed Maturity Period: 9-10 years Remaining No. of Installments due: 36	A first exclusive mortgage and for 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 & Mr. Mukesh Gandhi.
Term Loan - 33	-	380.49	Repayment in 8 Quarterly Installments from 07/01/2017 Rate of Interest:One year MCLR+Spread Maturity Period: < 1 year Remaining No. of Installments due: 3	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan -34	320.79	116.68	Repayment in 24 Quarterly Installment from 19/03/2016. Rate of interest: BBR+Spread Maturity Period: 3-4 years Remaining No. of Installments due: 15	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 & Mr. Mukesh Gandhi. & Mrs. Sweta K. Gandhi.
Term Loan - 35	137.50	50.00	Repayment in 24 Quarterly Installment from 19/03/2016. Rate of interest:BBR+Spread Maturity Period: 3-4 years Remaining No. of Installments due: 15	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 & Mr. Mukesh Gandhi. & Mrs. Sweta K. Gandhi.
Term Loan - 36	87.50	50.00	Repayment in 20 Quarterly Installment from 31/03/2016 Rate of interest:BBR+ Spread Maturity Period: 2-3 years Remaining No. of Installments due: 11	Hypothecation of the Receivables arising out of onward lending of Rupee Term loan extended by the Bank.Corporate Guarantee of MAS Financial Services Ltd. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - 37	-	6.94	Repayable in 36 monthly installments. Rate of interest: Fixed No.of Installments due:4	Secured by hypothecation of the vehicle financed.
Term Loan - 38	791.67	190.95	Repayment in 24 Quarterly Installment from 31/03/2018. Rate of interest: One year MCLR+Spread Maturity Period: 5-6 years Remaining No. of Installments due: 23	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 & Mr. Mukesh Gandhi.
Term Loan - 39	666.67	333.33	Repayment in 12 Quarterly Installment from 30/06/2018. Rate of interest: One year MCLR+Spread Maturity Period: 3-4 years Remaining No. of Installments due: 12	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 & Mr. Mukesh Gandhi.
Term Loan - 40	750.00	450.00	Repayment in 8 Quarterly Installment from 11/11/2018. Rate of interest: One year MCLR+Spread Maturity Period: 2-3 years Remaining No. of Installments due: 8	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Company (identified loan assets) sufficient to provide 100% 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 & Mr. Mukesh Gandhi.

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

(₹ in Lakhs)

Particulars	Amount Non Current	Amount Current	Terms of Redemption/ Repayment	Security
Term Loan - 41	1,335.42	350.00	Repayment in 24 Quarterly Installments starting from 31/03/2017 Rate of Interest: One Year MCLR +Spread Maturity Period: 4-5 years Remaining No. of Installments due: 19	Loan is secured by hypothecation charge on portfolio created form the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - 42	445.09	891.12	Repayment in 8 Quarterly Installments starting from 07/10/2017 Rate of Interest: One Year MCLR+Spread Maturity Period: 1-2 years Remaining No. of Installments due: 6	Loan is secured by First & exclusive Hypothecation of Specific Receivables worth 1.11 times the term loan amount which are not more than 30 days overdue.Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - 43	833.33	166.67	Repayment in 24 Quarterly Installments starting from 31/01/2019 Rate of Interest: One Year MCLR+ Spread Maturity Period: 6-7 years Remaining No. of Installments due: 24	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets) to the extent of 1.15 times of loan outstanding.
Total Term Loans from Banks	**23,596.83**	**16,288.83**		
Term Loans from Others				
Term Loans from a Financial Institution - 1	-	333.35	Repayable in 36 monthly installments from 15th April 2016. Rate of interest: LTLR - Spread Maturity Period: < 1 years Remaining no. of installments: 12	Secured by hypothecation of book debts created out of the loan availed
Term Loans from a Financial Institution - 2	-	166.69	Repayable in 36 monthly installments from 15th April 2016. Rate of interest: LTLR - Spread Maturity Period: < 1 years Remaining no. of installments: 12	Secured by hypothecation of book debts created out of the loan availed
Term Loans from a Financial Institution - 3	-	820.00	Repayable in 36 monthly installments from 10th April 2016. Rate of interest: PLR - Spread Maturity Period: < 1 years Remaining no. of installments: 12	Secured by exclusive first charge by way of hypothecation of specific book debts of the company created out of the loan availed. Personal Guarantee of Mr Kamlesh Gandhi and Mr Mukesh Gandhi
Term Loans from a Financial Institution - 4	-	545.46	Repayable in 11 quarterly installments from 30th September 2016. Rate of interest: BASE RATE - Spread Maturity Period: 1 years Remaining no. of installments: 4	Secured by exclusive first charge by way of hypothecation of specific book debts of the company created out of the loan availed
Term Loans from a Financial Institution - 5	181.82	727.27	Repayable in 11 quarterly installments from 31st December 2016. Rate of interest: BASE RATE - Spread Maturity Period: 1-2 years Remaining no. of installments: 5	Secured by exclusive first charge by way of hypothecation of specific book debts of the company created out of the loan availed
Term Loans from a Financial Institution - 6	1,000.00	800.00	Repayable in 10 quarterly installments from 31st March 2018. Rate of interest: Base Rate - Spread Maturity Period: 2-3 years Remaining no. of installments: 9	Secured by exclusive first charge by way of hypothecation of specific book debts of the company created out of the loan availed
Term Loans from a Financial Institution - 7	480.27	360.23	Repayment in 36 Monthly Installments starting from 15/08/2017 Rate of Interest: LTLR-Spread Maturity Period: 2-3 years Remaining No. of Installments due: 28	The Loan is secured by Exclusive charge on specific loan assets / book debts of the company assigned to TCFSL at a minimum cover of 1 .1 5 times (net of OD more than 30 days)
Term Loans from a Financial Institution - 8	727.27	272.73	Repayment in 11 Quarterly Installments starting from 30/09/2018 Rate of Interest: BBR-Spread Maturity Period: 2-3 years Remaining No. of Installments due: 11	The Loan is secured by Exclusive first charge on the loan portfolio of the Borrower by way of hypothecation on the loan installments receivables created from the proceeds of the Facility, with a minimum asset cover of 1.10x of the principal amount outstanding at any point of time during the currency of the loan.
Total Term Loans from Others	**2,389.36**	**4,025.73**		
Total Term Loans	**25,986.19**	**20,314.56**		

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

Note 7A. Deferred Tax (Liability) (Net)

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Tax effect of items constituting Deferred Tax Liability		
1. Difference between book balance and tax balance of Property, Plant & Equipments and Intangible Assets	(6.75)	(10.33)
2. Transfer to Special Reserves	(21.57)	-
3. Balance in Special Reserves	(71.08)	(84.30)
Total Deferred Tax (Liability)	(99.40)	(94.63)
Tax effect of items constituting Deferred Tax Assets		
1. Contingent Provision for Standard Assets	29.79	31.52
2. Provision for Non Performing Assets	3.48	4.18
3. Provision for Compensated Absences	2.35	2.44
Total Deferred Tax Assets	35.62	38.14
Net Deferred Tax (Liability)	**(63.78)**	**(56.49)**

Note 7B. Deferred Tax Asset (Net)

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Tax effect of items constituting Deferred Tax Liability		
1. On difference between book balance and tax balance of Property, Plant & Equipments and Intangible Assets	(32.98)	(23.97)
Total Deferred Tax Liability	**(32.98)**	**(23.97)**
Tax effect of items constituting Deferred Tax Assets		
1. Provision for non-performing assets	340.35	159.06
2. Contingent Provision for Standard Assets	347.42	265.56
3. Provision for Compensated Absences	26.41	21.61
Total Deferred Tax Assets	**714.18**	**446.23**
Net Deferred Tax Assets	**681.20**	**422.26**

Note 8. Other Long Term Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Security deposits received	35,807.66	23,566.66
Interest accrued but not due on security deposits	1,575.01	863.69
Advances received against loan agreements (Refer Note No. 8.1 below)	565.83	774.17
	37,948.50	**25,204.52**

8.1 Advances received against loan agreements are repayable/adjusted over the period of the contract.

Note 9. Long-term Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Contingent Provision against Standard Assets		
Holding Company	**474.63**	**306.38**
Subsidiary Company	**82.38**	**64.05**
	557.01	**370.43**

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

Note 10. Short-term borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Secured		
Loans repayable on demand:		
From Banks:		
Cash Credit and Overdrafts	18,704.75	8,898.91
Short Term Loans:		
From Banks	73,500.00	67,900.00
From Financial Institutions	1,000.00	-
	93,204.75	**76,798.91**

Note: Cash Credits/Overdrafts/Short Term Loans from Banks are secured by hypothecation of movable assets of the Group and goods covered under HP Agreements/ Loan cum Hypothecation Agreements and relative book debts, receivables, loans and advances and entire portfolio outstanding (except specific portfolio generated from various term loans sanctioned by various banks/FIs on an exclusive basis) and equitable mortgage/negative lien by deposit of title deeds on some of the Holding Company's immovable properties, as collateral security. The loans are also guaranteed by Mr. Kamlesh Chimanlal Gandhi, Mr. Mukesh Chimanlal Gandhi and Mrs. Shweta Kamlesh Gandhi.

Note 11. Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Current Maturities of long-term debt (Refer Note 6)	20,314.55	18,474.29
Interest accrued but not due		
Interest accrued but not due on borrowings	905.59	761.41
Interest accrued but not due on others	984.43	1,149.86
Other Payables:		
Statutory remittances	387.66	338.50
Dues to the assignees towards collections from assigned receivables (Refer Note 32(b))	13,000.01	11,222.33
Security deposits received	10,370.69	13,314.17
Advances received against loan agreements (Refer Note 8.1)	959.66	54.12
Unpaid Dividend on Equity Shares	*0.00	-
	46,922.59	**45,314.68**

*₹ 145/- Unpaid Dividend on Equity Shares

Note 12. Short-term Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Provision for Employee Benefits		
Compensated Absences	84.09	69.80
Other Provisions		
Provision for Tax [Net of Advance Tax of ₹ 5,161.04 lakhs, (Previous Year ₹ 3,407.23 lakhs)]	565.95	304.62
Provision for Non-Performing Assets		
Holding Company	973.99	459.60
Subsidiary Company	18.52	12.64
	992.51	472.24
Contingent Provision against Standard Assets		
Holding Company	519.59	460.96
Subsidiary Company	25.73	31.30
	545.32	492.26
	2,187.87	**1,338.92**

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

Note 13. Property, Plant and Equipments and Intangible assets

(₹ in Lakhs)

Nature of Assets	Property, Plant and Equipments (a)						Intangible Assets (b)	
	Freehold Land	Buildings	Office equipments	Furniture and Fixtures	Vehicles	Total	Software	Total
Gross Block								
Balance as at 1st April 2017	-	358.09	772.99	324.09	320.71	1,775.88	30.88	30.88
Additions	4,530.51	356.31	76.74	91.10	-	5,054.66	13.49	13.49
Disposals	-	-	10.08	-	-	10.08	-	-
Balance at 31st March 2018	**4,530.51**	**714.40**	**839.65**	**415.19**	**320.71**	**6,820.46**	**44.37**	**44.37**
Accumulated depreciation/ amortisation								
Balance as at 1st April 2017	-	52.33	570.00	211.08	81.83	915.24	17.09	17.09
Depreciation/Amortisation expense	-	9.12	81.30	27.66	37.74	155.82	8.21	8.21
Eliminated on disposal of assets	-	-	9.58	-	-	9.58	-	-
Balance at 31st March 2018	**-**	**61.45**	**641.72**	**238.74**	**119.57**	**1,061.48**	**25.30**	**25.30**
Net Block as at 31st March 2018	**4,530.51**	**652.95**	**197.93**	**176.45**	**201.14**	**5,758.98**	**19.07**	**19.07**
Gross Block								
Balance as at 1st April 2016	-	335.05	663.55	305.44	325.21	1,629.25	16.03	16.03
Additions	-	23.04	121.16	38.54	-	182.74	14.85	14.85
Disposals	-	-	11.72	19.89	4.50	36.11	-	-
Balance at 31st March 2017	**-**	**358.09**	**772.99**	**324.09**	**320.71**	**1,775.88**	**30.88**	**30.88**
Accumulated depreciation/ amortisation								
Balance as at 1st April 2016	-	46.80	510.73	206.95	47.60	812.08	16.03	16.03
Depreciation/Amortisation expense	-	5.53	70.34	22.23	38.51	136.61	1.06	1.06
Eliminated on disposal of assets	-	-	11.07	18.10	4.28	33.45	-	-
Balance at 31st March 2017	**-**	**52.33**	**570.00**	**211.08**	**81.83**	**915.24**	**17.09**	**17.09**
Net Block as at 31st March 2017	**-**	**305.76**	**202.99**	**113.01**	**238.88**	**860.64**	**13.79**	**13.79**

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

Note 14. Non-Current Investments (at cost)

(₹ in Lakhs)

Particulars	Face Value Per Share/ Bond ₹	As at 31st March 2018 No. of Shares/Bonds	As at 31st March 2018 ₹	As at 31st March 2017 No. of Shares/Bonds	As at 31st March 2017 ₹
NON-TRADE					
QUOTED					
In Equity Shares (Fully Paid Up):					
Apple Finance Limited	10	100	0.02	100	0.02
Athena Finance Limited	10	1	(a) 0.00	1	(a) 0.00
Cholamandalam Finance Limited	10	1	(b) 0.00	1	(b) 0.00
Dena Bank	10	3,209	0.88	3,209	0.88
First Leasing Finance Limited	10	1	(c) 0.00	1	(c) 0.00
Gujarat Lease Financing Limited	10	125	0.05	125	0.05
HDFC Bank Limited	2	15	0.03	15	0.03
ICICI Bank Limited	2	16	0.05	15	0.05
IndusInd Bank Limited	10	102	0.05	102	0.05
Kotak Mahindra Bank Limited	5	500	0.02	500	0.02
Reliance Capital Limited	10	1	(d) 0.00	1	(d) 0.00
Reliance Home Finance Limited	1	62	-	-	-
Housing Development Finance Corporation Limited (HDFC)	2	5	-	5	-
			1.10		1.10
Less : Provision for diminution	-	-	(0.47)		(0.47)
			0.63		**0.63**
UNQUOTED					
In Equity Shares (Fully Paid-Up):					
Cosmos Co-operative Bank Limited	25	277	0.07	277	0.07
Total Non-Current Investment			**0.70**		**0.70**
1 Aggregate amount of Quoted Investments:					
Cost			1.10		1.10
Market Value			8.12		7.39
2 Aggregate amount of Unquoted Investments			0.07		0.07

Particulars	Amount in ₹	Amount in ₹
(a) Athena Finance Limited	7.00	7.00
(b) Cholamandalam Finance Limited	52.00	52.00
(c) First Leasing Finance Limited	23.00	23.00
(d) Reliance Capital Limited	77.00	77.00

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

Note 15. Long Term Loans and advances

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at 31st March 2018	As at 31st March 2017	As at 31st March 2018	As at 31st March 2017
(A) Loans to Customers				
(i) Secured				
Loans	97,231.67	71,223.08	88,543.18	70,235.26
Retained Interest on securitisation/assignment	4,680.09	2,573.67	11,169.98	7,956.20
Installments and other dues from borrowers	-	-	1,417.36	1,455.09
	1,01,911.76	**73,796.75**	**1,01,130.52**	**79,646.55**
(ii) Unsecured				
Loans	32,889.83	14,069.10	25,469.61	34,666.64
Retained Interest on securitisation/assignment	251.01	82.81	1,647.33	1,002.79
Installments and other dues from borrowers	-	-	2,057.03	1,897.55
	33,140.84	**14,151.91**	**29,173.97**	**37,566.98**
Total Loans to Customers (A)	**1,35,052.60**	**87,948.66**	**1,30,304.49**	**1,17,213.53**
Notes:				
15.1 Secured exposures are exposures secured wholly or partly by hypothecation of assets, equitable mortgage of property, pledge of shares, other securities, assignments of life insurance policies, bank guarantees, company guarantees or personal guarantees and / or undertaking to create a security.				
15.2 Percentage of loans against gold to total assets	-	-	-	0.0001%
15.3 The Group has advanced loans to its officers. Principal amount of such loans outstanding as on 31st March is:	21.90	23.49	1.59	3.92
15.4 Refer Note 35 (b) for Loans to Company in which directors are interested				
(B) Other Loans and Advances				
Unsecured, considered good				
(i) Advance Funding				
Considered Good	-	-	5,134.43	4,899.07
Considered Doubtful - Non Performing Assets	-	-	1.44	2.98
	-	-	5,135.87	4,902.05
(ii) Security deposits	53.87	53.50	312.00	3.81
(iii) Advances to employees	-	-	13.92	14.94
(iv) Prepaid expenses	0.06	-	10.30	327.72
(v) Other Advances	-	-	12.91	17.79
(vi) Gratuity Fund	32.68	-	6.10	7.67
(vii) Capital Advances	-	213.92	-	-
(viii) Balance with Government Authorities	-	-	66.66	-
(ix) Income tax Receivable	210.47	181.12	-	-
Total Other Loans and Advances (B)	**297.08**	**448.54**	**5,557.76**	**5,273.98**
Total Loans and Advances (A) + (B)	**1,35,349.68**	**88,397.20**	**1,35,862.25**	**1,22,487.51**

Note 16. Other Non-Current Assets

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Non-current Bank Balances		
In Fixed Deposit Accounts:		
Deposits given as security against borrowings and other commitments	241.38	762.78
Unamortised Borrowing Costs	107.85	99.81
Interest Accrued but not due on Deposits	29.29	85.55
	378.52	**948.14**

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

Note 17. Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
(A) Cash and Cash Equivalents		
Cash on Hand	23.48	20.98
Balances with Banks:		
In Current/ Cash Credit Accounts	4,914.75	4,632.27
Total Cash and Cash Equivalents	**4,938.23**	**4,653.25**
(As per AS3 Cash Flow Statements)		
(B) Other Bank Balances		
In Current Accounts (Refer Note No. 17.1 below)	64.50	47.87
In Fixed Deposit Accounts		
Unpaid Dividend Bank Balances	*0.00	-
Deposits given as security against borrowings and other commitments	719.01	35.48
Total Other Bank Balances	**783.51**	**83.35**
Total Cash and Bank Balances (A + B)	**5,721.74**	**4,736.60**

Note:

17.1 Balances represents balance with banks in earmarked account i.e. "Collection and Payout Account".

*₹ 145/- Unpaid Dividend Bank Balances

Note 18. Other Current Assets

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Unamortised Borrowing Costs	206.38	209.09
Interest Accrued		
On Loans and Advances	2,534.54	1,876.30
On Deposits	129.68	11.57
	2,664.22	**1,887.87**
Re-possessed Assets	106.75	101.46
	2,977.35	**2,198.42**

Note 19. Revenue from operations

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
(a) Income from Financing Activity		
i) Interest	41,919.73	33,637.70
ii) Other Operating Revenue		
Service Charges, Stamp & Document Charges etc.	3,378.94	2,733.84
(b) Income from Non-Financing Activity	3.43	3.08
	45,302.10	**36,374.62**

Note 20. Other Income

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Interest Income from Bank Deposits	192.65	86.59
Dividend Income From Long-Term Investments	0.01	0.01
Income distribution on Pass Through Certificates	-	8.97
Interest on Income Tax refund	1.49	-
	194.15	**95.57**

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

Note 21. Employee Benefits Expense

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Salaries, Bonus and Allowances	3,944.31	2,746.55
Contributions to Provident & Other Funds (Refer Note No. 33)	167.69	135.82
Staff Welfare Expenses	43.03	56.41
	4,155.03	**2,938.78**

Note 22. Finance Costs

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Interest:		
On Bank Borrowings	11,379.59	10,839.43
On Debentures	991.99	1,479.74
On Others	3,627.46	3,219.52
	15,999.04	**15,538.69**
Discount on Commercial Papers	-	176.81
Other Borrowing Costs	730.05	713.95
	16,729.09	**16,429.45**

Note 23. Depreciation and Amortisation

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Depreciation on Property, Plant & Equipment	155.82	136.61
Amortisation of intangible assets	8.21	1.06
	164.03	**137.67**

Note 24. Provisions and Loan Losses

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Loss Assets Written Off (Net)	3,780.26	2,168.85
Loss on Sale of Repossessed Assets (Net)	184.97	163.52
Provision for Non-Performing Assets	520.25	74.38
Contingent Provision against Standard Assets	239.65	315.62
	4,725.13	**2,722.37**

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

Note 25. Other Expenses

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Rent (Refer Note No. 31)	203.84	181.56
Rates & Taxes	31.58	35.17
Stationery & Printing	75.28	78.62
Telephone	94.71	95.50
Electricity	63.38	56.79
Postage & Courier	73.16	69.48
Insurance	103.34	97.35
Conveyance	208.93	250.24
Travelling	257.86	243.31
Repairs & Maintenance:		
Building	29.99	14.71
Others	130.86	92.72
	160.85	**107.43**
Professional Fees (Refer Note Below)	675.82	352.71
Director's Sitting Fees	9.28	6.75
Legal Expenses	32.54	180.83
Bank Charges	85.54	104.96
Commission	743.59	1,022.24
Advertisement Expenses	318.32	229.93
Sales Promotion Expenses	90.15	68.47
Loss on Sale of Property, Plant & Equipment	0.37	1.24
Donation	0.05	-
Recovery Contract Charges	217.71	320.59
Corporate Social Responsibility Expenditure (Refer Note 29)	7.62	2.90
Miscellaneous Expenses	126.09	136.95
	3,580.01	**3,643.02**
Note: Payment to Statutory Auditors (including Taxes)		
For Statutory Audit Fees	25.75	18.68
For Other Services	24.46	5.92
	50.21	**24.60**

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

Note 26. Earnings Per Share

(₹ in Lakhs)

Particulars		Year ended 31st March 2018	Year ended 31st March 2017
(A)	**Basic**		
	Computation of Profit (Numerator)		
	Net Profit for the year	10,480.97	6,853.29
	Less: Preference dividend including tax thereon	72.85	395.41
	Net Profit for the year attributable to Equity Shareholders	**10,408.12**	**6,457.88**
	Computation of Weighted Average Number of Shares (Denominator)	**Nos.**	**Nos.**
	Weighted average number of Equity Shares of ₹ 10 each used for calculation of Basic Earnings per Share (Refer note 1 below)	4,92,80,936	4,00,16,510
	Basic Earnings per Share of face value of ₹ 10 each (in ₹)	21.12	16.14
(B)	**Diluted**		
	Computation of Profit (Numerator)	**Rupees**	**Rupees**
	Net Profit attributable to Equity Shareholders as above	10,408.12	6,457.88
	Add: Dividend on Compulsorily Convertible Cumulative Preference Shares including tax and Interest Expense on Compulsorily Convertible Debentures net of tax	-	425.14
	Net Profit attributable to Equity Shareholders (on dilution)	**10,408.12**	**6,883.02**
	Computation of Weighted Average Number of Shares (Denominator)	**Nos.**	**Nos.**
	Weighted average number of Equity Shares as above (Refer note 1 below)	4,92,80,936	4,00,16,510
	Add: Effect of Compulsorily Convertible Cumulative Preference Shares and Compulsorily Convertible Debentures which are dilutive	-	48,90,451
	Weighted average number of Equity Shares for Diluted Earnings per Share	**4,92,80,936**	**4,49,06,961**
	Diluted Earnings per Share of face value of ₹ 10 each (in ₹)	21.12	15.33

Note:

1. Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings Per Share". As per the requirements of AS 20 "Earnings Per Share", the weighted average number of equity shares considered for calculation of Basic and Diluted Earnings per Share.

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

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

(₹ in Lakhs)

Particulars		As at 31st March 2018	As at 31st March 2017
Contingent Liabilities			
I)	In respect of disputed Income-tax matters (Refer note below)	-	28.52
	Future cash outflows in respect of the above matters are determinable only on receipt of judgements/ decision pending at various forums/ authorities.		
II)	Guarantees given to NSE Limited :	160.04	-
	During the year, the Company has given Bank Guarantee to NSE Limited amounting to ₹ 160.04 lakhs as a security deposites in connection with its IPO.		
Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for:			
a)	Property, Plant & Equipment	-	114.85
b)	Intangible Assets	-	8.95

28. The Company has incurred various expenditure of ₹ 2,399.91 lakhs during the year and ₹ 2,766.99 lakhs (net of recovery from selling shareholders ₹ 832.50 lakhs) as at 31st March 2018 respectively towards private placement of equity shares, IPO and OFS. The Company has adjusted the expenses incurred to the Security Premium account.

29. Expenditure on Corporate Social Responsibility Activities

The Gross amount required to be spent by the Group during the year towards Corporate Social Responsibility is ₹ 161.92 lakhs (Previous year: ₹ 124.90 lakhs) as per section 135 of Companies Act, 2013. Details of amount spent towards CSR as below:

(₹ in Lakhs)

Particulars		In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any assets	-	-	-
	(Previous Year)	-	-	-
(ii)	On purposes other than (i) above	7.62	-	7.62
	(Previous Year)	2.90	-	2.90

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

30. The Holding Company sells loans through securitization and direct assignment transactions,

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

(a) For Securitization Transaction

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March 2018	As at 31st March 2017
1	No of SPVs sponsored by the company for securitization transactions	Nil	Nil
2	Total amount of securitised assets as per books of the SPVs sponsored by the company	Nil	Nil
3	Total amount of exposures retained by the company to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	b) On-balance sheet exposures		
	• First loss	Nil	Nil
	• Others	Nil	Nil
4	Amount of exposures to securitization transactions other than Minimum Retention Requirement (MRR)		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	ii) Exposure to third party securitizations		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	ii) Exposure to third party securitizations		
	• First loss	Nil	Nil
	• Others	Nil	Nil

Note:- Figures for the previous year are based on the information duly certified by the SPV's auditors obtained by the Company from the SPV.

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

(b) For Assignment Transaction

(₹ in Lakhs)

Sr. No.	Particulars	As at 31st March 2018	As at 31st March 2017
1	No of SPVs sponsored by the company for assignment transactions	N.A.	N.A.
2	Total amount of assigned assets as per books of the company (excluding accrued interest)	1,70,454.73	1,30,538.91
3	Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	b) On-balance sheet exposures		
	• First loss	Nil	Nil
	• Others	17,713.54	11,615.47
4	Amount of exposures to assignment transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own assignments		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	ii) Exposure to third party assignments		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	b) On-balance sheet exposures		
	i) Exposure to own assignments		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	ii) Exposure to third party assignments		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	Dues to assignees towards collections from assigned receivables	12,995.87	11,218.26

31. Disclosures for operating leases under Accounting Standard 19 – "Accounting for Leases".

The Group has entered into leave and license agreements for taking office premises along with furniture and fixtures as applicable and godown premises on rental basis ranging from 11 to 60 months. The specified disclosure in respect of these agreements is given below:

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Lease payments recognised in the Statement of Profit and Loss	203.84	181.56

Note:-

i. The Group has given refundable, interest free security deposits under certain agreements.

1. There are no sub-leases.

ii. Certain agreements contain a provision for their renewal.

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

32. Employee Benefits

Disclosures as required as per Accounting Standard AS-15 (revised) – "Employee Benefits" in respect of Gratuity are as under:

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

(₹ in Lakhs)

Sr. No.	Particulars	As at/ For the year ended 31st March 2018	As at/ For the year ended 31st March 2017
A	**Net liability /(assets) recognised in the Balance Sheet**		
	Present value of funded obligation	167.76	124.43
	Fair value of plan assets	205.73	132.10
	Unrecognised Past Service Cost	(0.82)	-
	Net liability/(assets)	**(38.78)**	**(7.68)**
B	**Expense recognised in the Statement of Profit and Loss for the year**		
	Current service cost	28.64	18.91
	Interest on obligation	9.03	6.02
	Expected return on plan assets	(10.66)	(8.14)
	Net actuarial losses /(gains)	(2.53)	27.59
	Prior Year Charge	-	0.08
	Recognised Past Service Cost - Vested	10.58	-
	Total expense included in employee benefit expense (Refer Note 21)	35.07	44.47
	Actual return on Plan assets	9.01	6.97
C	**Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:**		
	Opening defined benefit obligation	124.42	75.69
	Service Cost	28.64	18.91
	Interest Cost	9.03	6.02
	Actuarial losses /(gains)	(3.82)	26.42
	Past Service Cost	11.40	-
	Benefits paid	(1.91)	(2.62)
	Closing defined benefit obligation	**167.76**	**124.43**
D	**Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof:**		
	Opening balance of fair value of plan assets	132.10	108.58
	Expense deducted from the fund	-	-
	Expected return	10.66	8.14
	Actuarial gains / (losses)	(1.30)	(1.16)
	Contributions by Employer	66.18	19.18
	Benefits paid	(1.91)	(2.62)
	Closing balance of fair value of plan assets	**205.73**	**132.10**
E	**Major categories of plan assets as a percentage of total plan assets:**		
	Qualifying insurance policy with LIC (Break-up of plan assets not available)	100%	100%
F	**Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):**		
	Discount rate (Refer note 1(b) below)	7.70%	7.25% - 7.40%
	Expected return on plan assets	7.70%	7.25% - 7.40%
	Annual increase in salary costs (Refer note 1(a) below)	7.00% - 8.00%	7.00%

Notes:

1 (a) The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

(b) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

(c) Overall expected rate of return on assets taken is the rate declared by LIC.

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

2 Defined Contribution Plans

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Amount recognised as an expense and included in Note No. 21 of Consolidated Statement of Profit and Loss		
Provident Fund	89.11	65.43
Employees' State Insurance Corporation (ESIC)	36.27	9.33
Total	**125.38**	**74.75**

3 Experience Adjustments

(₹ in Lakhs)

	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014
Present value of the defined benefit obligation	167.76	124.43	75.69	56.62	55.66
Fair value of the plan assets	205.73	132.10	108.58	87.31	83.63
Unrecognised Past Service Cost	0.82	-	-	-	-
Deficit/(Surplus) in the plan	(38.78)	(7.68)	(32.88)	(30.68)	(27.97)
Experience (gain) / loss adjustments on plan liabilities	(3.23)	24.38	2.68	(5.29)	(2.64)
Experience (gain) / loss adjustments on plan assets	1.30	1.16	(0.42)	0.19	(0.22)

33. Segment Reporting

The Group is engaged primarily in the business of Financing and all its operations are in India only. Accordingly, there are no separate reportable segments as per Accounting Standard 17 – "Segment Reporting".

34. Related Party Disclosures

(a) Related party disclosures as required by Accounting Standard 18, "Related Party Disclosures".

List of related parties and relationships:

Sr. No.	Nature of Relationship	Name of Related Parties
1	Key Management Personnel	Mr. Kamlesh C. Gandhi (Chairman & Managing Director)
		Mr. Mukesh C. Gandhi (Whole Time Director & Chief Finance Officer)
		Mrs. Darshana S. Pandya (Director & Chief Operating Officer)
2	Entities under common control	Swalamb Mass Financial Services Limited
		Anamaya Capital LLP
		Kamlesh C. Gandhi (HUF)
		Prarthna Marketing Private Limited
3	Relatives of Key Management Personnel	Mrs. Shweta K. Gandhi
		Mrs. Urmilaben C. Gandhi
		Mr. Dhwanil K. Gandhi
		Mr. Saumil D. Pandya

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

Related party transactions:

(₹ in Lakhs)

Sr. No.	Nature of transactions	Year ended 31st March 2018	Year ended 31st March 2017
1	**Subscription to Compulsorily Convertible**		
	Cumulative Preference Shares:		
	Mr. Kamlesh C. Gandhi	-	25.00
	Mr. Mukesh C. Gandhi	-	25.00
2	**Remuneration (Including Bonus):**		
	Mr. Kamlesh C. Gandhi	575.16	434.57
	Mr. Mukesh C. Gandhi	574.84	433.87
	Mrs. Darshana S. Pandya	33.47	11.33
	Mr. Saumil D. Pandya	43.12	15.38
	Mr. Dhwanil K. Gandhi	12.00	8.75
3	**Subscription to Optionally Convertible Preference Shares:**		
	Mr. Kamlesh C. Gandhi	-	50.00
	Mr. Mukesh C. Gandhi	-	100.00
	Mrs. Shweta K. Gandhi	-	50.00
4	**Dividend Paid:**		
	Mr. Mukesh C. Gandhi	258.94	519.28
	Mr. Kamlesh C. Gandhi	102.46	209.10
	Mr. Mukesh C. Gandhi (HUF)	-	16.29
	Mrs. Shweta K. Gandhi	253.78	540.33
	Mrs. Urmilaben C. Gandhi	-	0.00
	Prarthna Marketing Private Limited	19.58	43.14
	Mrs. Darshana S. Pandya	0.02	0.03
	Mr. Saumil D. Pandya	0.02	0.03
5	**Loan granted:**		
	Mrs. Darshana S. Pandya	-	5.80

(₹ in Lakhs)

Sr. No.	Nature of transactions	As at 31st March 2018	As at 31st March 2017
	Balance outstanding at the end of the year:		
6	**Loan Granted**		
	Mrs. Darshana S. Pandya	23.49	27.41
7	**Remuneration payable (Including Bonus)**		
	Mr. Kamlesh C. Gandhi	31.17	24.38
	Mr. Mukesh C. Gandhi	31.17	24.38
	Mrs. Darshana S. Pandya	1.00	0.89
	Mr. Saumil D. Pandya	1.31	1.10
	Mr. Dhwanil K. Gandhi	0.28	0.24
8	**Optionally Convertible Preference Shares**		
	Mr. Kamlesh C. Gandhi	100.00	100.00
	Mr. Mukesh C. Gandhi	200.00	200.00
	Mrs. Shweta K. Gandhi	100.00	100.00

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

(b) Disclosures as per Regulation 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015).

Loans and advances in the nature of loans to companies in which directors are interested as under:

(₹ in Lakhs)

Sr. No.	Name	As at 31st March 2018	Maximum balance out-standing during the year 2017-18	As at 31st March 2017	Maximum balance out-standing during the year 2016-17
1	Paras Capfin Company Private Limited	1,105.56	1,139.31	326.54	608.59
2	M Power Micro Finance Private Limited	4,791.67	4,876.79	396.29	800.51
3	Jain Sons Finlease Limited*	-	-	2,244.92	3,129.04
4	Shubham Housing Development Finance Company Private Limited*	-	-	1,961.80	2,750.05

*The Director interested in Jain Sons Finlease Limited and Shubham Housing Development Finance Company Private Limited ceased to be a director in MAS Financial Services Limited with effect from 27th February 2017. Hence, the disclosures made are of amount outstanding as on 27th February 2017 and maximum balance outstanding upto that date.

35. The Group has not received any intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 for the year. Hence information relating to amounts due to micro enterprises and small enterprises as required by the Act has not been given.

36. During the year, pursuant to initial public offering (IPO) and Offer For Sale, the Company has offered 1,00,39,277 equity shares out of which:

(i) 50,92,829 equity shares of ₹ 10/- each were allotted as fresh issue of equity shares. Out of which, 1,69,082 equity shares were allotted to eligible employees at premium of ₹ 404 per share and 49,23,747 equity shares were allotted to public at premium of ₹ 449 per share.

(ii) 49,46,448 equity shares of ₹ 10/- each were offered for sale by the existing shareholders at premium of ₹ 449 per share.

37. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

As at 31st March 2018

(₹ in Lakhs)

Name of entity in the group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
MAS Financial Services Limited	96.17%	70,317.15	97.51%	10,317.64
Subsidiary				
MAS Rural Housing and Mortgage Finance Limited	2.28%	1,669.58	1.54%	163.33
Minority Interest	1.55%	1,131.37	0.95%	100.92
Total	**100%**	**73,118.10**	**100%**	**10,581.89**

Notes

Forming Part of The Consolidated Financial Statements for the year ended 31st March 2018 (contd.)

As at 31st March 201 7

(₹ in Lakhs)

Name of entity in the group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
MAS Financial Services Limited	92.40%	31,619.20	96.99%	6,722.83
Subsidiary				
MAS Rural Housing and Mortgage Finance Limited	4.53%	1,549.26	1.88%	130.46
Minority Interest	3.07%	1,049.83	1.13%	78.64
Total	**100%**	**34,218.29**	**100%**	**6,931.93**

38. The Board of directors of the Company has recommended dividend of ₹ 2.16 per equity share of face value of ₹ 10 each, which is subject to approval by shareholders of the Company.

39. Details of Consolidated Non-Performing Assets (NPA) and % of Assets Under Management (AUM) are as follow:

(₹ in Lakhs)

Particulars	As at 31st March 2018 (Audited)	As at 31st March 2017 (Audited)
Gross NPA on AUM	4,795.23	3,526.97
Net NPA on AUM	3,802.72	3,054.72
Gross NPA as % of AUM	1.11%	1.07%
Net NPA as % of AUM	0.88%	0.93%

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

For and on behalf of the Board of Directors of
MAS Financial Services Ltd.

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

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

Riddhi Bhayani
(Company Secretary)

Mukesh C. Gandhi
(Whole Time Director & Chief Financial Officer)
(DIN - 00187086)

Place: Ahmedabad
Date : 9th May 2018

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 Financial Services 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 23rd Annual General Meeting of members of the Company, to be held on Wednesday, 27th Day of June at Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015 of the Company at 10:00 A.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Brief details of the Resolution	Optional*		
		For	Against	Abstain
Ordinary Businesses				
1.	To receive, consider and adopt audited Standalone and Consolidated financial statements of the Company for the year ended 31st March 2018 and the Reports of the Board of Directors and the Auditors thereon			
2.	To declare final dividend on equity shares.			
3.	To appoint a Director in place of Mr. Kamlesh Gandhi, (DIN 00044852), liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment			
4.	Appointment of B S R & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company and fixing their remuneration.			
Special Businesses				
5.	Approval for increasing the Borrowing Powers under Section 180(1)(c) of the Companies Act, 2013 up to ₹ 5,000 crores			
6.	Approval for creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company under section 180(1)(a) of the Companies Act, 2013			

Signed this _____day of _____ 2018.
Signature of Shareholder:
Signature of Proxy holder(s):

Affix Revenue Stamp

Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
2. **A proxy need not be a member of the Company.**
3. *For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 23rd 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 – 23rd 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 TWENTY THIRD ANNUAL GENERAL MEETING of the Company at Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015, on Wednesday, 27th June 2018 at 10:00 A.M.

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.



The Power of Distribution

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