Let Us Realise The Dream

MRHMFL

MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED

ANNUAL REPORT 2020-21

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

Board of Directors:

Mr. Kamlesh Gandhi	:	Chairman & Managing Director
Mrs. Darshana Pandya	:	Director & Chief Operating Officer
Mr. Bala Bhaskaran	:	Independent Director
Mr. Chetan Shah	:	Independent Director
Mr. Subir Nag	:	Independent Director

Chief Financial Officer:

Mr. Ankit Jain

Company Secretary:

Mr. Darshil Hiranandani

Auditors:	**Registrar & Share Transfer Agent:**
M/s. Rajpara Associates Chartered Accountants D-1107, The First, Opp/ Shivalik Ship-2, Near Keshavbaug Part Plot, Vastrapur, Ahmedabad - 380015.	KFin Technologies Pvt Ltd Tower B Plot No: 31 & 32, Selenium, Financial District, Nanakramguda, Gachibowli Hyderabad, Telangana - 500 032 Toll Free No: 18003454001 Email: einward.ris@karvy.com

DIRECTORS' REPORT

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

I trust and wish that everybody in your surrounding is fine and healthy. Before I present the financial results to you for the year 2020-21, I on behalf of team MAS would like to pay my most respectful homage to our Co-founder Shri Mukeshbhai C. Gandhi who left for his heavenly abode on January 19, 2021. While we are grief stricken, team MAS is dedicated towards its mission of "Excellence through Endeavours".

I hereby present the Fourteenth (14th) Annual Report of your Company together with the Audited Statement of Accounts for the year ended on March 31, 2021.

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

SUMMARISED FINANCIAL HIGHLIGHTS:

(Amount in INR)

Particulars	**March 31, 2021**	**March 31, 2020 (Restated)**
Interest Income	34,21,43,548	37,73,80,852
Gain on Assignment of Financial Assets	66,85,480	29,97,186
Income from Operations & Other Sources	38,83,604	32,99,030
Total Income	**35,27,12,632**	**38,36,77,068**
Total Expenditure	31,04,41,941	35,59,42,752
Profit before Depreciation and Taxes	4,22,70,691	2,77,34,316
Depreciation and Amortization	44,25,241	53,54,536
Profit before Taxes	**3,78,45,450**	**2,23,79,780**
Provision for Taxation (including Deferred Tax)	89,82,213	52,04,407
Profit after Taxes	**2,88,63,237**	**1,71,75,373**
Profit brought forward from previous year	8,56,88,656	7,93,51,305
Add/(Less) : Item of other comprehensive income recognised directly in retained earnings	6,51,264	(3,09,861)
Less : Opening Ind AS Adjustment on adoption of Ind AS 116 (Net of Tax)	0.00	(3,58,633)
Profit available for Appropriation	**11,52,03,157**	**9,58,58,184**

Appropriations		
Reserves u/s. 29-C of the NHB Act, 1987 and Special Reserve u/s 36(1) (viii) of Income Tax Act, 1961	1,12,00,000	88,90,000
Dividend Paid (including Interim dividend)	10,18,867	10,61,320
Dividend Distribution Tax on Dividend	53,686	2,18,208
Surplus Balance Carried to Balance Sheet	**10,29,30,604**	**8,56,88,656**

BUSINESS PERFORMANCE:

The portfolio at the end of the year 2020-21 was INR **284.89** Cr., which decreased insignificantly by **0.58%** as compared to the previous year due to adoption of cautious approach on disbursement while maintaining high Collection efficiency. The quality of the portfolio remained robust during the period which has always remained the main plank of the Company. The stage III assets net of provisions of the Company during the period under review were 0.26% as compared to the previous year being 0.25%. This performance is withstanding the various macro headwinds the industry has been facing since some time aggravated by the onset of COVID 19 pandemic.

During the year under review the Interest Income of the Company was INR **34.21** Cr. Further, the total income of the Company remained **35.27** Cr.

The profit after taxes stands up to INR **2.89** Cr. during the year compared to the profits of INR **1.72** Cr. during the Previous Year which shows an increase of **68.05%** profits compared to the Previous Year due to contraction in the Finance Costs of the Company as the average borrowings reduced by 8.06%. The Company's average borrowing rates reduced from 10.5% p.a. to 9.4% p.a. Moreover company's operational costs reduced by 22% as compared to previous year.

The Company will continue to very cautiously observe the development in the affordable space given the current unprecedented situation and will calibrate its strategy and execution policies accordingly anchoring to the belief that this type of distortion shall also pass and the real potentiality of the segment remains intact giving sufficient opportunities of growth going forward post the pandemic period.

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

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

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

The Company continues to focus on creating quality assets, aware of the fact that, extending loans to the informal and the rural class of the society is in its nascent stage and hence it has its own set of challenges, which is being dealt very carefully and efficiently. As stated earlier, the Board has taken a conscious decision to build up the portfolio slowly during the initial years of operations and concentrate more on understanding the market we serve and setting the suitable credit evaluation process. "Extending credit where it is due." remains the basic plank and putting the same into practice requires abundance of perseverance and patience. The key positive of the same is building up of quality assets.

RURAL INITIATIVE :

The rural initiative continues to remain one of the major focuses of the Company. The company believes and practices the policy of adapting to the ground level realities as fast as possible. Rural housing finance is undoubtedly a huge market, characterized by number of challenges ranging from financial literacy to acceptable titles of the property. However we are confident of finding sustainable solutions to each of the challenges, we face during our journey.

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

SYSTEMS AND OPERATIONS:

The current year also sharpened our learning curve to a considerable extent. The feedback from the customers, relationship officers and the vigilant analysis of the credit team enabled us to frame a well-articulated credit screens which we very firmly believe will be a major lever to serve the targeted segment effectively. The effectiveness of the credit screen is reflected in the quality of the portfolio. The company is now focusing to improve its turnaround time for disbursing the loans without compromising with the quality of credit. Various efforts are undertaken such as training the relationship officers, the branch credit officers, and the credit team at the central processing unit.

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

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

RESOURCES:

The Total Equity of the Company as on March 31, 2021 was INR **53.94** Cr. Number of institutions have shown keen interest in participating in the future debt and the capital requirement of the Company. The Company is quite optimistic to tie up their financial requirement for the year 2021-22.

MAS' RESPONSE TO COVID-19:

While we navigated the first wave through various efforts shared with all of you before, the second wave poised new challenges and more severe on the lives of the people which is always a very difficult task to navigate. We are more resilient and determined than ever before to face this unprecedented challenge that we have witnessed never before. The main plank during this time also revolved round the activities to closely engage with our borrowers and understand and educate them on the various aspects of not only the loan taken from us but also on their overall financial planning. This should ideally result in to a very positive response from all the borrowers and we anticipate that this time also they will demonstrate a very high level of financial discipline. The Company on its part will extend all necessary support to all the eligible borrowers.

The learning from the first wave of the pandemic enabled the human resource of the Company to stand up to this challenge also and ensured continuity irrespective of their location of work and the challenging situation they faced especially concerning the health of their near and dear ones. The adequate support by the technology and software team ensured high level of efficiency. In consistence to the belief of the Company team MAS demonstrated high level of capabilities and grit in facing this challenge deserves appreciation.

The financial implications of this pandemic will unfold over the next few quarters which is endeavored to be mitigated through prudent COVID provisioning to the extent of 1.25% of our on book assets. All out efforts will be made to engage with the borrowers and monitor each and every account closely to maintain the quality of the assets which has been the hallmark of our working over these years.

The high capitalization levels and an immaculate track record have kept the Company in good stead in maintaining comfortable liquidity position and also healthy ALM.

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

Pursuant to the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by the Reserve Bank of India dated February 17, 2021, the Company complies with said guidelines and also continues to comply with the guidelines issued by NHB regarding accounting standards, capital adequacy, concentration of credit, credit rating, 'Know Your Customer'- (KYC), fair practices code and capital market exposures. The Company has provided for impairment of loans and advances as per IND AS 109 prescribed under section 133 of the Companies Act, 2013 and as per the NHB Circular No. NHB(ND)/DRS/Policy Circular No.89/2017-18 dated June 14, 2018. The National Housing Bank Act, 1987, empowers RBI/NHB to levy a penalty on Housing Finance Companies for contravention of the Act or any of its directions. RBI/NHB has not levied any penalty on MRHMFL during the year.

HUMAN RESOURCE:

We understand the significance of this very important resource and are always eager to harness the latent potentiality of our young team. Continuous training and motivational programs play an important role in their performance. The Company throughout the year supported its team to excel.

DIVIDEND:

Your Directors recommend a final dividend at a fixed rate of 6% p.a. to the preference shareholders amounting to INR 60,00,000.00/- (Rupees Sixty Lakh Only) and a final dividend at the rate of 0.48% to the Equity Shareholders amounting to INR 10,18,867/- (Rupees Ten Lakh Eighteen Thousand Eight Hundred and Sixty Seven Only) for the financial year ended on March 31, 2021.

CHANGE IN NATURE OF BUSINESS:

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

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

Changes in accounting policies:

The accounting policies and practices followed in the preparation of the standalone financial statement for the year ended March 31, 2021 are the same as those followed in the preparation of the standalone financial statement for the year ended March 31, 2020, except for the change in accounting policy as explained in below paras.

Amortising the gain on assignment of financial assets over the residual tenure instead of booking upfront gain

Upto the year ended March 31, 2020, on derecognition of loans in its entirety upon assignment, as per Ind AS 109 'Financial Instruments', the Company has been recognising the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including new asset obtained less any new liability assumed) as gain immediately in the statement of profit or loss.

In view of the Company, earlier accounting treatment inflates the income at the time of assignment and leads to reporting higher earnings per share, potentially higher dividend pay-out and improved capital adequacy ratio. Further, after taking views from RBI circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 which states that the responsibility of preparing and ensuring fair presentation of the financial statements of a NBFC vests primarily with its Board of Directors, RBI circular no. DNBS. PD. No. 301/3.10.01/2012-13 dated August 21, 2012 which had clearly mandated the NBFCs to amortise the gain on assignment over the tenure of the loan and also as per paragraph 19 of Ind AS 1 'Presentation of Financial Statements', management has concluded that the upfront booking of income which is to be received over underlying residual tenure in some cases of the assigned portfolio would be so misleading for the users of the financial statements, that it would conflict with the objective of the financial statements set out in the Conceptual Framework for Financial Reporting under Ind AS and therefore to present a true and fair view of the Company's financial position, financial performance for the given period, during the year ended March 31, 2021, the Company has departed from the requirements of Ind AS 109 and changed its policy for more transparent and fair representation of the financial statements.

As per the new policy, on derecognition of financial assets on account of direct assignment of loans, gain is recognized as "Unearned income on assigned loans" under the head other non-financial liabilities and amortized in the profit or loss over the underlying residual terms of the assigned portfolio.

Further, NBFC industry body Finance Industry Development Council (the 'association') which is represented by more than 100 NBFCs, has made representation to Reserve Bank of India and National Financial Reporting Authority ('NFRA') whereby the said change in accounting policy has been requested by the association as well. The association has requested RBI and NFRA to allow the gain on direct assignment transactions to be amortized instead of recognition of the gain in the statement of profit and loss immediately upon assignment of the loans due to above mentioned limitations.

As per paragraph 14(b) of Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', an entity may change its accounting policy if it results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flows. The Company believes that by following new policy, the above objective will be achieved.

As per the requirement of Ind AS 1, the new accounting policy has been implemented retrospectively from the beginning of the earliest period presented i.e. April 1, 2019. On account of new policy, in case of derecognition of loans upon assignment prior to April 1, 2019, where underlying residual terms of the assigned portfolio was falling on or after April 1, 2019, the Company has reduced other equity by INR 30.57 lakh, reduced the deferred tax liability by INR

16.47 lakh and recognized unearned interest income on assigned loans under the head other non-financial liabilities INR 47.04 lakh.

Had the Company not revised its policy, other equity would have increased by INR 132.04 lakh to INR 3402.95 lakh, deferred tax assets would have decreased by INR 48.93 lakh and liability on unearned income would have decreased by INR 180.97 lakh to Nil as at March 31, 2021. Had the Company followed the accounting policy which it followed hitherto, the Company would have recognized income on assigned loans of 'Nil' for the quarter and year ended March 31, 2021 respectively. As per the new policy, the Company has recognized income on assigned loans (on amortised basis) of INR 15.25 lakh and INR 66.85 lakh for the quarter and year ended March 31, 2021 respectively. Accordingly, income on assigned loans would have decreased by INR 15.25 lakh and INR 66.85 lakh and deferred tax credit would have increased by INR 3.84 lakh and INR 16.83 lakh for the quarter and year ended March 31, 2021 respectively.

AUDITORS:

In terms of the transitional provisions applicable to Statutory Auditors under the Companies Act, 2013, Rajpara Associates, Chartered Accountants (Firm Registration No. 113428W), Ahmedabad were appointed as the statutory auditors of the Company for a period of 5 (five) years in the 10th Annual General Meeting (AGM) of the Company held on June 2, 2017.

However, Ministry of Corporate Affairs, vide its Notification dated May 7, 2018 amended provisions of Rule 3(7) of Companies (Audit and Auditors) Rules, 2014 and accordingly, provisions of requirement of ratification of appointment of auditor at every general meeting is dispensed with. Therefore, at the ensuing general meeting members are not required to ratify Auditor's appointment and M/s. Rajpara Associates, Chartered Accountants, Ahmedabad (FRN: 113428W), will continue to act as auditors of the Company till the conclusion of the 15th AGM of the Company to be held in the year 2022.

In the Board Meeting held on February 3, 2021 Mr. Parth P. Shah, Practising Company Secretary was appointed as the Secretarial Auditor of the Company for the financial year 2020-21.

SECRETARIAL AUDIT REPORT:

Pursuant to Section 204 of the Companies Act, 2013, the unqualified Secretarial Audit Report for the Financial Year ended March 31, 2021 given by Mr. Parth P. Shah, Practicing Company Secretary is annexed to this Report as an "***Annexure – A***".

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

(i) By the auditor in his report;

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

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

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

FRAUDS REPORTED BY THE AUDITOR:

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

PUBLIC DEPOSITS:

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

ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website and can be accessed at www.mrhmfl.co.in.

INFORMATION OF BOARD OF DIRECTORS, AND ITS MEETINGS:

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

Name of the Director / Key Managerial Personnel	No. of other Directorships*	No. of Board Meetings attended during 2020-2021	Attendance at the AGM held on 04/11/2020
Whole-time Directors			
Mr. Kamlesh Gandhi Chairman & Managing Director	4	5	Yes

DIN: 00044852			
Mr. Mukesh Gandhi** Whole-time Director & Chief Financial Officer DIN: 00187086	Nil	3	Yes
Mrs. Darshana Pandya Director & Chief Operating Officer DIN: 07610402	3	5	Yes
Independent Directors			
Mr. Bala Bhaskaran Independent Director DIN: 00393346	3	5	Yes
Mr. Chetan Shah Independent Director DIN: 02213542	1	5	Yes
Mr. Subir Nag Independent Director DIN: 02169915	2	5	No
Key Managerial Personnel			
Mr. Darshil Hiranandani Company Secretary	Nil	5	Yes
Mr. Ankit Jain Chief Financial Officer^	Nil	NA	NA

* Excluding Directorship of MAS Rural Housing & Mortgage Finance Limited;
** Shri Mukesh C. Gandhi passed away on January 19, 2021.
^ Appointed in the meeting of Board of Directors held on May 12, 2021.

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

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

With deep sorrow, we hereby inform that our Co-Promoter, Whole-time Director & CFO Shri Mukesh Gandhi, aged 63 years has left us for the heavenly abode on January 19, 2021.

Shri Mukesh Gandhi played an important role in bringing the Company to its present level from a humble beginning in the year 2007, based on very strong fundamentals.

He was filled with positivity, enthusiasm, zeal, kindness and pragmatism. He very successfully groomed and mentored the second line to take on responsibilities and active operational role thus ensuring seamless transmission of the efficient working of the Company right from 2018. The Company has immensely benefitted from his vision and vigilance.

Shri Mukesh Gandhi's passing away will be irreparable loss to the family, organisation and also for everyone associated with him.

We, the management and the employees of the Company convey deep sorrow and condolences to his family.

Team MAS remains dedicated to it's vision of excellence through endeavours.

a. The Board of Directors of the Company vide their Circular Resolution 3/2021 dated December 2, 2020 had re-appointed Mr. Subir Nag (DIN: 02169915) as an Independent Director of the Company for a term of 5 years wef December 30, 2020 on the recommendations received from the Members of the Nomination & Remuneration Committee vide their Circular Resolution dated NRC - 1/2021 dated December 2, 2020.

b. The Company in its Meeting of Board of Directors held on Wednesday, May 12, 2021 on the recommendations of Nomination & Remuneration Committee and Audit Committee of the Company, have appointed Mr. Ankit Jain as the Chief Financial Officer of the Company.

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

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

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

The Board of Directors in its meeting held May 12, 2021, on the recommendations of the Nomination and Remuneration Committee (NRC), further recommends to the members of the Company to re-appointment of Mrs. Darshana S. Pandya (DIN: 07610402), as director liable to retire by rotation.

- **Board Meetings:**

Regular meetings of the Board are held at least once in a quarter to review the Quarterly Results and other items on the agenda, and also on the occasion of Annual General Meeting (AGM).

Additional Board meetings are convened to discuss and decide on various business policies, strategies and other businesses. The Company Secretary drafts the Agenda for each meeting, along with explanatory notes, in consultation with the Directors, and distributes these in advance to the Directors.

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

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

The Company had 5 Board Meetings during the financial year under review.

Sr. No.	Date of Meeting	Total Number of Directors as on the date of Meeting	Number of Directors attended
1.	May 20, 2020	6	6
2.	July 29, 2020	6	6
3.	October 28, 2020	6	6
4.	January 29, 2021	5	5
5.	February 3, 2021	5	5

Mr. Darshil Hiranandani, Company Secretary acts as the Secretary to the Board.

Independent Directors and Evaluation of Directors and the Board:

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

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

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

A separate meeting of Independent Directors was held on February 3, 2021 to review the performance of Non-Independent Directors and Board as whole.

INFORMATION OF COMMITTEE AND ITS MEETINGS

- **Audit Committee:**

The Audit Committee of the Company was reconstituted in the meeting of Board of Directors held on January 29, 2021 due to the sad demise of Shri Mukesh C. Gandhi, Whole-time Director & Chief Financial Officer of the Company. Mrs. Darshana S. Pandya, Director & COO was appointed as the Member in the Committee.

Our Audit Committee comprised of 3 Directors as on March 31, 2021:

a. Mr. Bala Bhaskaran - Chairman
b. Mr. Chetan Shah - Member
c. *Mr. Mukesh Gandhi - Member
d. **Mrs. Darshana S. Pandya - Member

* Shri Mukesh C. Gandhi passed away on January 19, 2021.
** Mrs. Darshana S. Pandya was appointed as the Member of Audit Committee wef January 29, 2021.

Mr. Darshil Hiranandani, Company Secretary acts as the Secretary to the Audit Committee.

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

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

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

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

Sr. No.	Date of Meeting	Total Number of Members as on the date of Meeting	Number of Members attended
1.	May 20, 2020	3	3
2.	July 29, 2020	3	3
3.	October 28, 2020	3	3
4.	February 3, 2021	3	3

- **Nomination and Remuneration Committee:**

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

Our Nomination and Remuneration Committee comprised of 3 Directors as on March 31, 2021:

a. Mr. Bala Bhaskaran - Chairman
b. Mr. Chetan Shah - Member
c. Mr. Subir Nag - Member

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

The Company had 1 Nomination & Remuneration Committee Meeting during the Financial Year under review:

Sr. No.	Date of Meeting	Total Number of Members as on the date of Meeting	Number of Members attended
1.	May 20, 2020	3	3

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

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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 have been followed along with proper explanation relating to material departures.

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

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

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

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

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

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

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

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

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

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

During the year under review INR 1,12,00,000/- transferred to reserve fund under Section 29-C of NHB Act, 1987 & Special Reserve U/s 36(1)(viii) of Income-tax Act, 1961.

CAPITAL:

1. AUTHORISED SHARE CAPITAL:

During the year under review, the Authorised Share Capital of the Company remained INR 35,00,00,000-/ (Rupees Thirty Five Crores only).

The Authorised Share Capital as on March 31, 2021 was:

INR 35,00,00,000-/ (Rupees Thirty Five Crores only) divided into 3,50,00,000 (Three Crores and Fifty Lakh) Shares of INR 10/- each, which is further divided as INR 24,00,00,000/- (Rupees Twenty Four Crores Only) divided into 2,40,00,000 [Two Crores Forty Lakh] Equity shares of INR 10/- each and INR 11,00,00,000/- [Rupees Eleven Crores Only] divided into 1,10,00,000 [One Crore Ten Lakh] Preference Shares of INR 10/- each

2. PAID UP SHARE CAPITAL:

The Paid Up Share Capital as on March 31, 2021 remained:

INR 31,22,64,040 /- (Rupees Thirty One Crore Twenty Two Lakh Sixty Four Thousand and Forty Only) divided into 2,12,26,404 Equity Shares of INR 10/- each and 1,00,00,000 6% Optionally Convertible Preference Shares of INR 10/- each.

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

Conservation of Energy and Technology Absorption:

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

Foreign Exchange earnings and outgo:

The Company has no Foreign Exchange earnings and outgo.

ADEQUACY OF INTERNAL FINANCIAL CONTROL:

The Companies Act, 2013 read with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 re-emphasizes the need for an effective Internal Financial Control system in the Company which should be adequate and shall operate effectively. The Company has devised proper system of internal financial control which is commensurate with size and nature of Business. Even, the Board has appointed M/s. MAAK & 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.

RISK MANAGEMENT:

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any Subsidiary, Joint Venture and Associate Company.

PARTICULARS OF EMPLOYEES:

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

The Company is committed to provide a safe and conducive work environment to its employees.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DISCLOSURE FOR MAINTENANCE OF COST RECORDS:

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

GENERAL DISCLOSURE:

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

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

a. Details of Annual Report on Corporate Social Responsibility as Company is not falling within the criteria as prescribed u/s 135 of the Companies Act, 2013;
b. Issue of Equity Shares with differential rights as to dividend, voting or otherwise;
c. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and ESOS;
d. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future

ACKNOWLEDGEMENTS:

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

We firmly believe that this shall also pass and we all will not only be triumphant again but emerge stronger.

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

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

KAMLESH C. GANDHI
CHAIRMAN & MANAGING DIRECTOR
DIN: 00044852

Date : May 12, 2021
Place : Ahmedabad

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- **Industry Structure and Developments:**

*The Global Economy in 2019 registered the world output growth of 2.8% thereby witnessing a decline from 3.5% in 2018 and 3.8% in 2017. In 2020, the COVID-19 pandemic had impacted global economies at unprecedented level. However, the economic activity began to improve after lockdowns were scaled back in May and June, with indicators of strong recovery in the third quarter.

Global financial markets remain supported by highly accommodative monetary and liquidity conditions. Timely policy response has helped maintain the flow of credit to the global economy and avoid macro-financial feedback loops, creating a bridge to recovery. The global economy plunged into contraction as COVID-19 struck the world. In India, real GDP showed a contraction of 7.5% in Q2:2020-21 (July-September).

Investment activity in housing sector also suffered a setback due to the pandemic. The confluence of COVID induced factors, such as inventory overhang in housing, tapering of incomes thereby affecting the EMI-servicing capacity, stress in the Balance Sheets of NBFCs and HFCs adversely impacted the investment in dwelling units. In residential real estate, both sales and new launches contracted, primarily due to unprecedented disruptions in the economy caused by lockdowns and sluggish consumer sentiment. The sluggish consumer confidence has shifted consumer preference towards purchase of completed houses which coupled with reduction in new house launches may result in reduction in unsold inventory albeit adversely affecting the sale of under construction houses.

The real estate and Housing Finance Sector in India began to witness a moderation in growth after the IL&FS crisis in September 2018. However, with proactive measures and various other initiatives of the Government, RBI and NHB, the sector started to gain momentum.

* Report of Trend and Progress of Housing in India (NHB).

- **Impact of COVID-19 on Housing Finance and Non-bank Finance Companies:**

The pandemic has resulted in economic and operational disruption, has introduced significant uncertainties, and the RBI moratorium had delayed collections disturbing cash flows. Non-bank financiers were in a cash conservation mode and had tightened underwriting standards. As growth expectations got pared, companies were also rationalising expenses, other business costs and risks, through branch rent renegotiations and non-structural cost conservation measures, maintaining diversified funding sources, and raising capital or resorting to financial deleveraging.

- **Opportunities & Threats:**

OPPORTUNITIES

The opportunities and challenges lie in the dichotomy of the current state of the housing sector in India. There are millions of Indian households with aspirations of becoming homeowners and are searching for homes that they can afford within their budget. Ironically, India is also faced with a large stock of housing comprising unsold completed units and under construction units which are in need of last mile funding.

The housing sector has benefited from the government's flagship housing programme, Pradhan Mantri Awas Yojana (PMAY). The Housing for All Mission was launched on June 25, 2015 with an objective to provide Central assistance to implementing agencies through State / Union Territories for providing houses to all eligible families / beneficiaries by 2022. The mission seeks to address the housing requirement of urban poor including slum dwellers through following programme verticals:

i. Slum rehabilitation of Slum Dwellers with participation of private developers using land as a resource;
ii. Promotion of Affordable Housing for weaker section through credit linked subsidy;
iii. Affordable Housing in Partnership with Public and Private sectors;
iv. Subsidy for beneficiary-led individual house construction.

Considering the various government schemes to promote housing for all, there lies many opportunities for the Housing Finance Companies to grow.

THREATS

The liquidity crisis has hampered credit growth for housing finance companies. Following the slowdown in the credit growth of HFCs after September 2018 liquidity crisis, banks have been quick to seize the opportunity.

Cost of funds

With the tight liquidity seen in debt markets since September 2018, HFCs are raising funds from banks as well as selling their assets to banks. Share of securitisation as a funding source is on the rise, while there is a significant decline in short-term borrowings. Consequently, the cost of funds for HFCs has risen. Most of them are keeping on-balance sheet liquidity buffers for meeting any sudden market disruptions and near-term debt obligations, as well as reducing Asset and Liability Management (ALM) gaps. This also increases cost of funds.

Stress Points

- Huge housing inventory pile up coupled with refinancing risks faced by realtors and stress in the SME sector.
- Volatility in the interest rates that could enhance the interest rate risk and disrupt the sustainability of margin of HFCs.
- Economic cycle and resultant impact on employment will remain a potential challenge to HFCs in adjusting to delay and defaults on repayment commitments.

- **Outlook on Affordable Housing:**

#Affordable housing is undoubtedly one of the most significant contributors in the real estate industry, especially in a country like India. The year 2020 started with a bang for this segment of real estate as it made a speedy recovery in the initial few months.

Adding to this, Finance Minister Nirmala Sitharaman announced some beneficiary measures for affordable and mid-range housing projects. However, things drastically changed as the coronavirus hit the nation and real estate emerged as one of the worst affected sectors due to the COVID-19 pandemic.

Coming to 2021, work from anywhere is being adopted at a fast pace and demand for affordable houses with ticket size below INR 40-50 lakh is expected to rise in Tier 2 and 3 cities/towns, leading to an increase in prices in those geographies. The extension of the income tax benefit by one more year for affordable housing for both developers and buyers will further support the demand for this housing lot.

Here are some of the path-carving opportunities for the affordable and mid-ranged housing sector:

Housing for All Mission: The government's 'Housing For All' initiative launched in 2015 came intending to provide affordable housing to the urban poor with a target of building 2 crore affordable houses by March 31, 2022. This has boosted this segment and various rules and regulations such as the Pradhan Mantri Awas Yojna (PMAY) and the GST rate cut from 8% to 1% for the affordable housing segment-have been made to help the economically weaker section to obtain affordable housing.

These new schemes and rules imply that houses below INR 45 lakh will be exchanged with a minimal GST rate of 1%. Furthermore, the government's effort to extend the deadline for Credit Linked Interest Subsidy Scheme to March 31, 2021, under the PMAY scheme has brought a positive impact on the middle-class. Moreover, this government-led initiative has encouraged them to buy properties with their limited budgets.

Affordable Rental Housing Complexes (ARHCs): The Affordable Rental Housing Complexes ARHCs have been envisaged as a sub-scheme under Pradhan Mantri AWAS Yojana-Urban (PMAY-U). This initiative comes intending to provide ease of living to urban migrants engaged in informal sectors contributing to the economy. During the lockdown, migrant workers emerged as the suffering class out of all. They suffered the most as a result of poor communication and a lack of welfare schemes.

Affordable Rental Housing Complexes scheme will help to unlock the ready-made vacant housing stock and make them available for affordable rental. It will encourage investment and promote entrepreneurship in the rental housing sector by providing the right incentives. The private companies and public entities are expected to utilize their vacant land for the development of ARHCs.

SWAMIH Investment Fund: In November 2019, the central government announced an INR 25,000-crore SWAMIH Investment Fund to help complete over 1,500 stalled housing projects. This included those that have been declared non-performing assets (NPAs) or had been admitted for insolvency proceedings. The move is likely to help 4.58 lakh housing units across the nation.

A Special window for Affordable and Mid-Income Housing Investment (SWAMIH) Fund has been formed to complete the construction of stalled, RERA-registered affordable and mid-income category housing projects which are stuck due to inadequacy of capital. The fund is expected to provide relief to homebuyers and fast track the stalled projects by providing last-minute funding on a LIFO basis.

Lucrative Investment Prospects: This is the right time for investment in the realty sector as developers are offering reasonable rates for the best properties to clear unsold inventories. Further, interest rates on home loans are extremely attractive at the moment, making this the perfect time for residents as well as NRIs to take the home investment plunge.
2020 emerged as a flourishing year for real estate investors as the realtors and builders offered some lucrative opportunities for the buyers. This is expected to continue for the near future at least.

Model Tenancy Law: The much-awaited Model Tenancy Act 2019, aims to make renting more lucrative for both landlords and tenants, by plugging the many gaps that currently exist in policies regulating the rental housing segment. The model tenancy law will eliminate irregularities and give a boost to the real estate sector.
#Construction week online: https://www.constructionweekonline.in/people/17184-outlook-for-affordable-housing-in-2021

- **Market Scenario**

**The Indian housing and housing finance sector has undergone a series of transformations amidst the structural changes, policy reforms, liquidity crisis, and COVID-19 pandemic. The sector has emerged stronger and has created new avenues in consonance with the emerging environment. In the current scenario, some of the emerging trends that will shape the market dynamics of housing and housing finance sector are as under:

Increasing Housing Demand in Tier II and Tier III cities - The COVID triggered reverse migration was one of its kind of mass migration India has witnessed in the recent times and has also created a huge opportunity in Tier II and III cities. With Work from Home being the new normal, the professionals belonging to such cities may continue to work from their hometowns thus boosting housing demand in these areas.

Demand for Ready to Move In Houses - With home loan interest rates at an all-time low, the situation of homebuyers has improved and rather than waiting for the property to get constructed, demand for ready to move in homes is improving.

Affordable Rental Housing: The Ministry of Housing and Urban Affairs has initiated Affordable Rental Housing Complexes (ARHCs) as a pro-poor and significant step for urban migrants/ poor. It will be run under Pradhan Mantri Awas Yojana - Urban (PMAY (U)). This initiative is being taken up for the first time in the country to improve their living conditions and obviate them from staying in slums, informal settlements or peri-urban areas. ARHCs aim at creating vibrant, sustainable and inclusive affordable rental housing avenues for urban migrants/ poor by 'aggregation of their demand at a given site'.

Continued Focus on Affordable Segment - The onset of the pandemic and the ensuing lockdown have shifted the consumer preferences towards affordability. Affordable-to-mid-segment housing will continue to remain in demand as homebuyers having an appetite for new property purchases will look to rationalize their quantum of investments

Technological Inclusion: During the COVID-19 pandemic, technology has created new opportunities for digital financial services to accelerate and enhance financial inclusion, amid social distancing and containment measures. The crises has exposed financial services industry to explore new ways of working and has proved to be an accelerator for digital adoption in the lending space. The lenders are seen to be working towards strengthening their digital platforms across the lending value chain.

Backed by Government policies & support measures, rising population and increasing urbanisation, India presents a very conducive environment for affordable housing. To further incentivize and strengthen the demand for affordable housing, the State Government may consider rationalizing or waiving off the stamp duty and registration charges, for such units. Lower property prices on account of reduction/waiver in stamp duty/registration charges will induce more people to purchase affordable housing thus compensating for the revenue forgone by the State on account of rationalization or waiver of such duties.

Given the potential of Indian Housing Sector, housing finance remains an attractive business proposition. The operational and financial advantages of the lending platforms are symbiotic in nature. For instance, the co-lending model of Banks and HFCs translates into a financial advantage for HFCs by bringing down the housing loan interest rates offered by them thereby benefitting the ultimate borrowers. Further, the Banks benefit out of the operational advantages of HFCs thereby increasing the penetration of housing finance, improving the flow of credit to the unserved and undeserved sector of the economy and meeting the objective of financial inclusion. With a growing market, the opportunity lies in accessing new customers as opposed to competing for market share.

* Report of Trend and Progress of Housing in India (NHB).

Overview

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

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

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

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

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

- **Loan Products**

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

MRHMFL also offers home loans under the Affordable Housing Fund (AHF) scheme wherein loans are given in rural areas for following categories viz. backward classes or Minority Community or Women owners or families having annual household income less than INR 3 lakh. Since NHB offers refinance at concessional rate of interest under the scheme, the ultimate rate of interest applicable on loans to beneficiaries is regulated with a cap on the spread.

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

- **Marketing Efforts**

To ensure a deeper geographic reach, MRHMFL has been sourcing retail business through third party channels by appointment of MRHMFL Referral Associates. Referral Associates only source loans while MRHMFL retains control over the credit, legal and technical appraisals.

MRHMFL is operating in four states - Gujarat, Maharashtra, Madhya Pradesh and Rajasthan. MRHMFL has 69 offices across these four states.

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

- **Disbursements**

MRHMFL disbursed INR **50.42** Crores during the year as against INR 92.09 Crores in the previous year. MRHMFL disbursed loans of INR **41.54** Crores (previous year INR 77.63 Crores) for home purchase and renovation. This was due to adoption of cautious approach on disbursement while maintaining high Collection efficiency on account of COVID-19. However, the two quarters are not comparable due to the pandemic impact.

The disbursements of the two years are not comparable due to the pandemic impact during the first quarter of the current year.

MRHMFL disbursed home loans to 452 families (previous year 736 families) and the average home loan to individuals was maintained at INR 0.08 Crores.

MRHMFL disbursed loans of INR 8.87 Crores (previous year INR 8.10 Crores) for purchase of Non Residential Property/Commercial Property.

- **Loans**

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

Approvals beyond certain limits are referred to the Committee of Management. Larger proposals, as appropriate, are referred to the committee of directors, set up by the Board.

During the year, MRHMFL's total outstanding loans decreased to INR 284.89 Crores from INR 286.54 Crores, thereby contraction of 0.58% as compared to the previous year.

MRHMFL's total outstanding home loans to individuals of INR 232.97 crores constitute 81.78% of the total outstanding loans. Loans to individuals for non-residential premises (NRP) of INR 28.81 Crores constituted 10.11% of the total outstanding loans. The outstanding loans to developers of INR 23.11 Crore constituted 8.11% of the total outstanding loans.

- **Provision for Impairment of Loans**

The Company has recognised impairment loss on loans based on the ECL model as required by Ind AS 109. Accordingly, MRHMFL has made a provision for impairment of INR 0.22 Crore towards Stage I loans and INR 0.84 Crore towards Stage II loans.

MRHMFL's Stage III loan assets as at March 31, 2021 were INR 1.04 Crores on which MRHMFL has made a provision of INR 0.29 Crores.

Moreover MRHMFL has reassessed its ECL model on account of COVID-19 pandemic and have made an additional provision of INR 3.31 Cr. on loans.

MRHMFL therefore carries a total provision of INR 4.67 Crores on its total assets as per IND AS 109.

- **RBI and NHB Guidelines and Prudential Norms**

MRHMFL has complied with the guidelines issued by RBI and NHB regarding accounting guidelines, prudential norms for capital adequacy, concentration of credit, credit rating, Know Your Customer (KYC) guidelines and Anti Money Laundering (AML) Standards, Fair Practices Code, grievance redressal mechanism, recovery of dues. The Company has provided for impairment of loans and advances as per IND AS 109 prescribed under section 133 of the Companies Act, 2013 and as per the NHB Circular No. NHB(ND)/DRS/Policy Circular No.89/2017-18 dated June 14, 2018.

MRHMFL's total borrowings as at March 31, 2021 of INR 226.86 Crores were within the permissible limit of RBI and NHB Directions.

MRHMFL's CAR as at March 31, 2021 was 43.45% as against prescribed limit of 14%. The Capital Adequacy on account of Tier I Capital was 35.12% while the Capital Adequacy on account of the Tier II Capital was 8.33%.

- **Risks & Concerns**

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

Asset Liability Management Committee [ALCO]

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

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

Credit Risk Management

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

The Company has recognized following risk mitigants:

- Adjusting the cost of credit according to the credit strength of the borrower.
- Credit tightening, or reducing the amount of credit available to higher risk applicants;
- Diversification or increasing the portfolio mix of borrowers.

- Interest rate sensitivity analysis.

Operational Risk

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

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

The company has recognized following risk mitigants:

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

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

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

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

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

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

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

Market Risk

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

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

- **Central Registry**

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

- **Internal Audit and Control**

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

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

- **Statement of Profit and Loss**

Key elements of the statement of profit and loss for the year ended March 31, 2021 are:

- Profit before tax grew by 69.11% and Profit after tax grew by 68.05% as against the previous year.
- Current year tax provision amounted to INR 0.90 Crore as compared to INR 0.52 Crore in the previous year. The effective income tax rate for the current year was 23.73% against 23.25% in the previous year.
- Pre-tax return on average assets was 1.35% in the current year as against 0.77% in the previous year. Post-tax return on average assets was 1.03% as against 0.59% in the previous year.
- The Earnings Per Share (Basic) was INR 1.36 for the current year against INR 0.81 for the previous year.

- **Human Resource**

The Company believes that the quality and dynamism of its human capital has enabled it to significantly enhance customer experience and stakeholder's value. In order to sustain its growth the company works relentlessly towards being customer-focused, performance-driven and ready for the future. The Company provides employment and growth opportunities to 180 employees with the human resource strength growing with the size and operation of the company. The talent management strategy of the Company strives to deliver its unique talent promise of 'building holistic business leaders. The enthusiasm of staff members continued to be high in sustaining positive growth of disbursements and in maintaining healthy recoveries. With the high level of commitment and loyalty by staff members, MRHMFL is confident to face the challenges of the tougher market conditions.

- **Cautionary Statement**

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

ANNEXURE A TO DIRECTORS' REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014]

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

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

Based on my verification of the records of MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliances mechanism in place to the extent , in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and record maintained by MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED (CIN: U74900GJ2007PLC051383) for the financial year ended on March 31, 2021 according to the provisions of:

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

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

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

ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
v. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; and
vi. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
vii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

3. Other laws as applicable specifically to the Company:

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

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

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

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

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

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

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

I further report that

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

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

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

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

I 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 : May 12, 2021

Signature:

Name of Practicing Company Secretary: Parth P Shah
ACS No. : 48591
C P No. : 18640
UDIN: A048591C000320093

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

ANNEXURE-A to MR-3

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

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

MANAGEMENT RESPONSIBILITY:

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

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

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

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

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

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

Place : Ahmedabad

Signature:

Date : May 12, 2021

Name of Practicing Company Secretary: Parth P Shah
ACS No. : 48591
C P No. : 18640
UDIN: A048591C000320093

ANNEXURE B TO DIRECTORS' REPORT

MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED

FORM NO. AOC -2

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

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

I. Details of Contracts or Arrangements or Transactions at Arms length basis for the year ended March 31, 2021.

Sl No.	Particulars	Details
a.	Name(s) of the related party & nature of relationship	MAS Financial Services Limited (MFSL)
b.	Nature of contracts / arrangements / transaction	Availing of Services
c.	Duration of the contracts / arrangements / transaction	One Year
d.	Salient terms of the contracts or arrangements or transaction including the value, if any.	MFSL agrees to provide MRHMFL within the premises the amenities, services, facilities-Usage of commercial premises of MFSL, furniture's & fixtures including computers, telephone lines, networks, use of water and water supply, and other necessary amenities for carrying on business activities smoothly.
e.	Justification for entering into such contracts or arrangements or transactions.	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.
f.	Date of approval by the Board	July 29, 2020
g.	Amount paid as advances, if any	No such amount was paid as advances.
h.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A

Sl. No.	Particulars	Details
a.	Name(s) of the related party & nature of relationship	MAS Financial Services Limited
b.	Nature of contracts/arrangements/transaction	Availing of Services
c.	Duration of the contracts/arrangements/transaction	Two Years
d.	Salient terms of the contracts or arrangements or transaction including the value, if any	MRHMFL appoints MFSL as recovery agent to collect outstanding instalments and other dues from its customers and MFSL in consideration accepts appointment and agrees to provide the said service under the terms and conditions as set forth.
e.	Justification for entering into such contracts or arrangements or transactions.	MRHMFL is in requirement of services for recovery of dues from customers at its various branches and MFSL has network executives at its various branches. So, to avail its services, MRHMFL has requested MFSL to provide services of recovery agent.
f.	Date of approval by the Board	March 14, 2019
g.	Amount paid as advances, if any	No such amount was paid as advances.
h.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A.

Sl. No.	Particulars	Details
a.	Name(s) of the related party & nature of relationship	MAS Financial Services Limited
b.	Nature of contracts/arrangements/transaction	Availing of Services
c.	Duration of the contracts/arrangements/transaction	One Year
d.	Salient terms of the contracts or arrangements or transaction including the value, if any	The Executive Management of MAS Financial Services Limited will share several intellectual services to MAS Rural Housing & Mortgage Finance Limited to carry out the Operations of the Company effectively. Since the remuneration for their services is paid by MAS Financial Services Limited and considering various parameters to look in to the activities of the Company, MRHMFL will pay an amount decided by the Board of Directors as Cross Charge payment to share the Cost of Remuneration of the Executive Management.
e.	Justification for entering into such contracts or arrangements or transactions.	MRHMFL is in requirement of various intellectual services of the Executive Management of MAS Financial Services Limited to carry out the Business Operations of the Company effectively considering various parameters to look in to the activities of the Company.
f.	Date of approval by the Board	October 23, 2019
g.	Amount paid as advances, if any	No such amount was paid as advances.
h.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A.

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

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

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

KAMLESH C. GANDHI
CHAIRMAN & MANAGING DIRECTOR
DIN: 00044852

Date : May 12, 2021
Place : Ahmedabad

ANNEXURE C

POLICY ON RELATED PARTY TRANSACTIONS

1) Prelude

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

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

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

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

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

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

2) Objective of the Policy

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

3) Applicability and Legal Framework

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

4) Definitions

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

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

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

5) Policy on Related Party Transactions:

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

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

6) Identification of potential related parties and transactions

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

7) Approval of Related Party Transactions

a) Prior Approval of Audit Committee

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

c) Approval of the Shareholders of the Company:

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

8) Disclosures

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

9) Related Party Transactions not approved under this Policy

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

****

NOTICE

NOTICE is hereby given that the Fourteenth (14th) Annual General Meeting (AGM) of the members of MAS Rural Housing & Mortgage Finance Limited will be held at 11:00 am, on Wednesday, the 26th day of May, 2021 at 5th Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad – 380 009 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statement of the Company for the year ended March 31, 2021 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity and preference shares.
3. To appoint a Director in place of Mrs. Darshana S. Pandya, (DIN 07610402), liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

4. To re-appoint Mr. Subir Nag (DIN: 02169915) as an Independent Director of the Company for a term of 5 years:

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force), in pursuance to recommendation of Nomination and Remuneration Committee, approval of the members of the Company be and is hereby accorded for reappointment of Mr. Subir Nag (DIN: 02169915) as an Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for reappointment to hold office for second term of five consecutive years with effect from December 30, 2020 and whose office shall not be liable to retire by rotation.

By order of the Board

Darshil Hiranandani
Company Secretary
(A47986)

Place : **Ahmedabad**
Date : **May 12, 2021**

ANNEXURE TO THE NOTICE

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

As required under Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 4 of the Notice.

Item No. 4: To re-appoint Mr. Subir Nag (DIN: 02169915) as an Independent Director of the Company for a term of 5 years:

Mr. Subir Nag (DIN: 02169915) having Registration No. IDDB-DI-202002-014034 of Director in Independent Director's Data Bank, aged 55 years, is an Independent Director of our Company. He is an Electrical Engineer from Jadavpur University and MBA in finance from XLRI Jamshedpur. Also, he is having more than 15 years of experience in Project Management, Investment Banking and Corporate Finance and previously he was the Director and Head-Mezzanine Fund at ICICI Venture Fund Management Limited. The NRC, while recommending the re-appointment of Independent Director, considered various factors viz., the number of board, and general meetings attended by the Independent Director; summary of performance evaluation; his physical fitness & mental alertness; knowledge & experience in her fields; his participation in the Board deliberations; his specialised skills and expertise and his independent judgment in the opinion of the entire Board.

As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors vide their Circular Resolution dated December 2, 2020, subject to approval of Members at the ensuing Annual General Meeting, Mr. Subir Nag (DIN: 02169915) was appointed as Independent Director of the Company to hold office for second term of five consecutive years with effect from December 30, 2020 and whose office shall not be liable to retire by rotation.

The Company has also received a declaration from Mr. Subir Nag confirming the criteria of Independence as prescribed under Section 149(6) of the Companies Act. Mr. Subir Nag is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013, as amended from time to time. In the opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 and is independent of the management

Disclosure under Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

Mr. Subir Nag is deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the proposed resolution.

The Board recommends the resolutions set forth in the Item No. 4 of the Notice for approval of the Members.

ANNEXURE TO THE EXPLANATORY STATEMENT

Information as required under the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India requires certain additional disclosures in respect of Directors being Re-appointed / Appointed:

Particulars	Appointment
Name of the Director	Mr. Subir Nag
DIN	02169915 (Registration No. IDDB-DI-202002-014034 Independent Director's Data Bank)
Date of birth	02/10/1966
Age	55 years
Qualification	He is an Electrical Engineer from Jadavpur University and MBA in finance from XLRI Jamshedpur.
Experience (including expertise in specific functional area) / Brief Resume	He is having more than 15 years of experience in Project Management, Investment Banking and Corporate Finance and previously he was the Director and Head-Mezzanine Fund at ICICI Venture Fund Management Limited. Since 2015, he is associated with the Company
Nature of her expertise in specific functional areas	Finance
Terms and Conditions of Re-appointment	Mr. Subir Nag is re-appointed as an Independent Director for a period of 5 years subject to approval of the members of the Company.
Remuneration last drawn and/or proposed to be paid	NIL (Sitting fees of INR 55,000/- paid during the Financial year 2020-21)
Date of first appointment on the Board	December 30, 2015
Shareholding in the company	NIL
Relationship with other Directors/Manager and other KMP of the company	NIL
Number of Meetings of the Board attended during the year 2020-21	5
Names of listed entities in which the person also holds the Directorships.	Nil
Names of listed entities in which the person also holds Membership of Committees of Board.	Nil
Contact no.	079-41106501
E-Mail	subirnag@gmail.com

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The proxy form, to be valid and effective, should be lodged at the registered office of the Company, duly completed and signed, not less than forty-eight hours before the commencement of the AGM.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carry voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Subject to the provisions of Section 126 of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the AGM, will be dispatched/remitted commencing on or after May 26, 2021.

All documents referred to in the notice and the explanatory statement requiring the approval of the Members at the AGM and other statutory registers shall be available for inspection by the Members at the registered office of the Company during office hours on all working days between 11.00 a.m. and 1.00 p.m. on all working days of the Company from the date hereof up to the date of ensuing annual general meeting.

In terms of the provisions of Section 124 of the Companies Act, 2013, the amount of dividend not encashed or claimed within 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the Government.

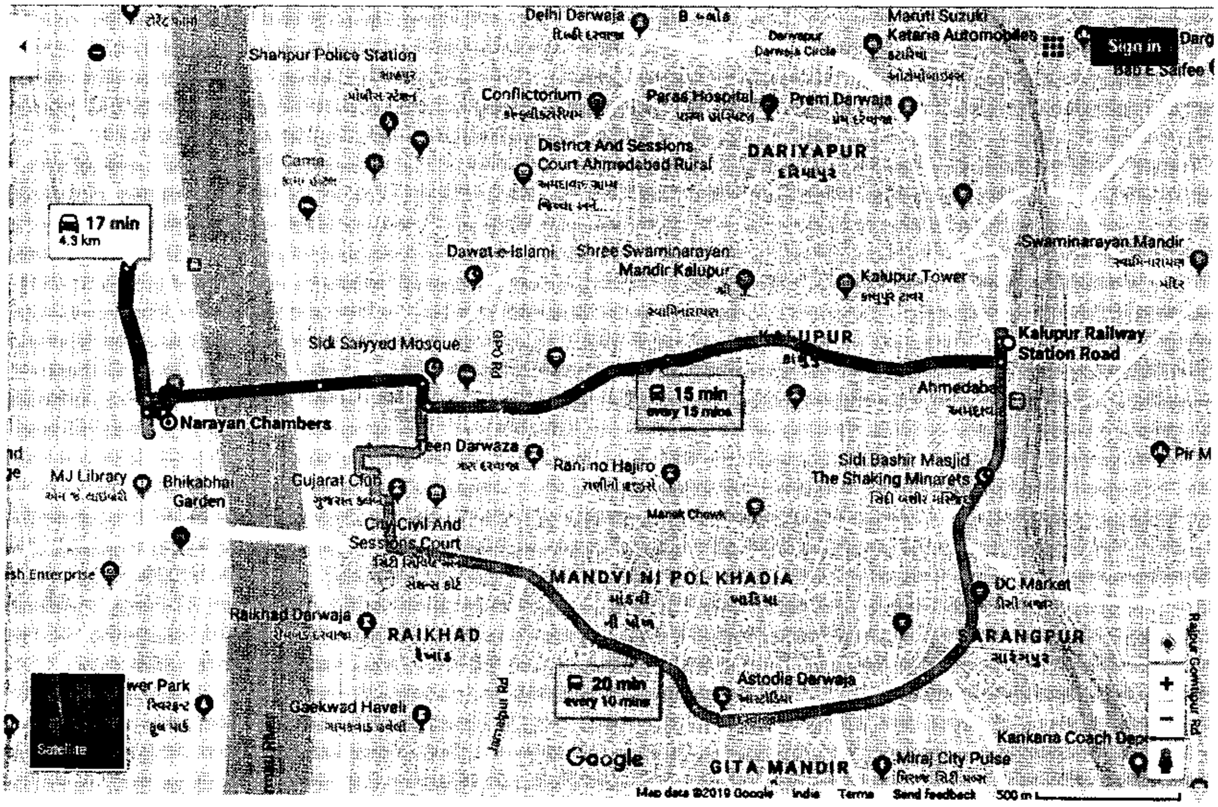
The Notice and the Annual Report of the Company for the financial year 2020-21 are being sent to the Members in accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014.

The Company requests those Members who have not yet registered their e-mail address, to register the same directly with their DP, in case shares are held in electronic form and to the Company, in case shares are held in physical form.

The Annual Report 2020-21 of the Company is also available on the Company's website at www.mrhmfl.co.in

For Security reasons and for proper conduct of AGM, entry to the place of the AGM will be regulated by the Attendance Slip, which is annexed to this Notice. Members / Proxies are requested to bring their Attendance Slip in all respects and signed at the place provided there at and hand it over at the entrance of the venue. The route map of the AGM venue is also annexed to this Notice.

Route Map to the Venue of AGM:



Form No. MGT-11

Proxy form

*[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (*Management and Administration*) Rules, 2014]*

Name of the Member(s): ____________________
Registered Address: ____________________
E-mail Id: ____________ Folio No. / Client Id: ________ DP ID: ____________

I / We being the member of MAS Rural Housing & Mortgage Finance Limited, holding _______ shares, hereby appoint

1. Name: ____________________ Address: ____________________
   E-mail Id: ____________________ Signature: ____________ or failing him;
2. Name: ____________________ Address: ____________________
   E-mail Id: ____________________ Signature: ____________ or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 14th Annual General Meeting of members of the Company, to be held on Wednesday, May 26, 2021 at 5th Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad – 380 009 of the Company at 11:00 am and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Brief details of the Resolutions
1.	Adoption of the Audited Financial Statement and Reports of the Board of Directors and the Auditors thereon for the year ended March 31, 2021.
2.	To declare dividend on equity and preference shares.
3.	To appoint a Director in place of Mrs. Darshana S. Pandya, (DIN 07610402), liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers herself for re-appointment.
4.	To re-appoint Mr. Subir Nag (DIN: 02169915) as an Independent Director of the Company for a term of 5 years.

Signed this __________ day of __________ 2021.

Affix Revenue Stamp

Signature of Shareholder:

Signature of Proxy holder(s):

Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
2. **A proxy need not be a member of the Company.**
3. *For the Resolutions, and Notes, please refer to the Notice of the 14th 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 – 14th 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 FOURTEENTH ANNUAL GENERAL MEETING of the Company at Wednesday, May 26, 2021 at the 5th Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad – 380 009 of the Company at 11:00 am.

Full name of the Member/Proxy attending the Meeting	
Member's/Proxy's Signature	

Note: Please fill in this attendance slip and hand it over at the ENTRANCE OF THE HALL. Shareholders attending the meeting are requested to bring their copies of the Annual Report with them.

RAJPARA ASSOCIATES
Chartered Accountants

D -1107, The First, Near Hotel ITC Narmada, Behind Keshavbaug Party Plot, Vastrapur, Ahmedabad-380 015. Phone: 079-4849 3366. E mail: admin@carajpara.com
carajpara.com

INDEPENDENT AUDITOR'S REPORT

To the Members of
MAS Rural Housing and Mortgage Finance Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of **MAS Rural Housing and Mortgage Finance Limited** which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flow, the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including Ind AS, of the financial position of the Company as at 31 March, 2021, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the code of Ethics issued by the institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS 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 principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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Ahmedabad
Chartered Accountants

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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraudor error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these Ind AS Financial Statements based on 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 underthe provisions of the Act and the Rules made thereunder.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS Financial Statements that give a true and fair view in order to design audit procedures thatare appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operative effectiveness of such controls. 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 Ind AS Financial Statements.

Emphasis of Matter

- As per Note 26 forming part of financial statement management has chosen to depart from Requirement of IND AS 109 "Financial Instruments" for the treatment of "Direct Assignment" transactions. Management has concluded that departure from IND AS is required to present true and fair view of financial position of company and our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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 bestof our knowledge and belief were necessary for the purpose of our audit;

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

RAJPARA ASSOCIATES Ahmedabad Chartered Accountant

c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement and statement of changes in equity dealt with by this Report are in agreement with the books of account;

d. in our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards (Ind AS) specified under section 133 of the Act, read with relevant rules issued thereunder, except for a particular requirement of IND AS 109 "Financial Instruments" as explained in note 26 of the Financial Statements;

e. On the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

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

    i. The Company does not have any pending litigations which would impact its financial position.
    ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Rajpara Associates
Chartered Accountants
FRN 113428W

Rajpara

C J Rajpara
Partner
M. No. 046922

RAJPARA ASSOCIATES Ahmedabad Chartered Accountants

Place: Ahmedabad
Date: May 12, 2021
UDIN: 21046922AAAACZ2104

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

(i) In respect of its fixed assets:

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

(b) The fixed assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regards to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the book records and the physical fixed assets have been noticed.

(c) No immovable property is held by the company and accordingly, the provisions of clause 3 (i) (c) of the Order are not applicable to the Company and hence not commented upon.

(ii) The company being Non-banking Financial Company has no inventory; Accordingly, the provisions of clauses 3(ii) of the order are not applicable to the company.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, the provisions of clauses 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

(v) According to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed thereunder.

(vi) In respect of the activities of the Company, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

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

(a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, salestax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it.

(b) According to the records of the company, there are no disputed statutory dues for income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess.

RAJPARA ASSOCIATES * Chartered Accountant * Ahmedabad

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions or Government. The Company has not issued any debentures.

(ix) In our opinion and according to information and explanations given to us, term loans have been applied for the purposes for which they were obtained. Company has not raised moneys by way of initial public offer or further public offer.

(x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

(xi) Based upon the audit procedures performed and the information and explanations given by the management, no managerial remuneration has been paid or provided. Therefore, the provision of clause 3 (xi) of the Order are not applicable to the Company.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

(xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.

(xiv) Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year under review and therefore provisions of Clause 3(xiv) is not applicable to company.

(xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directorsor persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

(xvi) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For Rajpara Associates
Chartered Accountants
FRN 113428W

C J Rajpara
Partner
M. No. 046922

RAJPARA ASSOCIATES Ahmedabad Chartered Accountant

Place: Ahmedabad
Date: May 12, 2021
UDIN: 21046922AAAACZ2104

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in clause (f) of paragraph 2 under 'Report on other Legal and RegulatoryRequirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **MAS Rural Housing and Mortgage Finance Limited** as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential componentsof internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Rajpara Associates
Chartered Accountants
FRN 113428W

C J Rajpara
Partner
M. No. 046922

Place:Ahmedabad
Date: May12, 2021
UDIN: 21046922AAAACZ2104

RAJPARA ASSOCIATES Ahmedabad Chartered Accountants

MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED

STANDALONE BALANCE SHEET AS AT 31 MARCH 2021

(Amount in ₹)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
			(Restated Refer Note No. 26)	(Restated Refer Note No. 26)
ASSETS				
Financial assets				
Cash and cash equivalents	5	22,06,27,144	21,07,45,086	41,22,89,043
Bank Balance other than cash and cash equivalents	6	38,94,768	2,05,087	1,92,533
Loans	7	2,58,17,54,149	2,53,40,10,323	2,64,71,50,485
Other Financial assets	8	2,11,12,582	2,62,48,195	58,94,667
Total Financial Assets		**2,82,73,88,643**	**2,77,12,08,691**	**3,06,55,26,728**
Non-Financial Assets				
Income tax assets (net)		-	1,84,611	-
Deferred tax Assets (Net)	9	45,24,201	17,68,777	85,87,970
Property, Plant and Equipment	10 (a)	63,53,704	84,35,958	98,74,207
Right-of-use Asset	10 (c)	16,12,582	39,21,377	-
Other Intangible assets	10 (b)	47,954	71,815	1,04,905
Other non-financial assets	11	54,77,351	83,28,225	49,20,774
Total Non Financial Assets		**1,80,15,792**	**2,27,10,763**	**2,34,87,856**
Total Assets		**2,84,54,04,435**	**2,79,39,19,454**	**3,08,90,14,584**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
Payables				
(I)Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		71,81,045	59,70,400	46,71,641
(II) Other Payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
Borrowings (Other than Debt Securities)	12	2,25,23,84,768	2,21,48,58,732	2,53,44,10,639
Other financial liabilities	13	2,13,84,389	3,57,24,237	8,06,37,796
Total Financial Liabilities		**2,28,09,50,202**	**2,25,65,53,369**	**2,61,97,20,076**
Non-Financial Liabilities				
Current tax liabilities (Net)		38,09,386	-	94,380
Provisions	14	58,889	1,56,762	1,34,933
Other non-financial liabilities	15	2,12,30,780	2,70,30,659	60,02,259
Total Non Financial Liabilities		**2,50,99,055**	**2,71,87,421**	**62,31,572**
Total Liabilities		**2,30,60,49,257**	**2,28,37,40,790**	**2,62,59,51,648**
EQUITY				
Equity Share Capital	16	21,22,64,040	21,22,64,040	21,22,64,040
Other Equity	17	32,70,91,138	29,79,14,624	25,07,98,896
Total Equity		**53,93,55,178**	**51,01,78,664**	**46,30,62,936**
Total Liabilities and Equity		**2,84,54,04,435**	**2,79,39,19,454**	**3,08,90,14,584**
The notes referred to above form an integral part of these financial statements				

In terms of our report attached
For Rajpara Associates
Chartered Accountants

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

Chandramaulin Rajpara
Partner
Membership No.046922

RAJPARA ASSOCIATES Ahmedabad Chartered Accountant

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

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

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

Ankit Jain
(Chief Financial Officer)

Place: Ahmedabad
Date: 12 May 2021

Place: Ahmedabad
Date: 12 May 2021

SRAS RURAL HOUSING & MORTGAGE FINANCE LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

(Amount in ₹)

Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
			(Restated Refer Note No. 26)
I. Revenue from operations			
Interest Income	18	34,21,43,548	37,73,80,852
Income on assigned loans (Refer Note No. 26)		66,85,480	29,97,186
Fees and commission Income		20,38,261	15,31,958
Total Revenue from operations		**35,08,67,289**	**38,19,09,996**
Other Income	19	18,45,343	17,67,072
Total Income		**35,27,12,632**	**38,36,77,068**
II. Expenses			
Finance Costs	20	21,06,72,440	24,41,15,154
Impairment on financial instruments	21	2,96,18,412	2,18,88,035
Employee Benefit Expenses	22	5,18,42,820	6,04,21,517
Depreciation, Amortization and Impairment	23	44,25,241	53,54,536
Other expenses	24	1,83,08,269	2,95,18,046
Total Expenses		**31,48,67,182**	**36,12,97,288**
Profit before exceptional items and tax (I - II)		3,78,45,450	2,23,79,780
Exceptional items		-	-
III. Profit Before Tax		**3,78,45,450**	**2,23,79,780**
IV. Tax Expense:			
Current Tax	9	1,25,40,000	99,50,000
Short / (Excess) Provision For Tax Relating to Prior Years	9	(29,462)	10,360
Net current tax expense		**1,25,10,538**	**99,60,360**
Deferred tax credit	9	(35,28,325)	(47,55,953)
Net tax expense		**89,82,213**	**52,04,407**
V. Profit for the year (III - IV)		**2,88,63,237**	**1,71,75,373**
VI. Other comprehensive income			
(A) Items that will not be reclassified to profit or loss:			
Remeasurement of the defined benefit liabilities		8,19,273	(4,14,087)
Income tax impact on above		(1,68,009)	1,04,226
Total		6,51,264	(3,09,861)
(B) Items that will be reclassified to profit or loss:			
Loans and Advances through other comprehensive Income		24,03,225	7,26,091
Income tax impact on above		(6,04,892)	(1,82,757)
Total		17,98,333	5,43,334
Other comprehensive income		**24,49,597**	**2,33,473**
VII. Total comprehensive income for the year (V + VI)		**3,13,12,834**	**1,74,08,846**
VIII. Earnings per equity share (of ₹ 10 each):	25		
Basic		1.36	0.81
Diluted		1.36	0.81

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

In terms of our report attached
For Rajpara Associates
Chartered Accountants

For and on behalf of the Board of Directors of
SRAS Rural Housing and Mortgage Finance Ltd.

Chandramaulin Rajpara
Partner
Membership No.046922

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

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

RAJPARA ASSOCIATES Ahmedabad Chartered Accountants

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

Ankit Jain
(Chief Financial Officer)

Place: Ahmedabad
Date: 12 May 2021

Place: Ahmedabad
Date: 12 May 2021

SAS RURAL HOUSING & MORTGAGE FINANCE LIMITED

STANDLONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

(A) Equity Share Capital

(Amount in ₹)

Particulars	Balance at 1 April 2019	Changes in equity share capital during the year	Balance at 31 March 2020	Changes in equity share capital during the year	Balance at 31 March 2021
Equity Share of ₹ 10 each issued, subscribed and fully paid	21,22,64,040	-	21,22,64,040	-	21,22,64,040

(B) Other Equity

(Amount in ₹)

Particulars	Reserves and Surplus					OCI	Total
	Reserve fund u/s. 29-C of NHB Act,1987	Securities Premium	Equity component of compound financial instruments - OCPS	Employee cost on discount on shares issued by Holding Company	Retained Earnings	Loans and advances through OCI	
Balance at 1 April 2019	**4,38,98,865**	**12,12,35,841**	**56,32,980**	**6,79,905**	**8,24,08,438**	**-**	**25,38,56,029**
Impact of changes in accounting policy	-	-	-	-	(30,57,133)	-	
Restated balance at 1 April 2019 (Refer note 26)	**4,38,98,865**	**12,12,35,841**	**56,32,980**	**6,79,905**	**7,93,51,305**	**-**	**25,07,98,896**
Transition impact of Ind AS 116 (Net of Tax)	-	-	-	-	(3,58,633)	-	(3,58,633)
Profit for the year	-	-	-	-	1,71,75,373	-	1,71,75,373
Re-measurement of defined benefit plans (net of taxes)	-	-	-	-	(3,09,861)	11,87,276	8,77,415
Dividend on equity shares	-	-	-	-	(10,61,320)	-	(10,61,320)
Dividend distribution tax on equity dividend	-	-	-	-	(2,18,208)	-	(2,18,208)
Equity component of 6% OCPS issued during the period (net of tax)	-	-	3,45,37,882	-	-	-	3,45,37,882
Dividend on preference shares	-	-	(31,82,466)	-	-	-	(31,82,466)
Dividend distribution tax on preference dividend	-	-	(6,54,315)	-	-	-	(6,54,315)
Transfer to Reserve fund u/s. 29-C of NHB Act,1987	88,90,000	-	-	-	(88,90,000)	-	-
Balance at 31 March 2020 (Refer note 26)	**5,27,88,865**	**12,12,35,841**	**3,63,34,081**	**6,79,905**	**8,56,88,656**	**11,87,276**	**29,79,14,624**
Profit for the year	-	-	-	-	2,88,63,237	-	2,88,63,237
Re-measurement of defined benefit plans (net of taxes)	-	-	-	-	6,51,264	40,46,041	46,97,305
Dividend on Equity Shares including DDT	-	-	-	-	(10,72,553)	-	(10,72,553)
Dividend on Preference Shares including DDT	-	-	(33,11,475)	-	-	-	(33,11,475)
Transfer to Reserve fund u/s. 29-C of NHB Act,1987	1,12,00,000	-	-	-	(1,12,00,000)	-	-
Balance at 31 March 2021	**6,39,88,865**	**12,12,35,841**	**3,30,22,606**	**6,79,905**	**10,29,30,604**	**52,33,317**	**32,70,91,138**

In terms of our report attached
For Rajpara Associates
Chartered Accountants

For and on behalf of the Board of Directors of
SAS Rural Housing & Mortgage Finance Ltd.

Chandramaulin Rajpara
Partner
Membership No.046922

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

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

RAJPARA ASSOCIATES Ahmedabad Chartered Accountants

Darshit Hiranandani
(Company Secretary)
(Membership No: A47983)

Ankit Jain
(Chief Financial Officer)

Place: Ahmedabad
Date: 12 May 2021

Place: Ahmedabad
Date: 12 May 2021

MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

(Amount in ₹)

Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		**3,78,45,450**		**2,23,79,780**
Adjustments for :				
Depreciation and Amortisation	44,25,241		53,54,536	
Finance Costs	21,06,72,440		24,41,15,154	
Impairment on financial assets	1,49,97,597		1,92,05,403	
Loss assets written off (net)	1,46,20,815		26,82,632	
Interest Income	(33,58,61,093)		(36,56,41,319)	
Interest Income from Investments and Deposits	(58,07,866)		(1,17,39,533)	
Gain on derecognition of leased asset	(1,979)		(12,108)	
		(9,69,54,845)		**(10,60,35,235)**
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**(5,91,09,395)**		**(8,36,55,455)**
Changes in Working Capital:				
Adjustments for (increase)/decrease in operating assets:				
Loans and Advances	(6,82,66,150)		7,28,53,053	
Deposits given as Collateral	2,000		(50,648)	
Bank balance other than cash and cash equivalents	(11,74,764)		(12,554)	
Other financial and non-financial asset	37,04,971		(40,45,612)	
Adjustments for increase/(decrease) in operating liabilities:				
Trade Payables	12,10,645		12,98,759	
Security Deposits from Borrowers	(66,18,021)		28,04,529	
Advance from Borrowers	1,72,851		(1,22,630)	
Other financial and non-financial liabilities	(75,89,806)		(3,21,97,511)	
Provisions	(97,873)		21,829	
		(7,86,56,147)		**4,05,49,215**
CASH GENERATED FROM / (USED IN) OPERATIONS		**(13,77,65,542)**		**(4,31,06,240)**
Finance Costs paid	(21,57,59,457)		(23,82,49,363)	
Income Tax Paid (Net)	(85,16,541)		(1,02,39,351)	
Interest Income Received	33,81,01,418		36,53,31,620	
		11,38,25,420		**11,68,42,906**
NET CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)		**(2,39,40,122)**		**7,37,36,666**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on Property, Plant & Equipments and Intangible Assets	(10,331)		(7,64,296)	
Change in Earmarked balances with banks and other free deposit	(25,14,917)		-	
Interest Income from Investments and Deposits	58,07,866		1,17,39,533	
NET CASH FLOW GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)		**32,82,618**		**1,09,75,237**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Optionally Convertible Preference Shares	-		10,00,00,000	
Repayment of principal component of lease liability	(25,19,531)		(30,09,290)	
Proceeds from debt securities and borrowings	62,10,00,000		44,00,00,000	
Repayments of borrowings	(58,57,60,721)		(81,80,99,783)	
Net Increase / (Decrease) in Working Capital Borrowings	22,03,842		(30,478)	
Dividends paid including dividend distribution tax	(43,84,028)		(51,16,309)	
NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)		**3,05,39,562**		**(28,62,55,860)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**98,82,058**		**(20,15,43,957)**
Cash and Cash Equivalents at the beginning of the year		21,07,45,086		41,22,89,043
Cash and Cash Equivalents at the end of the year (Refer Note 1 below)		**22,06,27,144**		**21,07,45,086**

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SRG RURAL HOUSING & MORTGAGE FINANCE LIMITED

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

(Amount in ₹)

	Notes:	As at 31 March 2021	As at 31 March 2020
1	Cash and bank balances at the end of the year comprises:		
	(a) Cash on Hand	12,31,644	14,06,088
	(b) Balances with banks	21,93,95,500	20,93,38,998
	Cash and Cash Equivalents as per Balance Sheet	**22,06,27,144**	**21,07,45,086**

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

3 The Company as at 31 March 2021 has undrawn borrowing facilities amounting to ₹ 1,690.96 lakhs that may be available for future operating activities and to settle capital commitments.

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

(Amount in ₹)

Particulars	31 March 2020	Cash Flows	Non-cash changes*	31 March 2021
Borrowings other than debt securities	2,21,48,58,732	3,74,43,121	82,915	2,25,23,84,768
Total liabilities from financing activities	**2,21,48,58,732**	**3,74,43,121**	**82,915**	**2,25,23,84,768**

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

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

In terms of our report attached
For Rajpara Associates
Chartered Accountants

For and on behalf of the Board of Directors of
SRG Rural Housing & Mortgage Finance Ltd.

Chandramaulin Rajpara
Partner
Membership No.046922

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

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

RAJPARA ASSOCIATES Ahmedabad Chartered Accountant

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

Ankit Jain
(Chief Financial Officer)

Place: Ahmedabad
Date: 12 May 2021

Place: Ahmedabad
Date: 12 May 2021

1. CORPORATE INFORMATION

MAS Rural Housing & Mortgage Finance Limited ("The Company") is a public company incorporated under the provisions of Companies Act, 1956. It is registered as a Non Deposit taking Housing Finance Company with the National Housing Bank ("NHB"). The Company provides housing loans in the segment of Affordable Housing in Rural & Urban areas, Commercial loans and Project loans for construction of affordable houses. The activities of the company are spread all over Gujarat, Maharashtra, Madhya Pradesh & Rajasthan.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (the "Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the "Act") along with other relevant provisions of the Act and Master Circular- The Housing Finance Companies (NHB) Directions, 2010 ('Master Directions') issued by NHB..

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

2.2 Basis of measurement

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain financial instruments which are measured at fair values as required by relevant Ind AS.

2.3 Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Company operates (the "functional currency").

2.4 Use of estimates and judgements

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

Estimation of uncertainties relating to the global health pandemic from COVID-19:
The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the accounting estimates. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of standalone financial statements.

Judgements

In the process of applying the Company's accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Business model assessment

Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest ("SPPI") test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors the financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

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Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value refer note 3.8 and note 39.

ii) Effective Interest Rate ("EIR") method

The Company's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.
b) Development of ECL models, including the various formulas and the choice of inputs.
c) Determination of associations between macroeconomic scenarios and economic inputs, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").
d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.
e) Management overlay used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios.

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

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iv) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

For further details on provisions and other contingencies refer note 3.16.

v) Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recovered for uncertain tax positions. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

vi) Defined Benefit Plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. The Management believes that the estimates used in preparation of the standalone financial statements are prudent and reasonable.

2.5 Presentation of the standalone financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 37.

Financial assets and financial liability are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

i) The normal course of business
ii) The event of default

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of Interest Income

A. EIR method

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

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

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

B. Interest income

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

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

3.2 Financial Instrument - Initial Recognition

A. Date of recognition

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

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments (Refer note 3.3(A)). Financial instruments are initially measured at their fair value (as defined in Note 3.8), transaction costs are added to, or subtracted from this amount, except in the case of financial assets and financial liabilities recorded at FVTPL.

C. Measurement categories of financial assets and liabilities

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

i) Amortised cost
ii) FVOCI
iii) FVTPL

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3.3 Financial assets and liabilities

A. Financial Assets

Business model assessment

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

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

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

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

SPPI test

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

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

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

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

Accordingly, the financial assets are measured as follows:

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

ii) **Financial assets measured at FVOCI**
A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Since, the loans and advances are held to sale and collect contractual cash flows, they are measured at FVOCI.

iii) **Financial assets at FVTPL**
A financial asset which is not classified in any of the above categories are measured at FVTPL.

B. Financial Liability

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

ii) **Subsequent measurement**
Financial liabilities are carried at amortized cost using the effective interest method.

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3.4 Reclassification of financial assets

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

3.5 Derecognition of financial assets and liabilities

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

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

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

i) Financial assets

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

On derecognition of financial assets on account of direct assignment of loans, gain is recognized as "Unearned income on assigned loans" under the head other non-financial liabilities and amortized in the profit or loss over the underlying residual terms of the assigned portfolio. It is change in accounting policy which has been implemented with retrospective effect from 1 April 2019. Refer note 26 for details.

Further, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset.

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

ii) Financial liability

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

3.6 Impairment of financial assets

A. Overview of the ECL principles

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

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

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

ii.) Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

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

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

Stage 1: Stage 1 consists of accounts having Days Past Due ("DPD") upto 30 days. When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant increase in credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2.

Stage 2: Stage 2 consists of loans accounts having DPD above 30 but upto 90. When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. Borrowers are also classified under stage 3 bucket under instances like fraud identification and legal proceeding. Further, stage 3 loan accounts are identified at customer level (i.e. a Stage 1 or 2 customer having other loans which are in Stage 3). The Company records an allowance for life time ECL.

There is a curing period with Stage 3 loan, where even if the DPD days are reduced by 90 days the same will not be upgraded to Stage 1 until the loan is 0 DPD.

B. The calculation of ECLs

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

PD The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments

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

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

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%. Credit impairment loans are determined at borrower level.

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

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Significant increase in credit risk

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

Definition of default

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

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

C. Loans and advances measured at FVOCI

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

D. Forward looking information

In its ECL models, the Company relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time.

3.7 Write-offs

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

3.8 Determination of fair value

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

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

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

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

• Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement

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3.9 Recognition of other income and expenses

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

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

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

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

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

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

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

A. Interest income on Bank deposits & Other Income

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

B. Fees and commission income

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

C. Finance costs

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

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

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

3.10 Cash and cash equivalents

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

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3.11 Property, plant and Equipments

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

Depreciation is calculated using the straight line method to write down the cost of property, plant and equipment to their residual values over their estimated useful lives as specified under schedule II of the Act. Land is not depreciated.

The estimated useful lives are, as follows:

i) Office Equipment - 3 to 15 years
ii) Furniture and Fixtures - 10 years
iii) Vehicles - 8 years

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

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

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

3.12 Intangible Assets

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

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

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

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

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

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

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

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3.14 Leasing

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

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:
- Leases of low value assets; and
- Leases with a duration of 12 months or less

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

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

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

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

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

3.15 Retirement and other employee benefits

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

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

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

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

As per Ind AS 19, the service cost and the net interest cost are charged to the Statement of Profit and Loss. Actuarial gains and losses arising due to differences in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation, are recognized in the Other Comprehensive Income (OCI).

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Short-term employee benefits

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

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

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

3.16 Provisions, contingent liabilities and contingent assets

A. Provisions

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

B. Contingent liability

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

C. Contingent Asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

3.17 Taxes

A. Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

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

B. Deferred tax

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

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

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

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

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

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

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

3.18 Earnings Per Share

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

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

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

3.19 Dividends on ordinary shares

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

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

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

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(Amount in ₹)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Note 5. Cash and Cash Equivalents			
Cash on Hand	12,31,644	14,06,088	10,57,820
Balances with Banks:			
In Current/ Cash Credit Accounts	21,93,95,500	20,93,38,998	41,12,31,223
Total Cash and Cash Equivalents	**22,06,27,144**	**21,07,45,086**	**41,22,89,043**
Note 6. Bank Balance other than cash and cash equivalents			
In Current Accounts (Refer Note below)	13,79,851	2,05,087	1,92,533
In Fixed Deposit Accounts			
Deposits given as security against borrowings and other commitments	25,14,917	-	-
Total Bank Balance other than cash and cash equivalents	**38,94,768**	**2,05,087**	**1,92,533**

Note: Balance represents balance with banks in earmarked account i.e. "Collection and Payout Account".

Particulars	As at 31 March 2021			As at 31 March 2020			As at 01 April 2019		
	At fair value through OCI	At amortised cost	Total	At fair value through OCI	At amortised cost	Total	At fair value through OCI	At amortised cost	Total
Note 7. Loans									
(A) Term Loans - Gross	**55,57,56,306**	**2,06,98,02,340**	**2,62,55,58,646**	**16,67,70,407**	**2,39,82,94,524**	**2,56,50,64,931**	-	**2,65,96,43,632**	**2,65,96,43,632**
Less: Impairment loss allowance	-	4,38,04,497	4,38,04,497	-	3,10,54,608	3,10,54,608	-	1,24,93,147	1,24,93,147
Total (A) - Net	**55,57,56,306**	**2,02,59,97,843**	**2,58,17,54,149**	**16,67,70,407**	**2,36,72,39,916**	**2,53,40,10,323**	-	**2,64,71,50,485**	**2,64,71,50,485**
(B) (i) Secured by tangible assets	55,57,56,306	2,06,98,02,340	2,62,55,58,646	16,67,70,407	2,39,82,94,524	2,56,50,64,931	-	2,65,96,43,632	2,65,96,43,632
(ii) Unsecured	-	-	-	-	-	-	-	-	-
Total (B)-Gross	**55,57,56,306**	**2,06,98,02,340**	**2,62,55,58,646**	**16,67,70,407**	**2,39,82,94,524**	**2,56,50,64,931**	-	**2,65,96,43,632**	**2,65,96,43,632**
Less: Impairment loss allowance	-	4,38,04,497	4,38,04,497	-	3,10,54,608	3,10,54,608	-	1,24,93,147	1,24,93,147
Total (B)-Net	**55,57,56,306**	**2,02,59,97,843**	**2,58,17,54,149**	**16,67,70,407**	**2,36,72,39,916**	**2,53,40,10,323**	-	**2,64,71,50,485**	**2,64,71,50,485**
(C) (I) Loans in India									
(i) Public Sector	-	-	-	-	-	-	-	-	-
(ii) Private Sector	55,57,56,306	2,06,98,02,340	2,62,55,58,646	16,67,70,407	2,39,82,94,524	2,56,50,64,931	-	2,65,96,43,632	2,65,96,43,632
Total (C)-Gross	**55,57,56,306**	**2,06,98,02,340**	**2,62,55,58,646**	**16,67,70,407**	**2,39,82,94,524**	**2,56,50,64,931**	-	**2,65,96,43,632**	**2,65,96,43,632**
Less: Impairment loss allowance	-	4,38,04,497	4,38,04,497	-	3,10,54,608	3,10,54,608	-	1,24,93,147	1,24,93,147
Total (C) (I) -Net	**55,57,56,306**	**2,02,59,97,843**	**2,58,17,54,149**	**16,67,70,407**	**2,36,72,39,916**	**2,53,40,10,323**	-	**2,64,71,50,485**	**2,64,71,50,485**
(C) (II) Loans outside India	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-
Total (C) (II)- Net	-	-	-	-	-	-	-	-	-
Total C(I) and C(II)	**55,57,56,306**	**2,02,59,97,843**	**2,58,17,54,149**	**16,67,70,407**	**2,36,72,39,916**	**2,53,40,10,323**	-	**2,64,71,50,485**	**2,64,71,50,485**

Notes:

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

(Amount in ₹)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
2. Percentage of loans against gold to total assets	0.00%	0.00%	0.00%
3. The Company has advanced loans to its officer. Principal amount of such loans outstanding is:	18,11,259	19,78,885	21,91,756

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(Amount in ₹)

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

Particulars	31 March 2021				31 March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	2,47,92,03,277	10,13,71,797	92,72,829	2,58,98,47,904	2,57,68,80,353	7,77,58,298	97,09,133	2,66,43,47,784
Changes in opening credit exposures (net of repayment and excluding write off)	(38,16,13,782)	(53,61,566)	7,02,944	(38,62,72,404)	(85,05,15,058)	(2,92,58,102)	28,001	(87,97,45,159)
New assets originated (net of repayment)**	45,51,86,133	11,10,008	-	45,62,96,140	81,13,24,951	20,27,637	-	81,33,52,587
Transfers from Stage 1	(11,35,10,549)	11,05,57,947	29,52,602	-	(6,81,42,195)	6,71,78,549	9,63,646	-
Transfers from Stage 2	3,33,06,706	(3,97,50,138)	64,43,433	-	1,01,62,147	(1,28,13,051)	26,50,904	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Amounts written off	(16,66,901)	(50,15,777)	(95,32,823)	(1,62,15,501)	(5,06,921)	(35,21,534)	(40,78,854)	(81,07,309)
Gross carrying amount closing balance	**2,47,09,04,884**	**16,29,12,271**	**98,38,984**	**2,64,36,56,139**	**2,47,92,03,277**	**10,13,71,797**	**92,72,829**	**2,58,98,47,904**

* The above classification also includes balance of spread receivable on assigned portfolio. (Refer note no. 8)

** New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end.

In accordance with the board approved moratorium policy read with RBI guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Company had granted moratorium up to six months on the payment of installments which became due between 1 March 2020 and 31 August 2020 to all eligible borrowers.

The Honourable Supreme Court of India in a public interest litigation (Gajendra Sharma vs. Union of India & Anr), vide an interim order dated 3 September 2020 ('interim order'), has directed that no additional borrower accounts shall be classified as impaired ('non-performing assets' or 'NPA') which were not declared NPA till 31 August 2020, till further orders. Based on the said interim order, the Company has not classified any standard account as of 31 August 2020 as NPA after 31 August 2020. The Company has classified those accounts as stage 3 and provisioned accordingly for financial reporting purposes.

The interim order granted to not declare accounts as NPA stood vacated on 23 March 2021 vide the judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors. and other connected matters, in accordance with the instructions in paragraph 5 of the RBI circular no. RB1/2021-22/17DOR. STR.REC.4/21.04.048/2021-22 dated 7 April 2021 issued in this connection, the Company has continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms and as per ECL model under Ind AS financial statements for the year ended 31 March 2021.

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(Amount in ₹)

7.2 Reconciliation of ECL balance is given below:

Particulars	31 March 2021				31 March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	74,84,560	2,11,46,981	30,67,009	3,16,98,550	52,58,610	45,55,642	26,78,895	1,24,93,147
Changes in opening credit exposures (net of repayment and excluding write off)	(19,28,152)	1,72,00,806	16,43,418	1,69,16,072	(28,48,394)	1,86,78,335	16,99,731	1,75,29,672
New assets originated (net of repayment)	16,76,447	1,94,081	-	18,70,528	27,86,870	3,96,668	-	31,83,538
Transfers from Stage 1	(3,27,170)	3,25,824	1,346	-	(1,76,281)	1,65,720	10,561	-
Transfers from Stage 2	68,86,067	(88,97,973)	20,11,906	-	22,81,551	(26,49,384)	3,67,833	-
Transfers from Stage 3	-	-	-	-	1,82,204	-	(1,82,204)	-
Amounts written off	-	-	(37,89,003)	(37,89,003)	-	-	(15,07,807)	(15,07,807)
ECL allowance - closing balance	**1,37,91,752**	**2,99,69,719**	**29,34,676**	**4,66,96,147**	**74,84,560**	**2,11,46,981**	**30,67,009**	**3,16,98,550**

The contractual amount outstanding on loans that have been written off during the year, but were still subject to enforcement activity is ₹ 1,62,15,501 at 31 March 2021 (31 March 2020 : ₹ 81,07,309).

The increase in ECL was driven by an increase in the gross amount of the portfolio, movements between stages as a result of increase in credit risk, change in probability of default, macro economic factors and management overlays due to estimated impact of COVID-19 pandemic. The extent to which COVID-19 pandemic will impact current estimates of ECL is uncertain at this point of time. The Company has conducted a qualitative assessment and has considered forecasted macro economic factors and a higher probability of default to factor in the potential impact of COVID-19 on impairment allowances. For further details, refer note no. 41.

7.3 Credit quality of loan assets

The table below shows the gross carrying amount of loans based on the Company's internal grading model and year-end stage classification of loans. The amounts presented are gross of impairment allowances. Details of the Company's internal grades are explained in note 41.1.

Particulars	31 March 2021				31 March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal grade								
Performing								
High quality assets	2,47,09,04,884	-	-	2,47,09,04,884	2,47,92,03,278	-	-	2,47,92,03,278
Quality assets	-	4,83,94,178	-	4,83,94,178	-	4,70,63,205	-	4,70,63,205
Standard assets	-	11,45,18,092	-	11,45,18,092	-	5,43,08,592	-	5,43,08,592
Non- performing								
Sub standard assets	-	-	73,60,143	73,60,143	-	-	19,99,444	19,99,444
Low quality assets	-	-	24,78,841	24,78,841	-	-	72,73,384	72,73,384
Total	**2,47,09,04,884**	**16,29,12,270**	**98,38,984**	**2,64,36,56,139**	**2,47,92,03,278**	**10,13,71,797**	**92,72,829**	**2,[illegible]7,904**

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(Amount in ₹)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Note 8. Other Financial Assets			
Security deposits	12,39,148	12,41,148	11,90,500
Interest Waiver Receivable From Banks	15,86,691	-	-
Spread Receivable on Assigned Assets	1,80,97,493	2,47,82,973	47,04,167
Sundry Debtors	1,89,250	2,24,074	-
Total Other Financial Assets	**2,11,12,582**	**2,62,48,195**	**58,94,667**

Note 9. Income Tax

The components of income tax expense are:	Year ended 31 March 2021	Year ended 31 March 2020
Current tax	1,25,40,000	99,50,000
Adjustment in respect of current income tax of prior years	(29,462)	10,360
Deferred tax	(35,28,325)	(47,55,953)
Total tax charge	**89,82,213**	**52,04,407**
Current tax	1,25,10,538	99,60,360
Deferred tax	(35,28,325)	(47,55,953)

Note: The Taxation Laws (Amendment) Ordinance, 2019 contained substantial amendments in the Income Tax Act, 1961 and the Finance (No. 2) Act, 2019 to provide an option to domestic companies to pay income tax at a concessional rate. The Company has elected to apply the concessional tax rate. Accordingly, the Company has recognised the provision for income tax and re-measured the net deferred tax liabilities at the concessional tax rate during the year ended 31 March 2020. Further, the opening net deferred tax liability had been re-measured at lower rate with a one-time impact of ₹ 6.61 lakh recognised in the standalone financial statement for the year ended 31 March 2020.

9.1 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if *all* profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2021 and 31 March 2020 is, as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
Accounting profit before tax	3,78,45,450	2,23,79,780
Applicable Tax Rate	25.17%	25.17%
Computed Tax Expense	**95,25,700**	**56,32,991**
Tax effect of :		
Non deductible items	1,94,015	5,32,912
Additional Deduction	(15,43,990)	(12,23,379)
Adjustment on account of change in tax rate	-	6,61,160
Adjustment in respect of current income tax of prior years	(29,462)	10,360
Others	8,35,950	(4,09,637)
Tax Expenses recognised in Statement of Profit and Loss	**89,82,213**	**52,04,407**
Effective Tax Rate	23.73%	23.25%

Note 9.2 Deferred Tax

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Deferred Tax Asset / Liability (Net)			
The movement on the deferred tax account is as follows:			
At the start of the year DTA / (DTL)	17,68,777	85,87,970	1,35,46,501
Credit/(Charge) to Other Equity	-	(1,14,96,615)	-
Credit/(Charge) for Loans and advances through OCI	(6,04,892)	(1,82,757)	-
Credit/(Charge) for Remeasurement of the defined benefit liabilities through OCI	(1,68,009)	1,04,226	(85,674)
Credit/(Charge) to Statement of Profit and Loss	35,28,325	47,55,953	(48,72,857)
At the end of year DTA / (DTL)	**45,24,201**	**17,68,777**	**85,87,970**

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

	As at 31 March 2020	Credit/(Charge) to Other Equity	Credit/(Charge) to Profit or Loss	Recognised in OCI	As at 31 March 2021
Component of Deferred tax asset / (liability)					
Deferred tax asset / (liability) in relation to:					
Difference between written down value of fixed assets as per books of accounts and income tax	66,576	-	1,57,322	-	2,23,898
Impact of fair value of assets	(1,77,968)	-	-	(6,04,892)	(7,82,860)
Income taxable on realised basis	33,94,607	-	(20,16,995)		13,77,612
Impact of interest accrued on OCPS	(1,08,20,467)	-	15,67,071	-	(92,53,396)
Deferred tax on prepaid finance charges	8,86,570	-	1,70,476	-	10,57,046
Impairment on financial assets	79,78,526	-	37,74,895	-	1,17,53,421
Recognition of Lease Asset & liability	2,65,804	-	(53,541)	-	2,12,263
Expenses allowable on payment basis	1,75,129	-	(70,903)	(1,68,009)	(63,783)
Total	**17,68,777**	**-**	**35,28,325**	**(7,72,901)**	**45,24,201**

	As at 01 April 2019	Credit/(Charge) to Other Equity	Credit/(Charge) to Profit or Loss	Recognised in OCI	As at 31 March 2020
Component of Deferred tax asset / (liability)					
Deferred tax asset / (liability) in relation to:					
Difference between written down value of fixed assets as per books of accounts and income tax	(60,476)	-	1,27,052	-	66,576
Impact of fair value of assets	-	-	4,789	(1,82,757)	(1,77,968)
Income taxable on realised basis	43,34,400	-	(9,39,793)	-	33,94,607
Impact on recognition and measurement of OCPS	-	(1,16,17,246)	7,96,779	-	(1,08,20,467)
Deferred tax on prepaid finance charges	8,00,914	-	85,656	-	8,86,570
Impairment on financial assets	34,75,594	-	45,02,932	-	79,78,526
Recognition of Lease Asset & liability	-	1,20,631	1,45,173	-	2,65,804
Expenses allowable on payment basis	37,538	-	33,365	1,04,226	1,75,129
Total	**85,87,970**	**(1,14,96,615)**	**47,55,953**	**(78,531)**	**17,68,777**

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Note 10. Property, Plant and Equipments and Intangible assets

Nature of Assets	Property, Plant and Equipments (a)				Intangible Assets (b)		
	Office Equipments	Furniture and Fixtures	Vehicles	Total	Software	Other Intangibles	Total
Cost							
At 1 April 2019	53,36,791	16,69,492	1,02,37,086	1,72,43,369	2,68,202	10,000	2,78,202
Additions	5,66,393	1,57,721	-	7,24,114	40,182	-	40,182
Disposals		-	-	-		-	-
As at 31 March 2020	**59,03,184**	**18,27,213**	**1,02,37,086**	**1,79,67,483**	**3,08,384**	**10,000**	**3,18,384**
Additions	10,331	-	-	10,331	-	-	-
Disposals	-	-	-	-	-	-	-
As at 31 March 2021	**59,13,515**	**18,27,213**	**1,02,37,086**	**1,79,77,814**	**3,08,384**	**10,000**	**3,18,384**
Depreciation/Amortisation							
At 1 April 2019	39,36,151	2,99,412	31,33,599	73,69,162	1,73,135	162	1,73,297
Depreciation/Amortization Charge	4,79,322	1,81,823	15,01,218	21,62,363	72,272	1,000	73,272
Disposal	-	-	-	-	-		-
As at 31 March 2020	**44,15,473**	**4,81,235**	**46,34,817**	**95,31,525**	**2,45,407**	**1,162**	**2,46,569**
Depreciation/Amortization Charge	3,96,141	1,89,339	15,07,105	20,92,585	22,917	943	23,861
Disposal	-	-	-	-	-	-	-
As at 31 March 2021	**48,11,614**	**6,70,574**	**61,41,922**	**1,16,24,110**	**2,68,324**	**2,105**	**2,70,430**
Net Block Value:							
At 1 April 2019	**14,00,640**	**13,70,080**	**71,03,487**	**98,74,207**	**95,067**	**9,838**	**1,04,905**
As at 31 March 2020	**14,87,711**	**13,45,978**	**56,02,269**	**84,35,958**	**62,977**	**8,838**	**71,815**
As at 31 March 2021	**11,01,901**	**11,56,639**	**40,95,164**	**63,53,704**	**40,060**	**7,895**	**47,954**

Note 10(c) Right-of-use Asset

The details of the right-of-use asset held by the Company is as follows:

(Amount in ₹)

Office Premises	
At 1 April 2019	72,73,401
Additions for the period	-
Disposals	2,59,923
As at 31 March 2020	**70,13,478**
Additions for the period	-
Disposals	-
As at 31 March 2021	**70,13,478**
Amortisation	
At 1 April 2019	-
Additions for the period	31,18,901
Disposals	26,800
As at 31 March 2020	**30,92,101**
Additions	23,08,795
Disposals	-
As at 31 March 2021	**54,00,896**
Net Block Value:	
At 1 April 2019	**72,73,401**
As at 31 March 2020	**39,21,377**
As at 31 March 2021	**16,12,582**

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Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Note 11. Other non-financial assets			
Prepaid expenses	2,54,154	2,51,784	14,182
Advances to employees	56,800	70,084	55,000
Balance with Government Authorities	19,11,817	64,00,445	39,40,666
Gratuity Fund [Refer note 38(b)]	4,78,935	1,28,478	3,88,345
Other Advances	27,75,645	14,77,434	5,22,581
Total other non-financial assets	**54,77,351**	**83,28,225**	**49,20,774**
Note 12. Borrowings (Other than Debt Securities) (At amortised cost)			
(a) Term loans (Refer Note No. 12.4)			
(i) from Banks	1,89,81,63,273	1,87,59,18,990	2,30,39,69,447
(ii) from National Housing Bank	16,05,41,000	15,75,12,000	12,12,86,000
(iii) from Financial Institutions	14,44,44,440	13,44,78,444	12,07,53,770
(b) Liability component of compound financial instruments (Refer Note No. 12.1)	6,32,36,408	5,70,10,461	-
(c) Loans repayable on demand			
(i) from banks - Cash Credit (Refer Note No. 12.2)	4,737	1,395	31,873
(ii) from banks - Overdraft (Refer Note No. 12.3)	22,00,500	-	-
Less: Unamortised Borrowing Cost	(1,62,05,590)	(1,00,62,558)	(1,16,30,451)
Total (A)	**2,25,23,84,768**	**2,21,48,58,732**	**2,53,44,10,639**
Borrowings in India	2,25,23,84,768	2,21,48,58,732	2,53,44,10,639
Borrowings outside India	-	-	-
Total (B) to tally with (A)	**2,25,23,84,768**	**2,21,48,58,732**	**2,53,44,10,639**

Note 12.1

(a) Liability Component of Compound financial instruments represents liability component of 1,00,00,000 6% Optionally Convertible Preference Shares ("OCPS") issued at face value of ₹ 10 each on 12th September 2019.

(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 March 2021		As at 31 March 2020		As at 01 April 2019	
	No. of Shares	(Amount in ₹)	No. of Shares	(Amount in ₹)	No. of Shares	(Amount in ₹)
6% Optionally Convertible Preference Shares						
Outstanding at the beginning of the year	1,00,00,000	10,00,00,000	-	-	-	-
Add: Issued during the period (Refer Note (a) above)	-	-	1,00,00,000	10,00,00,000	-	-
Outstanding at the end of the year	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000	-	-

(c) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2021		As at 31 March 2020		As at 01 April 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
6% Optionally Convertible Preference Shares						
MAS Financial Services Limited	1,00,00,000	100.00%	1,00,00,000	100.00%	-	0.00%

(d) Terms/ rights attached to preference shares

1,00,00,000 OCPS are having a par value of ₹ 10 each per share. These OCPS carry a right to be paid fixed preferential dividend at the rate of 6% per annum.

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

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

Note 12.2

(a) Cash Credit from Bank is secured by First pari-passu charge on the standard receivables of the company with other CC/OD lenders (except specific portfolio generated from various term loans sanctioned by various banks/financial institutions on an exclusive basis). The loans are also guaranteed by Mr. Kamlesh Chimanlal Gandhi and Legal heirs of Late Mr. Mukesh Chimanlal Gandhi.

(b) Interest rate range

Interest rate ranges from 9.20% p.a to 10.50% p.a. as at 31 March 2021.
Interest rate ranges from 9.20% p.a to 10.95% p.a. as at 31 March 2020.
Interest rate ranges from 9.55% p.a to 9.75% p.a. as at 1 April 2019.

Note 12.3

(a) Overdraft from Bank is secured by Term Deposits placed with the banks with adequate margin required as per the terms of sanctions. Refer Note 6 for the amount of deposits in lien with bank against the overdraft facility.

(b) Interest rate range

Interest rate ranges from 4.00% p.a to 4.50% p.a. as at 31 March 2021.

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

The carrying amount of financial assets which is hypothecated against secured borrowing inclusive of margin requirement ranging from 1.00 times to 1.25 times is amounting to ₹ 26,436.56 lakhs (31 March 2020: ₹ 25,698.48 lakhs, 1 April 2019: ₹ 26,643.48 lakhs).

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

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019	Terms of Redemption/ Repayment	Security
Term Loans from Banks (Refer Note (i) below)					
Term Loan from Banks - 1	-	50,00,000	1,50,00,000	Repayment in 8 Quarterly Instalments from 11 November 2018	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Company (identified loan assets) sufficient to provide security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Banks - 2	-	2,50,00,000	7,50,00,000	Repayment in 8 Quarterly Instalments from 11 December 2018	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Company (identified loan assets) sufficient to provide security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Banks - 3	2,50,00,000	3,75,00,000	8,75,00,000	Repayment in 8 Quarterly Instalments from 27 March 2019	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Company (identified loan assets) sufficient to provide security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Banks - 4	15,15,63,461	21,00,00,000	28,00,00,000	Repayment in 8 Quarterly Instalments from 27 December 2019	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Company (identified loan assets) sufficient to provide security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Banks - 5	15,00,00,000	-	-	Repayment in 36 Monthly Instalments from 03 April 2021	The Term loan shall be secured by exclusive hypothecation of present & future loan receivables of the company created out of the loan. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan from Banks - 6	-	84,22,619	4,21,13,095	Repayment in 24 Quarterly Instalments starting from 01 September 2014	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 & legal heirs of Mukesh Gandhi.
Term Loan from Banks - 7	8,10,41,667	10,10,98,284	13,35,41,667	Repayment in 24 Quarterly Instalments starting from 31 March 2017	Loan is secured by hypothecation charge on portfolio created form the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Banks - 8	3,75,00,000	4,58,33,333	6,25,00,000	Repayment in 24 Quarterly Instalments starting from 31 March 2017	Loan is secured by hypothecation charge on portfolio created form the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Banks - 9	2,91,66,663	3,74,99,995	5,41,66,663	Repayment in 24 Quarterly Instalments beginning from 31 July 2016	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Banks - 10	1,87,49,997	2,49,99,996	3,33,33,328	Repayment in 24 Quarterly Instalments starting from 30 June 2017	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Banks - 11	4,16,66,662	5,41,66,663	6,66,66,664	Repayment in 24 Quarterly Instalments starting from 30 June 2017	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Banks - 12	9,02,09,272	-	-	Repayment in 57 Monthly Instalments starting from 30 October 2020	Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the company out of the bank finance to the company. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan from Banks - 13	20,00,00,005	-	-	Repayment in 60 Monthly Instalments starting from 30 July 2021	Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the company out of the bank finance to the company. Personal Guarantee of Mr. Kamlesh Gandhi.
Term Loan from Banks - 14	1,07,14,338	1,78,57,202	3,21,42,906	Repayment in 28 Quarterly instalments from 30 April 2014	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Banks - 15	-	37,50,000	87,50,000	Repayment in 20 Quarterly Instalments from 31 March 2016	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 & legal heirs of Mukesh Gandhi.
Term Loan from Banks - 16	1,04,16,665	1,66,66,664	2,49,99,996	Repayment in 24 Quarterly Instalments beginning from 30 June 2016	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Banks - 17	7,13,35,310	7,97,88,617	9,58,33,333	Repayment in 24 Quarterly Instalments starting from 31 January 2019	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets).Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Banks - 18	4,19,70,741	4,62,09,019	5,00,00,000	Repayment in 24 Quarterly Instalments starting from 30 September 2019	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets).Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Banks - 19	9,65,12,971	10,07,96,175	-	Repayment in 24 Quarterly Instalments from 31 December 2020	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets).Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.

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

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019	Terms of Redemption/ Repayment	Security
Term Loan from Banks - 20	15,10,73,649	15,10,50,000	-	Repayment in 24 Quarterly Instalments from 30 June 2021	The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets).Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Banks - 21	8,31,13,099	13,75,00,000	23,75,00,000	Repayment in 10 Quarterly Instalments starting from 28 February 2019	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs Shweta Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Banks - 22	19,14,83,904	22,00,00,000	25,00,00,000	Repayment in 26 Quarterly Instalments starting from 28 February 2019	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs Shweta Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Banks - 23	37,50,000	87,50,000	1,37,50,000	Repayment in 24 Quarterly Instalments from 19 March 2016	First & Exclusive Charge by way of Hypothecation of such of the book debts, which are financed to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs Shweta Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Banks - 24	87,43,000	2,04,11,000	3,20,79,000	Repayment in 24 Quarterly Instalments from 19 March 2016	First & Exclusive Charge by way of Hypothecation of such of the book debts, which are financed to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi, Mrs Shweta Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Banks - 25	5,41,66,671	6,71,62,106	7,91,66,673	Repayment in 24 Quarterly Instalments from 31 March 2018	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Company (identified loan assets) sufficient to provide one time security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Banks - 26	1,66,51,864	3,64,11,084	6,66,66,672	Repayment in 36 monthly Instalments from 30 April 2018	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Company (identified loan assets) sufficient to provide one time security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Banks - 27	33,33,33,333	42,00,46,232	50,00,00,000	Repayment in 18 Quarterly Instalments from 30 June 2019	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Company (identified loan assets) sufficient to provide security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Banks - 26	-	-	1,87,50,000	Repayable in 24 Quarterly instalments from 28 February 2014	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 & legal heirs of Mukesh Gandhi.
Term Loan from Banks - 27	-	-	4,45,09,449	Repayment in 8 Quarterly Instalments starting from 07 October 2017	Loan is secured by First & exclusive Hypothecation of Specific Receivables which are not more than 30 days overdue. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Total Term Loans from Banks	**1,89,81,63,273**	**1,87,59,18,990**	**2,30,39,69,447**		

Note (i):
Interest rate ranges from 7.75% p.a to 10.10% p.a as at 31 March 2021.
Interest rate ranges from 8.75% p.a to 11.00% p.a as at 31 March 2020.
Interest rate ranges from 9.10% p.a to 11.05% p.a as at 1 April 2019.

Term Loans from NHB (Refer Note (ii) below)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019	Terms of Redemption/ Repayment	Security
Term Loan from NHB - 1	2,27,41,000	2,65,90,000	3,97,36,000	Repayment in 39 Quarterly Instalments from 01 July 2017	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from NHB - 2	2,46,22,000	2,78,53,000	3,44,61,000	Repayment in 39 Quarterly Instalments from 01 October 2017	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from NHB - 3	1,79,10,000	2,84,55,000	-	Repayment in 60 Quarterly Instalments from 01 October 2019	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from NHB - 4	70,00,000	1,77,50,000	-	Repayment in 60 Quarterly Instalments from 01 October 2019	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from NHB - 5	3,79,60,000	4,00,00,000	-	Repayment in 60 Quarterly Instalments from 01 July 2020	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from NHB - 6	2,76,00,000	-	-	Repayment in 39 Quarterly Instalments from 01 October 2020	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from NHB - 7	83,01,000	-	-	Repayment in 39 Quarterly Instalments from 31 July 2020	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from NHB - 8	1,44,07,000	1,68,64,000	3,04,25,000	Repayment in 51 Quarterly Instalments from 01 July 2014	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts which are financed / to be financed by the Company. Corporate Guarantee of MAS Financial Services Ltd.

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(Amount in ₹)

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

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019	Terms of Redemption/ Repayment	Security
Term Loan from NHB - 9	-	-	79,44,000	Repayment in 39 Quarterly Instalment from 01 July 2017	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from NHB - 10	-	-	79,44,000	Repayment in 39 Quarterly Instalment from 01 July 2017	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from NHB - 11	-	-	7,76,000	Repayable in 27 Quarterly instalments from 01 July 2013	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company. Corporate Guarantee of MAS Financial Services Ltd.
Total Term Loans from NHB	**16,05,41,000**	**15,75,12,000**	**12,12,86,000**		

Note (ii):
Interest rate ranges from 4.68% p.a to 8.90% p.a as at 31 March 2021.
Interest rate ranges from 4.68% p.a to 9.25% p.a as at 31 March 2020.
Interest rate ranges from 5.32% p.a to 9.25% p.a as at 1 April 2019.

Term Loans from Others (Refer Note (iii) below)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019	Terms of Redemption/ Repayment	Security
Term Loan from Financial Institutions - 1	-	3,63,63,634	7,27,27,270	Repayment in 11 Quarterly Instalments starting from 30 September 2018	The Loan is secured by Exclusive first charge on the loan portfolio of the Borrower by way of hypothecation on the loan instalments receivables created from the proceeds of the Facility. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Financial Institutions - 2	5,27,77,774	8,61,11,110	-	Repayment in 36 Monthly Instalments starting from 30 November 2019	The Loan is secured by Exclusive first charge on the loan portfolio of the Borrower by way of hypothecation on the loan instalments receivables created from the proceeds of the Facility. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Financial Institutions - 3	9,16,66,666	-	-	Repayment in 36 Monthly Instalments starting from 31 January 2021	The Loan is secured by Exclusive first charge on the loan portfolio of the Borrower by way of hypothecation on the loan instalments receivables created from the proceeds of the Facility. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Mukesh Gandhi.
Term Loan from Financial Institutions - 4	-	55,52,000	2,22,20,000	Repayment In 36 Monthly Instalments starting from 15 August 2017	Loan is secured by hypothecation of book debts created out of the loan availed.
Term Loan from Financial Institutions - 5	-	64,51,700	2,58,06,500	Repayment In 31 Monthly Instalments starting from 15 January 2018	Loan is secured by hypothecation of book debts created out of the loan availed.
Total Term Loans from Others	**14,44,44,440**	**13,44,78,444**	**12,07,53,770**		

Note (iii):
Interest rate ranges from 9.00% p.a to 9.65% p.a as at 31 March 2021.
Interest rate ranges from 9.05% p.a to 12.25% p.a as at 31 March 2020.
Interest rate ranges from 10.10% p.a to 12.25% p.a as at 1 April 2019.

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Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Note 13. Other financial liabilities			
Interest accrued but not due on borrowings	12,10,649	47,93,889	36,61,581
Interest accrued but not due on others	8,57,556	11,50,577	2,96,048
Dues to the assignees towards collections from assigned receivables	38,52,793	56,42,720	3,69,520
Lease liability	19,76,634	44,98,145	-
Security Deposits from borrowers (Refer Note No. 1 below)	1,22,00,000	1,85,25,000	1,65,75,000
Subsidy From NHB (Refer Note No. 2 below)	-	-	5,84,99,111
Other Advances	12,86,757	11,13,906	12,36,536
Total other financial liabilities	**2,13,84,389**	**3,57,24,237**	**8,06,37,796**

Note:

1. All the security deposits from borrowers as on 31 March 2021, 31 March 2020 and 31 March 2019 are from Corporate entities.

2. The Credit Linked Subsidy amount as on 1 April 2019 represents the amount received from National Housing Bank at the end of the year ended 31 March 2019 pending credit to Customer accounts based on their eligibility.

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Note 14. Provisions			
Provision for Employee Benefits (Refer Note No. 38)			
Compensated Absences	58,889	1,56,762	1,34,933
Total Provisions	**58,889**	**1,56,762**	**1,34,933**
Note 15. Other non-financial liabilities			
Statutory remittances	31,33,287	22,47,686	12,98,092
Unearned income on assigned loans	1,80,97,493	2,47,82,973	47,04,167
Total other non-financial liabilities	**2,12,30,780**	**2,70,30,659**	**60,02,259**

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(Amount in ₹)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Note 16. Equity Share Capital			
Authorized Shares:			
2,40,00,000 Equity Shares of ₹10 each (As at 31 March 2020: 2,40,00,000 Equity Shares of ₹10 each) (As at 1 April 2019: 2,30,00,000 Equity Shares of ₹10 each)	24,00,00,000	24,00,00,000	23,00,00,000
1,10,00,000 Preference Shares of Rs.10/- each (As at 31 March 2020: 1,10,00,000 Preference Shares of ₹10 each) (As at 1 April 2019: 70,00,000 Preference Shares of ₹10 each)	11,00,00,000	11,00,00,000	7,00,00,000
	35,00,00,000	35,00,00,000	30,00,00,000
Issued, Subscribed and Fully Paid-Up Shares:			
2,12,26,404 Equity Shares of ₹10 each fully paid up (As at 31 March 2020: 2,12,26,404 Equity Shares of ₹10 each) (As at 1 April 2019: 2,12,26,404 Equity Shares of ₹10 each)	21,22,64,040	21,22,64,040	21,22,64,040
	21,22,64,040	21,22,64,040	21,22,64,040

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

Particul	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Equity Shares				
Outstanding at the beginning of the year	2,12,26,404	21,22,64,040	2,12,26,404	21,22,64,040
Issued during the year	-	-	-	-
Outstanding at the end of the year	2,12,26,404	21,22,64,040	2,12,26,404	21,22,64,040

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

Class of shares / Name of shareholder	As at 31 March 2021		As at 31 March 2020		As at 01 April 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity Shares						
MAS Financial Services Limited	1,26,64,893	59.67%	1,26,64,893	59.67%	1,26,64,893	59.67%
Mukesh C. Gandhi (Refer Note below)	40,40,606	19.04%	40,40,606	19.04%	40,40,606	19.04%
Kamlesh C. Gandhi	24,86,510	11.71%	24,86,510	11.71%	24,86,510	11.71%
Shweta Kamlesh Gandhi	20,34,095	9.58%	20,34,095	9.58%	20,34,095	9.58%

Note

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

16.3 Terms/ rights attached to equity shares

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

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

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(Amount in ₹)

Particulars	As at 31 March 2021	As at 31 March 2020
Note 17. Other Equity		
Equity component of compound financial instruments- Optionally Convertible preference shares		
Outstanding at the beginning of the year	3,63,34,081	56,32,980
Less: Dividend on 8% OCPS	-	(31,82,466)
Less: Dividend Distribution Tax on 8% OCPS	-	(6,54,315)
Add: Equity component of 6% OCPS issued during the period (net of tax)	-	3,45,37,882
Less: Equity component of 8% OCPS converted into Equity Share Capital	-	-
Less: Dividend on 6% OCPS	(33,11,475)	-
Outstanding at the end of the year	**3,30,22,606**	**3,63,34,081**
IPO Discount given by Holding company		
Outstanding at the beginning of the year	6,79,905	6,79,905
Additions during the year	-	-
Outstanding at the end of the year	**6,79,905**	**6,79,905**
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	3,02,481	3,02,481
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	5,24,86,384	4,35,96,384
c. **Total**	**5,27,88,865**	**4,38,98,865**
Addition / Appropriation / Withdrawal during the year		
Add:		
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	1,12,00,000	88,90,000
Less:		
a. Amount appropriated u/s 29C of the National Housing Bank Act, 1987	-	-
b. Amount withdrawn from Special Reserve u/s 36(i)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve u/s 29C of The NHB Act, 1987	-	-
Closing Balance		
a. Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	3,02,481	3,02,481
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	6,36,86,384	5,24,86,384
c. **Total**	**6,39,88,865**	**5,27,88,865**
Securities Premium		
Outstanding at the beginning of the year	12,12,35,841	12,12,35,841
Additions during the year	-	-
Less: Utilised for Initial Public Offer expenses	-	-
Outstanding at the end of the year	**12,12,35,841**	**12,12,35,841**
Retained Earnings		
Outstanding at the beginning of the year	8,56,88,656	7,93,51,305
Profit for the year	2,88,63,237	1,71,75,373
Item of other comprehensive income recognised directly in retained earnings		
Remeasurement of the defined benefit liabilities	6,51,264	(3,09,861)
Transition impact of Ind AS 116 (Net of Tax)	-	(3,58,633)
	11,52,03,157	**9,58,58,184**
Less : Appropriations:		
Reserve u/s.29-C of NHB Act,1987 & Special Reserve U/s 36(1)(viii) of Income Tax Act,1961	1,12,00,000	88,90,000
Dividend on Equity Shares	10,18,867	10,61,320
Dividend on Preference Shares	-	-
Dividend Distribution Tax on Equity Dividend	53,686	2,18,208
Dividend Distribution Tax on Preference Dividend	-	-
Total Appropriations	**1,22,72,553**	**1,01,69,528**
Retained Earnings	**10,29,30,604**	**8,56,88,656**
Other Comprehensive Income		
Outstanding at the beginning of the year	11,87,276	-
Loans and Advances through other comprehensive Income	24,03,225	7,26,091
Impairment on loans and advances through OCI	22,47,708	6,43,942
Income tax relating to items that will be reclassified to profit or loss	(6,04,892)	(1,82,757)
Other Comprehensive Income for the Period, Net of Tax	**52,33,317**	**11,87,276**
Total Other Equity	**32,70,91,138**	**29,75,14,624**

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17.1 Nature and purpose of reserve

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

Equity Component of Compound financial instruments represents Equity component of Optionally Convertible Preference Shares (OCPS). During the year 2019-20, further 6% Optionally Convertible Preference Shares (OCPS) were issued having face value of Rs. 10,00,00,000. Out of which Rs. 3,45,37,882 was classified as Equity Component (net of tax Rs.1,16,17,246) while Rs. 5,38,44,872 was classified as Debt component.

2 IPO Discount given by Holding company

During the year 2017-18, pursuant to initial public offering (IPO) and Offer For Sale, the Holding Company MAS Financial Services Limited had allotted equity shares under Employee Reservation Category to the eligible employees of the company at a discount of Rs.45 per share on the offer price. The total discount Rs. 679,905 has been considered as an Equity Investment by the Holding Company.

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

Special Reserve has been created in terms of Section 36(1) (viii) of the income Tax Act,1961 out of the distributable profits of the company. As per Section 29C of NHB Act, 1987, the company is required to transfer at least 20% of its net profits prior to distribution of dividend every year to a reserve. For this purpose any Special Reserve created by the company in terms of Section 36(1) (viii) of the income Tax Act, 1961 is considered an eligible transfer.

4 Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 of the Act.

5 Retained earnings

Retained earnings is the accumulated available profit of the Company carried forward from earlier years. These reserve are free reserves which can be utilised for any purpose as may be required.

The Company recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings with separate disclosure, which comprises of:

i) actuarial gains and losses;

ii) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

iii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

6 Other comprehensive Income

On loans

The Company has elected to recognise changes in the fair value of loans and advances in other comprehensive income. These changes are accumulated within the FVOCI - loans and advances reserve within equity. The Company transfers amounts from this reserve to the statement of profit and loss when the loans and advances are sold. Further, impairment loss allowances on the loans are recognised in OCI.

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Particulars	Year ended 31 March 2021			Year ended 31 March 2020		
	On financial assets measured at FVOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVOCI	On financial assets measured at amortised cost	Total
Note 18. Interest Income						
Interest on Loans	3,66,43,446	29,92,17,647	33,58,61,093	4,50,331	36,51,90,988	36,56,41,319
Interest on deposits with Banks	-	58,07,866	58,07,866	-	1,17,39,533	1,17,39,533
Other interest Income	-	4,74,589	4,74,589	-	-	-
Total	**3,66,43,446**	**30,55,00,102**	**34,21,43,548**	**4,50,331**	**37,69,30,521**	**37,73,80,852**

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(Amount in ₹)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Note 19. Other Income		
Gain on derecognition of leased asset	1,979	12,108
Income from non-financing activity	18,43,364	17,54,964
Total	**18,45,343**	**17,67,072**
Note 20. Finance Costs (On Financial liabilities measured at Amortised Cost)		
Interest on borrowings	19,59,57,773	23,24,48,342
Interest on liability component of compound financial instruments	62,25,946	31,65,590
Other interest expense	10,05,815	12,74,243
Other borrowing cost	71,65,200	66,13,070
Lease liability interest obligation	3,17,706	6,13,909
Total	**21,06,72,440**	**24,41,15,154**
Note 21. Impairment on financial instruments		
On loans (measured at Amortised Cost)	1,27,49,889	1,85,61,461
On loans (measured at FVOCI)	22,47,708	6,43,942
Loss Assets Written Off (Net of Recoveries)	1,46,20,815	26,82,632
Total	**2,96,18,412**	**2,18,88,035**

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(Amount in ₹)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Note 22. Employee Benefits Expense		
Salaries and wages	4,69,17,278	5,55,16,673
Contribution to provident and other funds	29,34,114	33,91,311
Gratuity expense (Refer Note No. 38)	8,62,083	5,04,201
Staff welfare expenses	11,29,345	10,09,332
Total	**5,18,42,820**	**6,04,21,517**
Note 23. Depreciation, Amortization and Impairment		
Depreciation on Property, Plant & Equipment	20,92,585	21,62,363
Amortisation of intangible assets	23,861	73,272
Amortisation of Right-of-use Asset	23,08,795	31,18,901
Total	**44,25,241**	**53,54,536**
Note 24. Other Expenses		
Rent	35,36,192	32,01,729
Rates & Taxes	2,60,391	49,12,387
Stationery & Printing	6,80,286	7,08,819
Telephone	8,88,207	9,45,293
Electricity	5,63,230	6,15,927
Postage & Courier	2,18,215	1,70,806
Insurance	2,18,089	1,98,268
Conveyance	11,40,145	21,78,958
Travelling	2,85,357	15,16,008
Repairs & Maintenance:		
Others	5,95,285	6,42,831
Professional Fees	58,40,647	83,55,246
Payment to auditors (Refer note below)	4,15,485	2,37,948
Director's Sitting Fees	2,99,750	2,83,400
Bank Charges	2,31,138	3,23,009
Advertisement Expenses	14,21,165	7,79,420
Sales Promotion Expenses	8,480	16,04,442
Recovery Contract Charges	12,03,979	15,58,653
Miscellaneous Expenses	5,02,228	12,84,902
Total	**1,83,08,269**	**2,95,18,046**
Note: Payment to Statutory Auditors (including Taxes)		
For Statutory Audit Fees	1,25,000	1,36,250
For Limited Review of Quarterly Results	-	27,250
For Other Services	2,90,485	74,448
	4,15,485	**2,37,948**

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Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Note 25. Earnings Per Share		
(A) Basic		
Net Profit for the year attributable to Equity Shareholders	**2,88,63,237**	**1,71,75,373**
Weighted average number of Equity Shares of ₹10 each	2,12,26,404	2,12,26,404
Basic Earnings per Share of face value of ₹10 each (in ₹)	1.36	0.81
(B) Diluted		
Net Profit attributable to Equity Shareholder's as above	**2,88,63,237**	**1,71,75,373**
Weighted average number of Equity Shares of ₹10 each	2,12,26,404	2,12,26,404
Diluted Earnings per Share of face value of ₹10 each (in ₹)	1.36	0.81

Note:
Since the number of equity shares issuable on conversion of 6% Optionally Convertible Preference Shares is not determinable at present, the weighted average number of equity shares for computing diluted earnings per share is not ascertainable. Under the circumstances, its consequential effect on dilution of earnings per share has not been considered.

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26 Changes in accounting policies

The accounting policies and practices followed in the preparation of the standalone financial statement for the year ended 31 March 2021 are the same as those followed in the preparation of the standalone financial statement for the year ended 31 March 2020, except for the change in accounting policy as explained in below paras.

Amortising the gain on assignment of financial assets over the residual tenure instead of booking upfront gain

During the year ended 31 March 2020, on derecognition of loans in its entirety upon assignment, as per Ind AS 109 'Financial Instruments', the Company has been recognising the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including new asset obtained less any new liability assumed) as gain immediately in the statement of profit or loss.

In view of the Company, earlier accounting treatment inflates the income at the time of assignment and leads to reporting higher earnings per share, potentially higher dividend pay-out and improved capital adequacy ratio. Further, after taking views from RBI circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 which states that the responsibility of preparing and ensuring fair presentation of the financial statements of a NBFC vests primarily with its Board of Directors, RBI circular no. DNBS. PD. No. 301/3.10.01/2012-13 dated 21 August 2012 which had clearly mandated the NBFCs to amortise the gain on assignment over the tenure of the loan and also as per paragraph 19 of Ind AS 1 'Presentation of Financial Statements', management has concluded that the upfront booking of income which is to be received over underlying residual tenure in some cases of the assigned portfolio would be so misleading for the users of the financial statements, that it would conflict with the objective of the financial statements set out in the Conceptual Framework for Financial Reporting under Ind AS and therefore to present a true and fair view of the Company's financial position, financial performance for the given period, during the year ended 31 March 2021, the Company has departed from the requirements of Ind AS 109 and changed its policy for more transparent and fair representation of the financial statements.

As per the new policy, on derecognition of financial assets on account of direct assignment of loans, gain is recognized as "Unearned income on assigned loans" under the head other non-financial liabilities and amortized in the profit or loss over the underlying residual terms of the assigned portfolio.

Further, NBFC industry body Finance Industry Development Council (the 'association') which is represented by more than 100 NBFCs, has made representation to Reserve Bank of India and National Financial Reporting Authority ('NFRA') whereby the said change in accounting policy has also been requested by the association also. The association has requested RBI and NFRA to allow the gain on direct assignment transactions to be amortized instead of recognition of the gain in the statement of profit and loss immediately upon assignment of the loans due to above mentioned limitations.

As per paragraph 14(b) of Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', an entity may change its accounting policy if it results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flows. The Company believes that by following new policy, the above objective will be achieved.

As per the requirement of Ind AS 1, the new accounting policy has been implemented retrospectively from the beginning of the earliest period presented i.e. 1 April 2019. On account of new policy, in case of derecognition of loans upon assignment prior to 1 April 2019, where underlying residual terms of the assigned portfolio was falling on or after 1 April 2019, the Company has reduced other equity by ₹ 30.57 lakh, reduced the deferred tax liability by ₹ 16.47 lakh and recognized unearned interest income on assigned loans under the head other non-financial liabilities ₹ 47.04 lakh.

Had the Company not revised its policy, other equity would have increased by ₹ 132.04 lakh to ₹ 3402.95 lakh, deferred tax assets would have decreased by ₹ 48.93 lakh and liability on unearned income would have decreased by ₹ 180.97 lakh to Nil as at 31 March 2021. Had the Company followed the accounting policy which it followed hitherto, the Company would have recognized income on assigned loans of 'Nil' for the quarter and year ended 31 March 2021 respectively. As per the new policy, the Company has recognized income on assigned loans (on amortised basis) of ₹ 15.25 lakh and ₹ 66.85 lakh for the quarter and year ended 31 March 2021 respectively. Accordingly, income on assigned loans would have decreased by ₹ 15.25 lakh and ₹ 66.85 lakh and deferred tax credit would have increased by ₹ 3.84 lakh and ₹ 16.83 lakh for the quarter and year ended 31 March 2021 respectively.

As per the requirement of Ind AS 8, the Company has restated the financial information of previous financial year 2019-20 to reflect the change in accounting policy as explained above. The following table summarises the reconciliation of figures restated with previously reported figures. The tables show the adjustments recognised for each individual line item.

Standalone Balance Sheet	31 March 2020 as originally presented*	Adjustment	31 March 2020 (Restated)	31 March 2019 as originally presented*	Adjustment	1 April 2019 (Restated)
ASSETS						
Financial assets						
Cash and cash equivalents	21,07,45,086	-	21,07,45,086	41,22,89,043	-	41,22,89,043
Bank balance other than cash and cash equivalents	2,05,087	-	2,05,087	1,92,533	-	1,92,533
Loans	2,53,40,10,323	-	2,53,40,10,323	2,64,71,50,485	-	2,64,71,50,485
Other financial assets	2,62,48,195	-	2,62,48,195	58,94,667	-	58,94,667
Total financial assets	**2,77,12,08,691**	**-**	**2,77,12,08,691**	**3,06,55,26,728**	**-**	**3,06,55,26,728**
Non-financial assets						
Income tax assets (net)	1,84,611	-	1,84,611	-	-	-
Deferred tax assets (net)	-	17,68,777	17,68,777	69,40,936	16,47,034	85,87,970
Property, plant and equipment	84,35,958	-	84,35,958	98,74,207	-	98,74,207
Right-of-use asset	39,21,377	-	39,21,377	-	-	-
Other intangible assets	71,815	-	71,815	1,04,905	-	1,04,905
Other non-financial assets	83,28,225	-	83,28,225	49,20,774	-	49,20,774
Total non-financial assets	**2,09,41,986**	**17,68,777**	**2,27,10,763**	**2,18,40,822**	**16,47,034**	**2,34,87,856**
Total assets	**2,79,21,50,677**	**17,68,777**	**2,79,39,19,454**	**3,08,73,67,550**	**16,47,034**	**3,08,90,14,584**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial liabilities						
Trade payables	59,70,400	-	59,70,400	46,71,641	-	46,71,641
Borrowings (other than debt securities)	2,21,48,58,732	-	2,21,48,58,732	2,53,44,10,639	-	2,53,44,10,639
Other financial liabilities	3,57,24,237	-	3,57,24,237	8,06,37,796	-	8,06,37,796
Total financial liabilities	**2,25,65,53,369**	**-**	**2,25,65,53,369**	**2,61,97,20,076**	**-**	**2,61,97,20,076**
Non-financial liabilities						
Current tax liabilities (net)		-	-	94,380	-	94,380
Provisions	1,56,762	-	1,56,762	1,34,933	-	1,34,933
Deferred tax liabilities (net)	48,07,431	(48,07,431)	-	-	-	-
Other non-financial liabilities	22,47,686	2,47,82,973	2,70,30,659	12,98,092	47,04,167	60,02,259
Total non-financial liabilities	**72,11,879**	**1,99,75,542**	**2,71,87,421**	**15,27,405**	**47,04,167**	**62,31,572**
Total liabilities	**2,26,37,65,248**	**1,99,75,542**	**2,28,37,40,790**	**2,62,12,47,481**	**47,04,167**	**2,62,59,51,648**
Equity share capital	21,22,64,040	-	21,22,64,040	21,22,64,040	-	21,22,64,040
Other equity	31,61,21,389	(1,82,06,765)	29,79,14,624	25,38,56,029	(30,57,133)	25,07,98,896
Total equity	**52,83,85,429**	**(1,82,06,765)**	**51,01,78,664**	**46,61,20,069**	**(30,57,133)**	**46,30,62,936**
Total liabilities and equity	**2,79,21,50,677**	**17,68,777**	**2,79,39,19,454**	**3,08,73,67,550**	**16,47,034**	**3,0[illegible],584**

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Standalone statement of profit and loss	31 March 2020		
	As originally presented*	Adjustment	Restated
I. Revenue from operations			
Interest income	37,73,80,852	-	37,73,80,852
Gain on assignment of financial assets	1,81,67,834	(1,51,70,648)	29,97,186
Fees and commission income	15,31,958	-	15,31,958
Total revenue from operations	**39,70,80,644**	**(1,51,70,648)**	**38,19,09,996**
Other income	17,67,072	-	17,67,072
Total Income	**39,88,47,716**	**(1,51,70,648)**	**38,36,77,068**
II. Expenses			
Finance costs	24,41,15,154	-	24,41,15,154
Fees and commission expense		-	-
Impairment on financial assets	2,18,88,035	-	2,18,88,035
Employee benefits expenses	6,04,21,517	-	6,04,21,517
Depreciation and amortization	53,54,536	-	53,54,536
Others expenses	2,46,09,888	49,08,158	2,95,18,046
Total expenses	**35,63,89,130**	**49,08,158**	**36,12,97,288**
Profit before exceptional items and tax (I - II)	4,24,58,586	(2,00,78,806)	2,23,79,780
Exceptional Items		-	-
III. Profit before tax	**4,24,58,586**	**(2,00,78,806)**	**2,23,79,780**
IV. Tax expense:			
Current tax	99,50,000	-	99,50,000
Short / (excess) provision for tax relating to prior years	10,360	-	10,360
Deferred tax (credit) / charge	1,73,221	(49,29,174)	(47,55,953)
Net tax expense	**1,01,33,581**	**(49,29,174)**	**52,04,407**
V. Profit for the year (III - IV)	**3,23,25,005**	**(1,51,49,632)**	**1,71,75,373**
VI. Other comprehensive income			
(A) Items that will not be reclassified to profit or loss:			
Remeasurement of the defined benefit liabilities	(4,14,087)	-	(4,14,087)
Income tax impact on above	1,04,226	-	1,04,226
Total (A)	**(3,09,861)**	-	**(3,09,861)**
(B) Items that will be reclassified to profit or loss:			
Loans and advances through other comprehensive Income	7,26,091	-	7,26,091
Income tax Impact on above	(1,82,757)	-	(1,82,757)
Total (B)	**5,43,334**	-	**5,43,334**
Other comprehensive Income (A+B)	**2,33,473**	-	**2,33,473**
VII. Total comprehensive income for the year (V + VI)	**3,25,58,478**	**(1,51,49,632)**	**1,74,08,846**

* The corresponding originally presented figures have been reclassified to conform with restated figures.

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27 Additional Information to the Financial Statements:

A. Expenditure in Foreign Currency – Nil
B. Earning in Foreign Currency – Nil
C. Disclosure as required in terms of Annex III and IV of Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 and Paragraph 5 of National Housing Bank Circular No. NHB/ND/DRS/Pol-No. 35/2010-11 dated October 11, 2010 and notification no. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 09, 2017 are given in Note No. 44 forming part of these Financial Statements.

28 Segment Reporting:

Operating segment are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

29 Related Party Disclosures:

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

List of related parties and relationships:

Sr. No.	Nature of Relationship	
1	Holding Company	MAS Financial Services Limited
2	Key Management Personnel (where there are transactions)	Mr. Kamlesh C. Gandhi (Chairman and Managing Director) Mr. Mukesh C. Gandhi (Whole Time Director and Chief Financial Officer) (till 19 January 2021) Mrs. Darshana S. Pandya (Director and Chief Operating Officer) Mr. Bala Bhaskaran (Independent director) Mr. Chetanbhai Shah (Independent director) Mr. Subir Nag (Independent director)
3	Other related parties (where there are transactions)	Mrs. Shweta K. Gandhi

Transactions with related parties are as follows:

(Amount in ₹)

Particulars	Year ended 31 March 2021			
	Holding Company	Key management personnel	Other Related Parties	Total
Rent Expense	11,70,667	-	-	**11,70,667**
Recovery Contract charges paid	2,40,000	-	-	**2,40,000**
Cross-charge for Director's Remuneration	12,00,000	-	-	**12,00,000**
Expenditure reimbursed to	58,820	-	-	**58,820**
Reimbursement of Collection Received on behalf of	36,46,771	-	-	**36,46,771**
Dividend Paid	39,19,390	3,13,316	97,636	**43,30,342**
Sitting fees	-	2,75,000	-	**2,75,000**

Particulars	Year ended 31 March 2020			
	Holding Company	Key management personnel	Other Related Parties	Total
Rent Expense	14,40,000	-	-	**14,40,000**
Recovery Contract charges paid	2,40,000	-	-	**2,40,000**
Cross-charge for Director's Remuneration	24,00,000	-	-	**24,00,000**
Expenditure reimbursed to	56,25,271	-	-	**56,25,271**
Reimbursement of Collection Received on behalf of	29,03,233	-	-	**29,03,233**
Issue of 6% OCPS	10,00,00,000	-	-	**10,00,00,000**
Dividend Paid	6,33,245	3,26,366	1,01,710	**10,61,320**
Sitting fees	-	2,60,000	-	**2,60,000**

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Balances outstanding from related parties are as follows:

(Amount in ₹)

Particulars	As at 31 March 2021			
	Holding Company	Key management personnel	Other Related Parties	Total
Loans and Advances given	-	18,11,259	-	**18,11,259**
6% OCPS	10,00,00,000	-	-	**10,00,00,000**
Guarantees outstanding	2,51,21,338	-	-	**2,51,21,338**

Particulars	As at 31 March 2020			
	Holding Company	Key management personnel	Other Related Parties	Total
Loans and Advances given	-	19,78,885	-	**19,78,885**
6% OCPS	10,00,00,000	-	-	**10,00,00,000**
Guarantees outstanding	4,68,93,821	-	-	**4,68,93,821**

Particulars	As at 01 April 2019			
	Holding Company	Key management personnel	Other Related Parties	Total
Loans and Advances given	-	21,91,756	-	**21,91,756**
Guarantees outstanding	13,29,57,001	-	-	**13,29,57,001**

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

Key managerial personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

Transactions with key management personnel are as follows:

(Amount in ₹)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Post-employment benefits	-	-
Other long term employment benefits	-	-
	-	-

The remuneration of key management personnel are determined by the remuneration committee having regard to the performance of individuals and market trends.

30 Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from October 2, 2006, certain disclosures are required to be made relating to micro, small and medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The disclosure as required by section 22 of MSMED Act has been given below:

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Principal amount payable to suppliers as at year-end	-	-	-
Interest due thereon as at year end	-	-	-
Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which the interest relates	-	-	-
Amount of delayed payment actually made to suppliers during the year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-	-
Interest accrued and remaining unpaid at the end of the year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-	-

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31 The Board of directors recommended dividend of ₹ 0.048/- per equity share of face value of ₹10 each, which is subject to approval by shareholders of the Company. Dividend on the 6% OCPS is also proposed in the meeting. The amounts of dividend are as follows:

(Amount in ₹)

Particulars	Dividend Proposed
Equity Shares	10,18,867
6% OCPS	60,00,000

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

(₹ in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Ind AS AUM	28,489.46	28,654.48
Stage III AUM	104.04	97.79
Stage III AUM after provisioning	74.69	67.12
Stage 3 As % Of AUM	0.37%	0.34%
Stage 3 As % Of AUM after provisioning	0.26%	0.23%

33 Total amount of assigned assets outstanding as per books of the company (excluding accrued interest) as on 31st March 2021 is ₹ 2,052.90 Lakh. Dues to assignees towards collections from assigned receivables as on 31st March, 2021 is ₹ 38.53 Lakh.

34 Balances of trade payables and loans and advances are subject to confirmation. Adjustments, if any required, will be made on settlement of the account of the parties.

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

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
(A) Contingent Liabilities	-	-	-
(B) Commitments			
I) Loan commitments for sanctioned but not disbursed amount	422.85	598.84	857.95

The Company's pending litigations comprise of proceedings pending with Income Tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

36 **Offsetting**

Following table represents the recognised financial assets that are offset, or subject to enforceable master netting arrangements and other similar arrangements but not offset, as at 31 March 2021 and 31 March 2020. The column 'net amount' shows the impact of Company's balance sheet if all the set-off rights were exercised.

Particulars	Effect of offsetting on the balance sheet			Related amount not offset		Net amount
	Gross amounts	Gross amount off set in balance sheet (Refer Note 1 below)	Net amount presented in balance sheet	Advances received against loan agreements (Refer Note 1 below)	Financial instrument collateral (Refer Note 2 below)	
As at 31 March 2021						
Loans and advances	2,58,45,04,149	27,50,000	2,58,17,54,149	12,86,757	1,22,00,000	2,56,82,67,392
As at 31 March 2020						
Loans and advances	2,54,11,80,323	71,70,000	2,53,40,10,323	11,13,906	1,85,25,000	2,51,43,71,417

Note:

1. ₹ 27,50,000 (31 March 2020: ₹ 71,70,000) advances received against loan agreements is offset against loans and advances.

2. ₹ 1,22,00,000 (31 March 2020: ₹ 1,85,25,000) security deposits received from borrowers is not offset against loans and advances.

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37 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(Amount in ₹)

Particulars	31 March 2021			31 March 2020			1 April 2019		
	Within 12	After 12 months	Total	Within 12	After 12 months	Total	Within 12	After 12 months	Total
ASSETS									
Financial assets									
Cash and cash equivalents	22,06,27,144	-	22,06,27,144	21,07,45,086	-	21,07,45,086	41,22,89,043	-	41,22,89,043
Bank Balance other than above	38,94,768	-	38,94,768	2,05,087	-	2,05,087	1,92,533	-	1,92,533
Loans	80,50,48,160	1,77,67,05,989	2,58,17,54,149	60,83,76,365	1,92,56,33,958	2,53,40,10,323	57,29,43,536	2,07,42,06,949	2,64,71,50,485
Other Financial assets	1,31,69,307	79,43,275	2,11,12,582	66,06,480	1,96,41,715	2,62,48,195	58,94,667	-	58,94,667
Non-Financial Assets									
Current tax assets (Net)	-	-	-	1,84,611	-	1,84,611	-	-	-
Deferred tax Assets (Net)	-	45,24,201	45,24,201	-	17,68,777	17,68,777	-	85,87,970	85,87,970
Property, Plant and Equipment	-	63,53,704	63,53,704	-	84,35,958	84,35,958	-	98,74,207	98,74,207
Capital work-in-progress	-	-	-	-	-	-	-	-	-
Right-of-use Asset	16,12,582	-	16,12,582	22,98,830	16,22,547	39,21,377	-	-	-
Other Intangible assets	-	47,954	47,954	-	71,815	71,815	-	1,04,905	1,04,905
Other non-financial assets	54,77,351	-	54,77,351	83,28,225	-	83,28,225	9,80,108	39,40,666	49,20,774
Total Assets	**1,04,98,29,312**	**1,79,55,75,123**	**2,84,54,04,435**	**83,67,44,684**	**1,95,71,74,770**	**2,79,39,19,454**	**99,22,99,887**	**2,09,67,14,697**	**3,08,90,14,584**
LIABILITIES									
Financial Liabilities									
Trade Payables									
Total outstanding dues of creditors other than micro enterprises and small	71,81,045	-	71,81,045	59,70,400	-	59,70,400	46,71,641	-	46,71,641
Borrowings (Other than Debt Securities)	83,77,50,674	1,41,46,34,094	2,25,23,84,768	63,74,29,083	1,57,74,29,649	2,21,48,58,732	72,92,80,260	1,80,51,30,379	2,53,44,10,639
Other financial liabilities	1,70,67,049	43,17,340	2,13,84,389	1,93,70,213	1,63,54,024	3,57,24,237	7,04,63,323	1,01,74,473	8,06,37,796
Non-Financial Liabilities									
Current tax liabilities (Net)	38,09,386	-	38,09,386	-	-	-	94,380	-	94,380
Provisions	58,889	-	58,889	1,56,762	-	1,56,762	1,34,933	-	1,34,933
Deferred tax liabilities (Net)	-	-	-	-	-	-	-	-	-
Other non-financial liabilities	1,32,87,505	79,43,275	2,12,30,780	73,88,944	1,96,41,715	2,70,30,659	60,02,259	-	60,02,259
Total Liability	**87,91,54,548**	**1,42,68,94,709**	**2,30,60,49,257**	**67,03,15,402**	**1,61,34,25,388**	**2,28,37,40,790**	**81,06,46,796**	**1,81,53,04,852**	**2,62,59,51,64[illegible]**
Net	**17,06,74,764**	**36,86,80,414**	**53,93,55,178**	**16,64,29,282**	**34,37,49,382**	**51,01,78,664**	**18,16,53,092**	**28,14,09,845**	**46,30,62,936**

38 Employee benefit plan

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

(a) Defined Contribution Plan

A defined contribution plan is a pension plan under which the company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The Company's contribution to Provident Fund aggregating to ₹ 24,43,234 (31 March 2020: ₹ 27,73,346) and Employee State Insurance Scheme aggregating to ₹ 2,05,860 (31 March 2020: ₹ 3,01,154) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a defined benefit plan (the Gratuity plan) covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

The defined benefit plans expose the Company to actuarial risks such as Actuarial risk, Investment risk, Liquidity risk, Market risk, Legislative risk. These are discussed as follows:

Actuarial Risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment Risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity Risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cash flows.

Market Risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative Risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

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The status of gratuity plan as required under Ind AS-19 is as under:

(Amount in ₹)

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
i. Reconciliation of Opening and Closing Balances of defined benefit obligation		
Present Value of Defined Benefit Obligations at the beginning of the year	21,19,708	11,22,959
Current Service Cost	9,01,769	5,54,797
Past service Cost	-	-
Interest Cost	1,44,074	84,927
Benefit paid from the fund	(1,30,167)	-
Re-measurement (or Actuarial) (gain) / loss arising from:		
Change in demographic assumptions	(1,32,941)	(14,968)
Change in financial assumptions	-	4,54,719
Experience variance (i.e. Actual experience vs assumptions)	(7,46,340)	(82,726)
Present value of defined benefit obligations at the end of the year	**21,56,103**	**21,19,708**
ii. Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at the beginning of the year	22,48,186	15,11,304
Interest Income	1,83,760	1,35,523
Return on plan assets excluding amounts included in interest income	(60,008)	(57,062)
Contributions by employer	3,93,267	6,58,421
Benefits paid	(1,30,167)	-
Fair value of plan assets at the end of the year	**26,35,038**	**22,48,186**
iii. Reconciliation of the present value of defined benefit obligation and fair value of plan assets		
Present value of defined benefit obligations at the end of the year	21,56,103	21,19,708
Fair value of plan assets at the end of the year	26,35,038	22,48,186
Net asset / (liability) recognized in balance sheet as at the end of the year	**4,78,935**	**1,28,478**

iv. Composition of plan assets

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

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**
v. Expense recognised during the year		
Current service cost	9,01,769	5,54,797
Interest Cost	(39,686)	(50,596)
Past service Cost	-	-
Expenses recognised in the income statement	8,62,083	5,04,201
vi. Other Comprehensive Income		
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	-	4,54,719
Due to change in demographic assumption	(1,32,941)	(14,968)
Due to experience adjustments	(7,46,340)	(82,726)
Return on plan assets excluding amounts included in interest income	60,008	57,062
Components of defined benefit costs recognised in other comprehensive income	(8,19,273)	4,14,087

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Particulars	As at 31 March 2021	As at 31 March 2020
vii. Principal actuarial assumptions		
Discount Rate (per annum)	6.85%	6.85%
Rate of Return on Plan Assets (p.a.)	6.85%	6.85%
Annual Increase in Salary Cost	8.00%	8.00%
Withdrawal Rates	10% p.a. at younger ages reducing to 2% p.a. at older ages	5% p.a. at younger ages reducing to 2% p.a. at older ages

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

viii. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Defined Benefit Obligation (Base)	21,56,103	21,19,708

Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 0.5%)	22,96,178	20,28,554	22,86,141	19,70,049
(% change compared to base due to sensitivity	6.50%	-5.92%	7.85%	-7.06%
Salary Growth Rate (- / + 0.5%)	20,34,162	22,85,905	19,78,109	22,65,367
(% change compared to base due to sensitivity)	-5.66%	6.02%	-6.68%	6.87%
Withdrawal Rate (W.R.) (W.R. x 90% / W.R. x 110%)	21,84,825	21,28,402	21,41,074	20,98,831
(% change compared to base due to sensitivity)	1.33%	-1.28%	1.01%	-0.98%

ix. Asset Liability Matching Strategies

The Company contributes to the insurance fund based on estimated liability of next financial year end. The projected liability statements is obtained from the actuarial valuer.

x. Effect of Plan on Entity's Future Cash Flows

a) Funding arrangements and Funding Policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance Company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Maturity Profile of Defined Benefit Obligation

The Average Outstanding Term of the Obligations (Years) as at valuation date is 11.88 years.

Particulars	Cash flows (₹)	Distribution (%)
Expected cash flows over the next (valued on undiscounted basis):		
1st Following Year	1,16,001	1.90%
2nd Following year	94,441	1.60%
3rd Following Year	1,14,209	1.90%
4th Following Year	1,31,303	2.20%
5th Following Year	1,32,592	2.20%
Sum of years 6 to 10	6,50,856	10.70%

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

The Expected contribution for the next year is ₹ 6,88,952

(c) Other long term employee benefits

The actuarial liability for compensated absences as at the year ended 31 March 2020 and 31 March 2019 is ₹ 58,889 and ₹ 1,56,762 respectively.

(Amount in ₹)

39 Financial Instrument and Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

This note describes the fair value measurement of both financial and non-financial instruments.

A. Accounting classifications and fair values

The carrying amount and fair value of financial instruments including their levels in the fair value hierarchy presented below:

As at 31 March 2021	Carrying amount		Fair value			
	Amortised cost	FVTOCI	Level 1	Level 2	Level 3	Total
Financial assets[1]						
Cash and cash equivalents	22,06,27,144		22,06,27,144	-	-	22,06,27,144
Bank Balance other than cash and cash equivalents	38,94,768		38,94,768	-	-	38,94,768
Loans	2,02,59,97,843	55,57,56,306	-	-	2,58,47,69,548	2,58,47,69,548
Other financial Assets	2,11,12,582		-	-	2,10,49,371	2,10,49,371
	2,27,16,32,337	55,57,56,306				
Financial liabilities[1]						
Trade Payables	71,81,045	-	-	-	71,81,045	71,81,045
Borrowings (Other than Debt Securities)	2,25,23,84,768	-	-	-	2,25,23,84,768	2,25,23,84,768
Other financial liabilities	2,13,84,389	-	-	-	2,13,84,389	2,13,84,389
	2,28,09,50,202	-				

As at 31 March 2020	Carrying amount		Fair value			
	Amortised cost	FVTOCI	Level 1	Level 2	Level 3	Total
Financial assets[1]						
Cash and cash equivalents	21,07,45,086	-	21,07,45,086	-	-	21,07,45,086
Bank Balance other than cash and cash equivalents	2,05,087	-	2,05,087	-	-	2,05,087
Loans	2,36,72,39,916	16,67,70,407	-	-	2,55,68,11,331	2,55,68,11,331
Other financial Assets	2,62,48,195	-	-	-	2,61,88,533	2,61,88,533
	2,60,44,38,284	16,67,70,407				
Financial liabilities[1]						
Trade Payables	59,70,400		-	-	59,70,400	59,70,400
Borrowings (Other than Debt Securities)	2,21,48,58,732		-	-	2,21,48,58,732	2,21,48,58,732
Other financial liabilities	3,57,24,237		-	-	3,57,24,237	3,57,24,237
	2,26,65,53,369	-				

As at 31 March 2019	Carrying amount		Fair value			
	Amortised cost	FVTOCI	Level 1	Level 2	Level 3	Total
Financial assets[1]						
Cash and cash equivalents	41,22,89,043	-	41,22,89,043	-	-	41,22,89,043
Bank Balance other than cash and cash equivalents	1,92,533	-	1,92,533	-	-	1,92,533
Loans	2,64,71,50,485	-	-	-	2,67,09,69,528	2,67,09,69,528
Other financial Assets	58,94,667	-	-	-	58,02,883	58,02,883
	3,06,55,26,728	-				
Financial liabilities[1]						
Trade Payables	46,71.641	-	-	-	46,71,641	46,71,641
Borrowings (Other than Debt Securities)	2,53,44,10,639	-	-	-	2,53,44,10,639	2,53,44,10,639
Other financial liabilities	8,06,37,796	-	-	-	8,06,37,796	8,06,37,796
	2,61,97,20,076	-				

[1] The Company has determined that the carrying values of cash and cash equivalents, bank balances (with the residual maturity up to 12 months), trade payables, short term debts and borrowings, cash credit and other current liabilities are a reasonable approximation of their fair value as these are short term in nature.

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(Amount in ₹)

Reconciliation of level 3 fair value measurement is as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
Loans		
Balance at the beginning of the year	16,67,70,407	-
Addition during the year	41,54,43,282	20,46,15,992
Amount derecognised / repaid during the year	(2,88,60,608)	(3,85,71,676)
Gain included in OCI		
- Net change in fair value (unrealised)	24,03,225	7,26,091
Balance at the end of the year	**55,57,56,306**	**16,67,70,407**

Sensitivity analysis to fair value

	OCI, net of tax	
	Increase	Decrease
31 March 2021		
Loans		
Interest rates (1% movement)	(1,65,61,346)	2,29,13,759
31 March 2020		
Loans		
Interest rates (1% movement)	(48,04,827)	63,14,430
31 March 2019		
Loans		
Interest rates (1% movement)	-	-

B. Measurement of fair values

i) Financial instruments - fair value

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

ii) Transfers between levels 1 and 2

There has been no transfer in between level 1 and level 2.

iii) Valuation techniques

Loans

The Company has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last seven days of the year end which is an unobservable input and therefore these has been considered to be fair valued using level 3 inputs.

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(Amount in ₹)

40 Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the HFC regulator Reserve Bank of India (RBI) and supervisor National Housing Bank (NHB). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI and NHB.

Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

1 Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

2 Regulatory capital

Particulars	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Tier 1 Capital	49,58,60,281	47,17,30,030	44,76,96,499
Tier 2 Capital	11,76,49,619	11,76,10,577	1,16,79,550
Total Capital	**61,35,09,900**	**58,93,40,607**	**45,93,76,049**
Risk weighted assets			
Tier 1 Capital Ratio (%)	35.12%	32.57%	27.68%
Total Capital Ratio (%)	43.45%	40.69%	28.40%

Tier 1 capital consists of shareholders' equity and retained earnings excluding intangible assets. Tier 2 capital consists of optionaly convertible Preference Shares and Provisions on Standard assets.

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41 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loan and advances, cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

41.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Loans and advances

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before sanctioning any loan. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information, etc.

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

(Amount in ₹)

Particulars	Carrying Amount		
	31 March 2021	**31 March 2020**	**1 April 2019**
Retail customer	2,17,93,76,444	1,92,49,01,286	1,68,11,20,335
HFC Loans	23,31,35,100	30,44,50,163	33,75,31,568
Project Finance	23,11,44,595	36,04,96,454	64,56,95,896
Total	**2,64,36,56,139**	**2,58,98,47,904**	**2,66,43,47,799**

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due. Each group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of Ind AS 109 - Financial instruments.

Staging:

As per the provision of Ind AS 109 general approach all financial instruments are allocated to stage 1 on initial recognition. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifespan of the instrument.

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

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

Days past dues status	Stage	Internal Grade	Provisions
Current	Stage 1	High Quality assets, negligible credit risk	12 Months provision
1-30 Days	Stage 1	High Quality assets, negligible credit risk	12 Months provision
31-60 Days	Stage 2	Quality assets, low credit risk	Lifetime provision
61-90 Days	Stage 2	Standard assets, moderate credit risk	Lifetime provision
90-180 Days	Stage 3	Sub-standard assets, relatively high credit risk	Lifetime provision
>180 Days	Stage 3	Low quality assets, very high credit risk	Lifetime provision

Grouping:

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

a. Retail Loan

b. Project Finance

c. Loans to other HFCs for onward lending

The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of expected credit loss provided for across the stage is summarised below:

(Amount in ₹)

Days past due	31 March 2021	31 March 2020	1 April 2019
Stage I	0.56%	0.30%	0.20%
Stage II	18.40%	20.86%	5.87%
Stage III	29.83%	33.08%	27.57%
Amount of expected credit loss provided for	**4,66,96,147**	**3,16,98,550**	**1,24,93,147**

The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company's view of economic conditions over the expected lives of the loan receivables.

Impact assessment on account of COVID-19

In accordance with the board approved moratorium policy read with RBI guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Company had granted moratorium up to six months on the payment of installments which became due between 1 March 2020 and 31 August 2020 to all eligible borrowers. This relaxation did not automatically trigger a significant increase in credit risk. The Company continued to recognize interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period did not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

The impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans which are subject to a number of management judgements and estimates. In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers, along with the associated impact on the Indian and global economy. The Company has separately incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic and the associated support packages in the measurement of impairment loss allowance. The Company has been duly servicing its debt obligations, maintains a healthy capital adequacy ratio and has adequate capital and financial resources to run its business. As at 31 March 2021, the cumulative amount of management overlay provisions stood at ₹ 331.22 lakh in the standalone financial statements, to reflect deterioration in the macroeconomic outlook. The final impact of this pandemic is very uncertain and the actual impact may be different than that estimated based on the conditions prevailing as at the date of approval of these financial statements. Management will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Company.

41.2 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

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

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

Capital adequacy ratio of the Company, as on 31 March 2021 is 43.45% against regulatory norms of 14%. Tier I capital is 35.12%. Tier II capital is 8.33% which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

The total cash credit limit available to the Company is ₹ 1700 lakhs spread across 2 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

Exposure to liquidity risk

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

(Amount in ₹)

Particulars	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 years	Total
As at 31 March 2021									
Debt Securities									-
Borrowings	2,69,11,068	4,11,92,215	16,65,67,080	21,81,85,213	38,48,95,098	97,63,79,996	31,46,68,166	12,35,85,932	2,25,23,84,768
Trade Payable	71,81,045	-	-	-	-	-	-	-	71,81,045
Lease Liability	4,46,814	71,309	2,10,884	3,53,936	8,93,691	-	-	-	19,76,634
Other Financial Liabilities	68,39,797	2,75,000	2,50,000	7,70,557	69,55,061	40,03,469	3,13,871	-	1,94,07,755
As at 31 March 2020									
Debt Securities									-
Borrowings	42,61,878	53,55,138	4,10,19,315	21,40,44,977	37,27,47,775	96,20,50,943	41,74,15,464	19,79,63,242	2,21,48,58,732
Trade Payable	59,70,400	-	-	-	-	-	-	-	59,70,400
Lease Liability	3,40,648	2,51,355	2,43,098	6,45,490	11,05,298	15,80,744	3,31,512	-	44,98,145
Other Financial Liabilities	1,29,45,942	2,75,000	2,50,000	5,00,000	28,13,382	1,01,20,141	43,21,627	-	3,12,26,092
As at 01 April 2019									
Debt Securities									-
Borrowings	3,93,44,303	3,89,28,889	11,55,31,697	12,35,45,008	41,19,30,365	1,25,01,04,308	42,39,91,775	13,10,34,293	2,53,44,10,639
Trade Payable	46,71,641	-	-	-	-	-	-	-	46,71,641
Other Financial Liabilities	6,89,13,474	-	-	-	15,50,000	77,54,169	24,20,153	-	8,06,37,796

41.3 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

A. Interest Rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investment in bank deposits and variable interest rate borrowings and lending.

The sensitivity analysis have been carried out based on the exposure to interest rates for bank deposits, lending and borrowings carried at variable rate.

(Amount in ₹)

Particulars	As at 31 March 2021		As at 31 March 2020	
Change in interest rates	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Variable rate lending	2,64,36,56,139	2,64,36,56,139	2,58,98,47,904	2,58,98,47,904
Impact on Profit for the year	1,26,97,073	(1,26,97,073)	1,26,29,592	(1,26,29,592)
Variable rate borrowings	2,20,53,53,950	2,20,53,53,950	2,16,79,10,829	2,16,79,10,829
Impact on Profit for the year	(1,12,08,010)	1,12,08,010	(1,21,90,769)	1,21,90,769

B. Foreign Currency Risk

The company does not have any instrument denominated or traded in foreign currency. Hence, such risk does not affect the company.

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42 Revenue from contracts with customers

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

(Amount in ₹)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Type of income		
Services charges	11,22,739	1,82,557
Others	27,58,886	31,04,365
Total revenue from contracts with customers	**38,81,625**	**32,86,922**
Geographical markets		
India	38,81,625	32,86,922
Outside India	-	-
Total revenue from contracts with customers	**38,81,625**	**32,86,922**
Timing of revenue recognition		
Services transferred at a point in time	38,81,625	32,86,922
Services transferred over time	-	-
Total revenue from contracts with customers	**38,81,625**	**32,86,922**

43 Ind AS 10 'Events after the Reporting Period', requires an entity to evaluate information available after the balance sheet date to determine if such information constitutes an adjusting event, which would require an adjustment to the financial statements, or a non-adjusting event, which would only require disclosure.

In accordance with RBI Circular no. RB1/2021-22/17DOR. STR.REC.4/21.04.048/2021-22 dated 7 April 2021 and the methodology for calculation of interest on interest based on guidance issued by Indian Banks' Association dated 19 April 2021, the Company has put in place a Board approved policy to refund / adjust interest on interest charged to borrowers during the moratorium period, i.e. 1 March 2020 to 31 August 2020. The Company has calculated the said amount and made a provision in the financial statements for the year ended 31 March 2021 considering the same as adjusting event. As on 31 March 2021, the Company holds a specific liability of ₹ 15.87 lakhs which is debited to interest income to meet its obligation towards refund / adjustment of interest on interest to eligible borrowers as prescribed by the RBI.

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44 Disclosure as required in terms of Annex III and Annex IV of Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021

44.1 Disclosure of Schedules to the balance sheet in compliance with the RBI Master Direction DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021

(₹ in Crores)

	Particulars		
	Liabilities side	**Amount Outstanding**	**Amount Overdue**
1	**Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**		
	(a) Debentures : Secured	-	-
	Unsecured	-	-
	(other than falling within the meaning of public deposits)		
	(b) Deferred Credits	-	-
	(c) Term Loans	220.44	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Publlic Deposits	-	-
	(g) Other loans (specify nature)	-	-
	- Cash Credit	0.00	-
	- Overdraft	0.22	-
2	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**		
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(other than falling within the meaning of public deposits)		
	(c) Other public deposits	-	-
	Assets side		**Amount Outstanding**
3	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**		
	(a) Secured		264.37
	(b) Unsecured		-
4	**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**		
	(i) Lease assets including lease rentals under sundry debtors		
	(a) Finance Lease		-
	(b) Operating Lease		-
	(ii) Stock on hire including hire charges under sundry debtors		
	(a) Assets on Hire		-
	(b) Repossessed Assets		-
	(ii) Other loans counting towards asset financing activities		
	(a) Loans where assets have been repossessed		-
	(b) Loans other than (a) above		-
5	**Break-up of Investments**		
	Current investments		
	1 Quoted		
	(i) Shares		
	(a) Equity		-
	(b) Preference		-
	(ii) Debenture and Bonds		-
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
	(v) Other (Please specify)		-
	2 Unquoted		
	(i) Shares		
	(a) Equity		-
	(b) Preference		-
	(ii) Debenture and Bonds		-
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
	(v) Other (Please specify)		-

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

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

Category	Amount net of provisions		
	Secured	Unsecured	Total
1 Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other Related Parties	0.18	-	0.18
2 Other than related parties	264.18		264.18
Total	264.37	-	264.37

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

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

8 Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	0.98
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	0.69
(ii) Assets acquired in satisfaction of debt	-

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

(₹ in Crores)

Particulars	As at 31 March 2021
Financials assets in business of providing finance for housing	208.00
Financials assets in business of providing finance for housing to Individuals	189.45
Total Assets (net of intangible assets)	284.54
% of financials assets in business of providing finance for housing to total assets (net of intangible assets)	73.10%
% of financials assets in business of providing finance for housing to Individuals to total assets (net of intangible assets)	66.58%

Note: The above criteria is effective w.e.f. October 22, 2020, accordingly disclosure for previous year is not applicable.

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44.3 Disclosures in accordance with the RBI Master Direction DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021:

Disclosures in accordance with the RBI Master Direction DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 have been prepared in compliance with Indian Accounting Standards (Ind AS) whereas comparative figures have been disclosed on the basis of previous GAAP pursuant to the NHB circular no. NHB (ND)/DRS/Policy Circular No.89/2017-18 dated June 14, 2018.

A Disclosures

A.1 Capital

(Rs. in Crore)

Particulars		Current Year	Previous Year
(i)	CRAR (%)	42.75%	40.69%
(ii)	CRAR - Tier I Capital (%)	34.76%	32.57%
(iii)	CRAR – Tier II Capital (%)	7.99%	8.12%
(iv)	Amount of subordinated debt raised as Tier- II Capital	-	-
(v)	Amount raised by issue of Perpetual Debt Instruments	-	-

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

Please refer Note No. 17 to the Financial Statements

A.3 Investments

(Rs. in Crore)

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

A.4 Derivatives

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

(Rs. in Crore)

Particulars		Current Year	Previous Year
(i)	The notional principal of swap agreements	-	-
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the	-	-
(iii)	Collateral required by the HFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swaps	-	-
(v)	The fair value of the swap book	-	-

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

4.2 Exchange Traded Interest Rate (IR) Derivative

(Rs. in Crore)

Particulars		Amount
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year	-
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2020	-
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-

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4.3 Disclosures on Risk Exposure in Derivatives

A Qualitative Disclosure

Not Applicable

B Quantitative Disclosure

(Rs. in Crore)

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

A.5 Securitisation

5.1 For Securitisation Transactions

(Rs. in Crore)

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

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

(Rs. in Crore)

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

5.3 Details of Assignment transactions undertaken by HFCs

(Rs. in Crore)

Particulars		Current Year	Previous Year
(i)	No. of accounts	0	185
(ii)	Aggregate value (net of provisions) of accounts assigned	-	24.99
(iii)	Aggregate consideration	-	24.99
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

5.3 Details of non-performing financial assets purchased / sold

A Details of non-performing financial assets purchased:

(Rs. in Crore)

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

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B Details of Non-performing Financial Assets sold:

(Rs. in Crore)

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

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

Current Year

(Rs. in Crore)

Particulars	Up to 30/31 days (one month)	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 years & up to 3 years	Over 3 years & up to 5 years	Over 5 years & up to 7 years	Over 7 years & up to 10 years	Over 10 Years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank / FI	2.91	4.18	16.72	21.99	38.78	98.31	31.62	9.20	2.02	1.14	226.86
Market Borrowing	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	7.38	5.55	15.32	19.01	35.54	79.72	60.20	15.82	12.05	13.77	264.37
Investments	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

Previous Year

(Rs. in Crore)

Particulars	Up to 30/31 days (one month)	Over 1 month & up to 2 months	Over 2 months & up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 years & up to 3 years	Over 3 years & up to 5 years	Over 5 years & up to 7 years	Over 7 years & up to 10 years	Over 10 Years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from Bank	0.58	0.58	4.14	21.51	37.45	96.57	39.95	12.39	1.43	2.19	216.79
Market Borrowing	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	4.17	5.82	4.90	17.53	30.13	69.01	41.61	21.81	27.10	38.11	260.20
Investments	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

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A.7 Exposure

7.1 Exposure to Real Estate Sector

(Rs. in Crore)

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 or that is rented		
- Individual Housing Loan up to Rs. 15 Lakh	171.95	155.88
- Individual Housing Loan above Rs. 15 Lakh	17.50	15.36
(ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;		
- Individual Commercial Loan up to Rs. 15 Lakh	24.31	18.91
- Individual Commercial Loan above Rs. 15 Lakh	4.18	4.01
- Builders	23.11	36.13
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised		
a) Residential	-	-
b) Commercial Real Estate	-	-
b) **Indirect Exposure**		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	23.31	29.90

7.2 Exposure to Capital Market

(Rs. in Crore)

Particulars	Current Year	Previous Year
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / Issues;	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	-	-

7.3 Details of financing of parent company products

Not Applicable

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

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

7.5 Unsecured Advances

a) Please refer Note No. 7 to the Financial Statements.
b) The Company has not granted any advances against intangible securities.

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

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

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B Miscellaneous

B.1 Registration obtained from other financial sector regulators

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

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

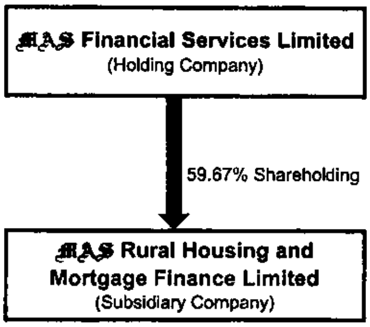
NHB has not imposed any penalty on the Company during the year.

B.3 Related party Transactions

Please refer note no. 29 to the Financial Statements.

B.4 Group Structure

The group structure of the company is below:



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

By CARE:

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

B.6 Remuneration of Directors

Please refer note no. 29 to the Financial Statements.

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

There are no prior period items requiring disclosure in the financial statements. However please refer note no. 26 for change in accounting policy.

B.8 Revenue Recognition

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

B.9 Accounting Standard 21 – Consolidated Financial Statements (CFS)

Since the company does not have any subsidiaries, Accounting Standard 21 - Consolidated Financials Statements (CFS) is not applicable to the company.

C Additional Disclosures

C.1 Provisions and Contingencies

(Rs. in Crore)

	Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Current Year	Previous Year
1	Provisions for depreciation on Investment	-	-
2	Provision made towards Income tax	0.90	0.87
3	Provision towards NPA	(0.01)	-
4	Provision for Standard Assets (with details like teaser loan, CRE, CRE-RH etc.)		
	i) Housing Loans	0.77	0.55
	ii) Commercial Real Estate (CRE)	0.39	(0.01)
	iii) Commercial Real Estate - Residential Housing (CRE-RH)	0.50	0.05
	iv) National Housing Bank (NHB) and Housing Finance Companies (HFCs)	(0.15)	(0.01)
5	Other Provision and Contingencies	0.20	0.24

(Rs. in Crore)

Break up of Loan & Advances and Provisions thereon	Residential Mortgages (Individual Housing Loans)		Commercial Real Estate (CRE) (Individuals & Builders)	
	Current Year	Previous Year	Current Year	Previous Year
Standard Assets				
a) Total Outstanding Amount	188.56	170.92	32.95	31.78
b) Provisions made	2.35	0.43	0.63	0.32
Sub-Standard Assets				
a) Total Outstanding Amount	0.88	0.33	0.10	0.01
b) Provisions made	0.26	0.05	0.03	0.00
Doubtful Assets – Category - I				
a) Total Outstanding Amount	0.01	-	-	-
b) Provisions made	0.00	-	-	-
Doubtful Assets – Category - II				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Doubtful Assets – Category - III				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) Total Outstanding Amount	**189.45**	**171.25**	**33.05**	**31.79**
b) Provisions made	**2.62**	**0.48**	**0.66**	**0.32**

Break up of Loan & Advances and Provisions thereon	Commercial Real Estate - Residential Housing (CRE-RH)		Housing Finance Companies (HFCs) (Non-Housing)	
	Current Year	Previous Year	Current Year	Previous Year
Standard Assets				
a) Total Outstanding Amount	18.56	26.80	23.31	29.90
b) Provisions made	1.12	0.20	0.27	0.07
Sub-Standard Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Doubtful Assets – Category - I				
a) Total Outstanding Amount	-	0.47	-	-
b) Provisions made	-	0.12	-	-
Doubtful Assets – Category - II				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Doubtful Assets – Category - III				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) Total Outstanding Amount	**18.56**	**27.27**	**23.31**	**29.90**
b) Provisions made	**1.12**	**0.32**	**0.27**	**0.07**

Notes:

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

2 The Category of Doubtful Assets will be as under:

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

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C.2 Draw Down from Reserves

There has been no draw down from reserves during the year ended 31 March 2021 (PY: Nil)

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

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

(Rs. in Crore)

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

3.2 Concentration of Loans & Advances

(Rs. in Crore)

Particulars	Current Year	Previous Year
Total Loans & Advances to twenty largest borrowers	43.38	54.37
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	16.41%	21.02%

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

(Rs. in Crore)

Particulars	Current Year	Previous Year
Total Exposure to twenty largest borrowers / customers	43.38	54.37
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	16.15%	20.55%

3.4 Concentration of NPAs

(Rs. in Crore)

Particulars	Current Year	Previous Year
Total Exposure to top ten NPA accounts	0.75	0.81

3.5 Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector
A	**Housing Loans :**	
1	Individuals	0.47%
2	Builders/Project Loans	0.00%
3	Corporates	0.00%
4	Others (specify)	0.00%
B	**Non-Housing Loans :**	
1	Individuals	0.33%
2	Builders/Project Loans	0.00%
3	Corporates	0.00%
4	Others (specify)	0.00%

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C.4 Movement of NPAs

(Rs. in Crore)

Particulars		Current Year	Previous Year
(I)	Net NPAs to Net Advances (%)	0.26%	0.24%
(II)	Movement of NPAs (Gross)		
	a) Opening balance	0.92	0.98
	b) Additions during the year	1.68	1.65
	c) Reductions during the year	(1.62)	(1.82)
	d) Closing balance	0.98	0.81
(III)	Movement of Net NPA		
	a) Opening balance	0.62	0.79
	b) Additions during the year	1.21	1.37
	c) Reductions during the year	(1.13)	(1.54)
	d) Closing balance	0.69	0.62
(IV)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening balance	0.31	0.19
	b) Additions during the year	0.48	0.28
	c) Reductions during the year	(0.49)	(0.28)
	d) Closing balance	0.29	0.19

C.5 Overseas Assets

(Rs. in Crore)

Particulars	Current Year	Previous Year
	NIL	NIL

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

Name of the SPV sponsored	
Domestic	**Overseas**
NIL	NIL

D Disclosure of Complaints

D.1 Customers Complaints

Particulars		Current Year	Previous Year
a)	No. of complaints pending at the beginning of the year	0	0
b)	No. of complaints received during the year	0	4
c)	No. of complaints redressed during the year	0	4
d)	No. of complaints pending at the end of the year	0	0

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45 Information as required in terms of RBI notification no. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 are mentioned as below:

(Amount in ₹)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms*	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
Performing Assets						
Standard	Stage 1	2,45,30,60,270	1,37,91,751	2,43,92,68,519	95,48,510	42,43,241
	Stage 2	16,26,77,775	2,99,69,720	13,27,08,055	7,47,017	2,92,22,703
Subtotal		**2,61,57,38,045**	**4,37,61,471**	**2,57,19,76,574**	**1,02,95,527**	**3,34,65,944**
Non-Performing Assets (NPA)						
Substandard	Stage 3	97,57,931	29,10,460	68,47,471	13,66,449	15,44,011
Doubtful - up to 1 year	Stage 3	62,670	24,216	38,454	15,699	8,517
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**62,670**	**24,216**	**38,454**	**15,699**	**8,517**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**98,20,601**	**29,34,676**	**68,85,925**	**13,82,148**	**15,52,528**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	**2,45,30,60,270**	**1,37,91,751**	**2,43,92,68,519**	**95,48,510**	42,43,241
	Stage 2	**16,26,77,775**	**2,99,69,720**	**13,27,08,055**	**7,47,017**	2,92,22,703
	Stage 3	**98,20,601**	**29,34,676**	**68,85,925**	**13,82,148**	15,52,528
	Total	**2,62,55,58,646**	**4,66,96,147**	**2,57,88,62,499**	**1,16,77,675**	3,50,18,472

* The company has made a general provision of ₹ 155.94 lakh over and above the prescribed provisions as per IRACP norms. The details of the same is given below:

(Amount in ₹)

Asset Classification as per RBI Norms	Provisions required as per IRACP norms	General Provision made	Total provision made
Performing Assets			
Standard	1,02,95,527	1,51,24,640	2,54,20,167.00
Non-Performing Assets (NPA)			
Substandard	13,66,449	4,64,295	18,30,744
Doubtful - up to 1 year	15,699	5,335	21,034
1 to 3 years	-	-	-
More than 3 years	-	-	-
Loss	-	-	-
Total	1,16,77,675	1,55,94,270	2,72,71,945

46 Information as required in terms of RBI notification no. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17 April 2020 are mentioned as below:

The details of the accounts on which moratorium has been granted by the Company is as below:

Particulars	Amount in (₹)
(i) Amounts in SMA / overdue categories, where the moratorium / deferment was extended*	12,24,59,973
(ii) Amount where asset classification benefits is extended	Nil **
(iii) Provisions made during the period	-
(iv) Provisions adjusted during the periods against slippages and the residual provisions	N.A.

* Outstanding as on 31 March 2021 on account of all cases where moratorium benefit is extended by the Company up to 31 August 2020.

** There are Nil accounts where asset classification benefit is extended till 31 March 2021. Post the moratorium period, the movement of aging has been at actuals.

Note: The Company has complied with Ind-AS and guidelines duly approved by the Board for recognition of the impairments. Refer Note 41.1.

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47 Disclosure of Liquidity Risk as on March 31, 2021 as required under RBI notification DOR.NBFC (HFC).CC.No.118/03.10.136/2020-21 dated October 22, 2020

i) Funding Concentration based on significant counterparty[1]

No. of significant Counterparties	(Amount in ₹)	% of Total Deposits	% of Total Liabilities [3]
4	1,50,64,15,111	N.A	65.32%

ii) Top 20 large deposits

Nil. The Company is registered with NHB as Non Deposit accepting HFC.

iii) Top 10 borrowings

Total amount of top 10 borrowings (Amount in ₹)	2,20,31,53,451
Percentage of amount of top 10 borrowings to total borrowings	99.90%

iv) Funding concentration based on significant instrument/product[2]

Name of instrument/product	As at 31 March 2021 (Amount in ₹)	% of Total Liabilities [3]
Term Loans	2,20,31,48,713	95.54%

v) Stock Ratio

Particulars	As at 31 March 2021
Commercial paper as a percentage of total liabilities	N.A.
Commercial paper as a percentage of total assets	N.A.
Non convertible debentures (original maturity of less than one year) as a percentage of total liabilities	N.A.
Non convertible debentures (original maturity of less than one year) as a percentage of total assets	N.A.
Other short term liabilities as a percentage of total liabilities[3]	36.63%
Other short term liabilities as a percentage of total public funds[4]	38.09%
Other short term liabilities as a percentage of total assets	29.68%

vi) Institutional set-up for liquidity risk management

Please refer note 41.2 to the financials statements.

Notes:

1. Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No. 102/ 03.10.001/ 2019-20 dated November 4, 2019 on 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies'.
2. Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies'.
3. Total liabilities represents total liabilities as per balance sheet.
4. Public funds are as defined in Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021.

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