



The Power of Distribution



The Power of Distribution

Consolidated Financial Report

2016-17

REGISTERED OFFICE

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAS FINANCIAL SERVICES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of MAS FINANCIAL SERVICES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.



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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditor in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 1,872,379,659 as at 31st March, 2017, total revenues of Rs. 233,048,794 and net cash inflows amounting to Rs. 43,681,205 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by another auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matter with respect to our reliance on the work done and report of other auditor.



Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company, none of the directors of the Group companies is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's/ subsidiary company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.
- iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements and as produced to us by the Management of the respective Group entities.



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

Kartikeya Raval

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Ahmedabad
Date: *June 21, 2017*

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT
(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory
Requirements’ section of our report of even date)**

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of MAS Financial Services Limited (hereinafter referred to as “the Holding Company”) and its subsidiary company, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary company, are responsible for establishing and maintaining internal financial controls based on the criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary company, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting include obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary company, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the aforesaid entities.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor referred to in the Other Matters paragraph below, the Holding Company and its subsidiary company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary company, is based on the corresponding report of the auditor of that company.

Our opinion is not modified in respect of the above matters.



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

Kartikeya Raval

Kartikeya Raval
(Partner)
(Membership No. 106189)

Place: Ahmedabad

Date: *June 21, 2017*

HAS FINANCIAL SERVICES LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2017

	Notes	As at 31st March 2017 Rupees	As at 31st March 2016 Rupees
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	904,272,720	594,712,150
Reserves and Surplus	4	2,412,572,506	1,219,859,069
		3,316,845,226	1,814,571,219
Minority Interest		104,983,389	97,119,670
Preference Shares issued by subsidiary company outside the group	5	40,000,000	20,000,000
Compulsorily Convertible Debentures (Unsecured)	3.5	499,800,000	499,800,000
Non-current liabilities			
Long-term borrowings	6	3,108,911,524	3,948,440,493
Deferred Tax Liabilities (Net)	7A	5,648,606	4,232,496
Other Long-term Liabilities	8	2,520,451,662	1,526,657,271
Long-term provisions	9	37,042,652	19,546,101
		5,672,054,444	5,498,876,361
Current liabilities			
Short-term borrowings	10	7,679,891,181	7,411,161,069
Trade payables :			
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		27,591,330	46,909,209
Other current liabilities	11	4,531,468,070	3,964,128,645
Short-term provisions	12	133,891,933	119,044,227
		12,372,842,514	11,541,243,150
		22,006,525,573	19,471,610,400
TOTAL			
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	13	86,063,757	81,716,355
Intangible assets		1,379,528	-
		87,443,285	81,716,355
Non-current investments	14	69,915	2,733,121
Deferred tax assets (net)	7B	42,225,774	30,079,546
Long-term loans and advances	15	8,839,719,672	5,877,664,189
Other non-current assets	16	94,814,110	79,953,086
		8,976,829,471	5,990,429,942
Current assets			
Cash and Cash Equivalents	17	473,659,788	1,817,018,568
Short-term loans and advances	15	12,248,751,082	11,385,243,253
Other current assets	18	219,841,947	197,202,282
		12,942,252,817	13,399,464,103
		22,006,525,573	19,471,610,400
TOTAL			
See accompanying notes forming part of the consolidated financial statements			

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Kartikya Raval

Kartikya Raval
Partner

Darshana S. Pandya

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

Nirav P. Patel

Nirav Patel
(Company Secretary)

For and on behalf of the Board of Directors

Kamlesh C. Gandhi

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

Mukesh C. Gandhi

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

Place : Ahmedabad

Date : June 21, 2017

Place: Ahmedabad

Date: 21/06/2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

	Notes	Year ended 31st March 2017 Rupees	Year ended 31st March 2016 Rupees
INCOME			
Revenue from Operations	19	3,637,462,888	3,086,512,680
Other Income	20	9,557,197	7,479,250
Total Revenue		3,647,020,085	3,093,991,930
EXPENSES			
Employee Benefits Expense	21	293,877,923	244,207,738
Finance Costs	22	1,642,945,579	1,422,526,666
Depreciation and Amortisation Expense	23	13,766,354	10,942,086
Provisions and Loan Losses	24	272,237,706	236,069,997
Other Expenses	25	364,302,462	342,766,277
Total Expenses		2,587,130,024	2,256,512,764
Profit Before Tax		1,059,890,061	837,479,166
Tax Expense / (Benefit):			
Current Tax		377,610,000	296,160,000
Short/(Excess) provision for tax relating to prior years		(182,492)	53,540
Net current tax expense		377,427,508	296,213,540
Deferred Tax		(10,730,118)	(6,271,639)
Net tax expense		366,697,390	289,941,901
Profit after tax before share of profit attributable to minority interest		693,192,671	547,537,265
Less: Share of profit attributable to minority Interest		(7,863,719)	(5,533,006)
Profit for the year attributable to the shareholders of the Company		685,328,952	542,004,259
Earnings per share (of Rs. 10 each):			
Basic	26	16.14	12.65
Diluted		15.33	12.65
See accompanying notes forming part of the consolidated financial statements			

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval

Kartikeya Raval
Partner

Darshana S. Pandya

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

For and on behalf of the Board of Directors
Kamlesh C. Gandhi

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

Nirav P. Patel

Nirav Patel
(Company Secretary)

Mukesh C. Gandhi

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

Place : Ahmedabad
Date : June 21, 2017

Place: Ahmedabad
Date: 21/06/2017

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

	Year ended 31st March 2017		Year ended 31st March 2016	
	Rupees		Rupees	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		1,059,890,061		837,479,166
Adjustments for :				
Depreciation and Amortisation	13,766,354		10,942,086	
Finance Costs	1,642,945,579		1,422,526,666	
Provision for Non Performing Assets	7,437,973		2,588,963	
Contingent Provision against Standard Assets	31,562,202		19,784,980	
Loss Assets Written Off	216,885,092		202,006,472	
Loss on Sale of Fixed Assets	124,413		609,976	
Loss on Sale of Repossessed Assets	16,352,439		11,689,582	
Interest Income	(3,637,462,888)		(3,086,512,680)	
Interest Income from Investments and Deposits	(8,659,430)		(7,441,668)	
Dividend Income	(1,028)		(3,794)	
Profit on Redemption of Investment	-		(33,788)	
Income on distribution on PTC held as non-current investments	(896,739)		-	
	-	(1,717,946,033)	-	(1,423,843,205)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(658,055,972)		(586,364,039)
Changes in Working Capital:				
Adjustments for (increase)/decrease in operating assets:				
Loans and Advances	(3,998,905,573)		(4,229,455,075)	
Deposits given as Collateral	-		59,578,362	
Other Current Assets	(20,405,523)		(11,663,443)	
Adjustments for increase/(decrease) in operating liabilities:				
Trade Payables	(19,317,878)		31,633,053	
Security Deposits from Borrowers	950,268,536		363,458,762	
Advance from Borrowers	66,502,860		-	
Other Current Liabilities	328,994,568		257,515,070	
Short Term Provisions	1,002,902	(2,691,860,108)	1,660,573	(3,527,272,698)
CASH GENERATED FROM / (USED IN) OPERATIONS		(3,349,916,080)		(4,113,636,737)
Finance Costs	(1,530,226,359)		(1,393,644,974)	
Income Tax Paid (Net)	(371,728,656)		(285,078,043)	
Interest Income Received	3,609,156,269	1,707,201,254	2,986,566,220	1,307,843,203
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES [A]		(1,642,714,826)		(2,805,793,534)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets, including capital advances	(40,598,513)		(49,300,052)	
Proceeds from sale of Fixed Assets	142,144		2,700,000	
Bank balances not considered as Cash and Cash Equivalents				
- Fixed Deposits Matured	478,500,000		336,500,052	
- Fixed Deposits Placed	(484,612,125)		(341,306,052)	
Interest Income from Investments and Deposits	4,960,977		19,891,584	
Income on distribution on PTC held as non-current investments	896,739		-	
Proceeds from redemption of Long Term Investments	2,663,206		795,000	
Dividend Income	1,028		3,794	
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES [B]		(38,046,544)		(30,715,674)



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

	Year ended 31st March 2017		Year ended 31st March 2016	
	Rupees		Rupees	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Shares	1,000,000,041		-	
Shares Issue Expenses	(60,266,214)		-	
Proceeds from Issue of Non-Convertible Debentures	-		400,000,000	
Proceeds from Issue of Convertible Cumulative Preference Shares	40,000,000		-	
Proceeds from Issue of Preference Shares to Minority Shareholders	20,000,000		20,000,000	
Proceeds from Long Term Borrowings	1,525,000,000		3,903,740,998	
Proceeds from Issue of Commercial Papers	734,201,250		-	
Redemption of Commercial Papers	(750,000,000)		-	
Repayments of Long Term Borrowings	(2,240,801,775)		(1,486,503,386)	
Net Increase / (Decrease) in Working Capital Borrowings	268,730,112		(42,847,469)	
Dividends paid including Dividend Distribution Tax	(198,850,604)		(279,769,535)	
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES [C]		338,012,810		2,514,620,608
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(1,342,748,560)		(321,888,600)
Cash and Cash Equivalents at the beginning of the year		1,808,072,998		2,129,961,598
Cash and Cash Equivalents at the end of the year (Refer Note No. 17(A))		465,324,438		1,808,072,998

Notes:

- 1 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements specified under Section 133 of the Companies Act, 2013.
- 2 Previous year's figures have been regrouped / reclassified wherever necessary.

See accompanying notes forming part of the financial statements

In terms of our report attached

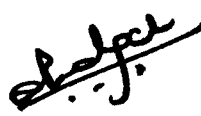
For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval
Partner

Place : Ahmedabad

Date : June 21, 2017

For and on behalf of the Board of Directors

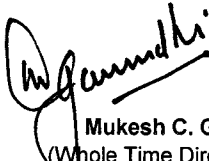

Darshana S. Pandya
(Director & Chief Operating Officer)
(DIN - 07610402)

Nirav Patel
(Company Secretary)

Place: Ahmedabad

Date: 21/06/2017


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


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

(DIN - 00187086)

Note-1 CORPORATE INFORMATION

MAS Financial Services Limited ("the Company/the Holding Company") together with its subsidiary MAS Rural Housing & Mortgage Finance Limited, hereinafter referred to as 'the Group' are public companies domiciled in India and incorporated under the provisions of Companies Act, 1956. MAS Financial Services Limited is registered as a Non-Banking Finance Company (NBFC) with Reserve Bank of India. MAS Rural Housing & Mortgage Finance Limited is registered as a Housing Finance Company (HFC) with National Housing Bank. The Group is engaged in the business of providing Micro Enterprise Loans, SME Loans, Two Wheeler Loans, Commercial Vehicle Loans, Agri-based Loans, Loans to Micro Financial Institutions (MFI) and NBFCs and housing finance by way of providing housing loans, commercial loans and project loans for real estate projects to customers especially in the segment of Affordable Housing in Rural & Urban areas. The Holding Company has filed Draft Red Herring Prospectus with Securities and Exchange Board of India (SEBI) for the proposed Initial Public Offer (IPO) and Offer for Sale (OFS) amounting up to Rs. 550 crores.

Note-2 BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING AND PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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

B. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to MAS Financial Services Limited and its subsidiary company. The consolidated financial statements have been prepared on the following basis:

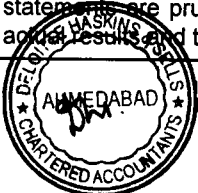
- a) The financial statements of the subsidiary company used in the consolidation are drawn upto the same reporting date as that of the Company i.e. 31st March, 2017.
- b) The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions and resulting unrealised profit or losses, unless cost cannot be recovered.
- c) The excess of share of equity of the Group in the subsidiary company as on the date of investments over the cost of investments of the Group in the subsidiary company is recognised as 'Capital Reserve on Consolidation' and shown under the head 'Reserves & Surplus', in the consolidated financial statements.
- d) Minority Interest in the net assets of the consolidated subsidiary consists of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary company were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit for the year of the subsidiary attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to the shareholders of the Company.
- e) The following subsidiary company has been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power as at	
				31st March 2017	31st March 2016
MAS Rural Housing and Mortgage Finance Limited	Subsidiary Company	India	MAS Financial Services Limited	59.61%	59.61%

f) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's standalone financial statements.

C. USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize.



D. FIXED ASSETS

Fixed assets are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on fixed assets after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably.

E. DEPRECIATION AND AMORTISATION

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

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

F. IMPAIRMENT OF ASSETS

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the 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 Consolidated Statement of Profit and Loss.

G. INVESTMENTS

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

H. GOVERNMENT GRANTS

Subsidies related to depreciable fixed assets are treated as deferred income which is recognised in the Consolidated Statement of Profit and Loss over the periods and in the proportion in which depreciation on those assets is charged. The deferred income balance is separately disclosed in the consolidated financial statements as "Deferred Subsidy".

I. REVENUE RECOGNITION

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

Income from Loans

Interest income on loan transactions is accounted for over the period of the contract by applying the interest rate implicit in such contracts. In respect of the subsidiary company, EMIs commence once the entire loan is disbursed. Pending commencement of EMIs, pre EMI interest is payable every month.

Service charges, Processing Fees and stamp and documentation charges are recognised as income at the commencement of the contract. In respect of the subsidiary company, processing fees which are refunded on rejection of application are recognised as an expense in the period the same are refunded.

Income from Assignment of receivables

At Par Structure

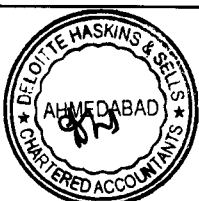
In case of assignment of receivables at par, the assets are de-recognised since all the rights, title and future receivable principal are assigned to the purchaser. The interest spread arising on assignment is accounted over the residual tenor of the underlying assets.

J. OTHER INCOME

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

K. REPOSSESSED ASSETS

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



L. EMPLOYEE BENEFITS

Defined contribution plans

Contribution to provident fund and employee state insurance scheme by the entities in the Group are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

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

Short-term employee benefits

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

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

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

M. BORROWING COSTS

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

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

N. EARNINGS PER SHARE

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

O. TAXES ON INCOME

Current tax is determined on the basis of taxable income computed for each of the entities in the Group in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961.

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

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



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

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

Q. CASH FLOW STATEMENT

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

R. LEASES

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

S. PROVISIONS AND CONTINGENCIES

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements. The Ministry of Corporate Affairs (MCA) has notified Companies (Accounting Standards) Amendment Rules, 2016 (G.S.R. 364(E) dated 30.03.2016) and amended seven Accounting Standards and omitted AS 6, Depreciation Accounting, issued under Companies (Accounting Standards) Rules, 2006. The impact of application of new accounting standards on consolidated financial statements is Rs.3,751,046 being proposed dividend on Compulsorily Convertible Preference Shares and dividend distribution tax thereon and dividend distribution tax of proposed dividend on equity shares of subsidiary company pertaining to investments of the holding company is not provided for in the current year but disclosed by way of a note (Refer Note no.40). Had the new accounting standards not been applied in the current year, the surplus in statement of Profit & loss account would have been lower by Rs.3,751,046 on account of dividend appropriation.



	As at 31st March 2017 Rupees	As at 31st March 2016 Rupees
Note 3. Share Capital		
Authorized		
64,000,000 Equity Shares of Rs. 10 each (As at 31st March 2016: 21,500,000 Equity Shares of Rs. 10 each)	640,000,000	215,000,000
- Cumulative Redeemable Non Convertible Preference Shares of Rs. 100 each (As at 31st March 2016: 650,000)	-	65,000,000
- 8% Cumulative Redeemable Preference Shares of Rs.10 each (As at 31st March 2016: 40,000,000)	-	400,000,000
22,000,000 0.01% Compulsorily Convertible Cumulative Preference Shares of Rs.10 each (As at 31st March 2016: 22,000,000)	220,000,000	220,000,000
22,000,000 13.31% Compulsorily Convertible Cumulative Preference Shares of Rs.10 each (As at 31st March 2016: 22,000,000)	220,000,000	220,000,000
400 9.75% Compulsorily Convertible Cumulative Preference Shares of Rs.100,000 each	40,000,000	-
	1,120,000,000	1,120,000,000
Issued, Subscribed and Fully Paid-Up:		
42,956,182 Equity Shares of Rs.10 each fully paid-up (As at 31st March 2016: 16,000,125 Equity Shares of Rs.10 each fully paid-up)	429,561,820	160,001,250
21,735,545 0.01% Compulsorily Convertible Cumulative Preference Shares of Rs.10 each (As at 31st March 2016: 21,735,545 0.01% Compulsorily Convertible Cumulative Preference Shares of Rs.10 each)	217,355,450	217,355,450
21,735,545 13.31% Compulsorily Convertible Cumulative Preference Shares of Rs.10 each (As at 31st March 2016: 21,735,545 13.31% Compulsorily Convertible Cumulative Preference Shares of Rs.10 each)	217,355,450	217,355,450
400 9.75% Compulsorily Convertible Cumulative Preference Shares of Rs.100,000 each	40,000,000	-
	904,272,720	594,712,150

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

	As at 31st March 2017		As at 31st March 2016	
	No. of Shares	Amount Rupees	No. of Shares	Amount Rupees
Equity Shares				
Outstanding at the beginning of the year	16,000,125	160,001,250	16,000,125	160,001,250
Issued during the year	2,955,869	29,558,690	-	-
Bonus issue during the year	24,000,188	240,001,880		
Outstanding at the end of the year	42,956,182	429,561,820	16,000,125	160,001,250
13.31% Compulsorily Convertible Cumulative Preference Shares				
Outstanding at the beginning of the year	21,735,545	217,355,450	21,735,545	217,355,450
Issued during the year	-	-	-	-
Outstanding at the end of the year	21,735,545	217,355,450	21,735,545	217,355,450
0.01% Compulsorily Convertible Cumulative Preference Shares				
Outstanding at the beginning of the year	21,735,545	217,355,450	21,735,545	217,355,450
Issued during the year	-	-	-	-
Outstanding at the end of the year	21,735,545	217,355,450	21,735,545	217,355,450
9.75% Compulsorily Convertible Cumulative Preference Shares				
Outstanding at the beginning of the year	-	-	-	-
Issued during the year	400	40,000,000	-	-
Outstanding at the end of the year	400	40,000,000	-	-



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

(a) Equity Shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

During the current year, pursuant to the approval of shareholders at the Extra ordinary General Meeting held on 30th March 2017, the Company has issued and allotted 2,955,869 equity shares of Rs. 10 each at a price of Rs. 338.31 per share (Inclusive of a premium of Rs. 328.31 per equity share) on preferential allotment basis to M/s. Motilal Oswal Financial Services Limited and M/s. Motilal Oswal Securities Limited. Such Preferential shares shall rank pari passu in all respects including, as to dividend with existing fully paid up equity shares of face value of Rs. 10 each and shall also be subject to lock-in, in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations.

Pursuant to the Private Placement offer letter ("Offer Document") dated 30th March 2017, the Company has issued 3,990,422 equity shares for an aggregate amount of Rs. 1,349,999,667. At first tranche of the allotment, 2,955,869 equity shares were allotted on 30th March 2017 for an aggregate amount of Rs. 1,000,000,041. The Company has reserved and subsequently allotted 1,034,553 equity shares on 19th April 2017, for an aggregate amount of Rs. 349,999,625 towards second tranche of allotment. The above equity shares shall rank pari-passu in all respects with the existing shareholders.

During the period, the Company has reclassified its authorised share capital which has been approved by the Board of Directors at their meeting held on 26th October 2016 and by the shareholders at the Extraordinary General Meeting held on 9th November 2016.

Details of the reclassified authorised share capital are as under:

Class of Shares	No. of Shares Before Reclassificatio	No. of shares After Reclassification
Equity Shares (Face value of Rs. 10 each)	21,500,000	64,000,000
Cumulative Redeemable Non Convertible Preference Shares (Face value of Rs. 100 each)	650,000	-
9.75% Compulsorily Convertible Cumulative Preference Shares (Face value of Rs. 100,000 each)	4,000	400

During the period, the Company has issued 24,000,188 equity shares as bonus shares in the ratio of 3:2 (3 bonus shares for every 2 equity shares held on 31st October 2016) by utilising balance from General Reserve and Surplus in Statement of Profit and Loss. These equity shares have been allotted on 18th November 2016.

The Board of Directors in their meeting held on 8th March 2017, declared an interim dividend of Rs. 3.125 per equity share.

(b) Compulsorily Convertible Cumulative Preference Shares (CCCPS)

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

The Board of Directors in their meeting held on 8th March 2017, declared an interim dividend of Rs. 23,546 including dividend distribution tax of Rs. 3,984.

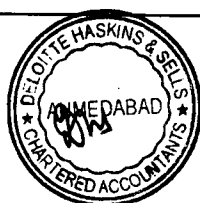
(ii) 21,735,545 CCCPS of the face value of Rs. 10 each carry a right from 17th February 2014 to be paid a fixed cumulative preferential dividend at the rate of 13.31% per annum. These CCCPS are automatically and fully convertible into equity shares, at a conversion price to be determined as per the terms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

The Board of Directors in their meeting held on 8th March 2017, declared an interim dividend of Rs. 31,176,574 including dividend distribution tax of Rs. 5,139,565.

(iii) 400 CCCPS of the face value of Rs. 100,000/- each carry a right from 13th May 2016 to be paid fixed cumulative preferential dividend at the rate of 9.75 % per annum. These CCCPS are automatically and fully convertible into equity shares, at a conversion price of Rs.1,685 (Rupees one thousand six hundred and eighty five only) per Equity Share at the end of 10 years, provided however that, the price of these Equity Shares shall be subject to the terms and conditions of this issue and the valuation of the Company at the time of conversion of such CCCPS. Under the terms and conditions of issue the Company has right to convert CCCPS into equity shares during the tenure from the 5th till the 10th year from the issue date. As per the terms and conditions of the issue the investors have a Put option to convert the CCCPS into equity shares. Further in the event the Company purposes to go for an IPO any time during the tenor of the CCCPS then the CCCPS shall be mandatorily and automatically converted into equity shares at a price to be determined as per the terms and conditions of the issue of the CCCPS.

The Board of Directors in their meeting held on 8th March 2017, declared an interim dividend of Rs. 4,694,081 including dividend distribution tax of Rs. 794,081.

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



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

Class of shares / Name of shareholder	As at 31st March 2017		As at 31st March 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity Shares				
Kamlesh C. Gandhi	6,242,818	14.53%	2,497,127	15.61%
Shweta Kamlesh Gandhi	16,338,450	38.04%	6,535,380	40.85%
Mukesh C. Gandhi (HUF)	-	-	3,620,193	22.63%
Mukesh C. Gandhi	16,110,450	37.50%	2,823,987	17.65%
M/s. Motilal Oswal Financial Services Limited	2,364,695	5.51%	-	-
0.01% Compulsorily Convertible Cumulative Preference Shares				
Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V	21,735,545	100.00%	21,735,545	100.00%
13.31% Compulsorily Convertible Cumulative Preference Shares				
Sarva Capital LLC (formerly known as Lok Capital II LLC)	21,735,545	100.00%	21,735,545	100.00%
9.75% Compulsorily Convertible Cumulative Preference Shares				
Viraj Amar Patel	125	31.25%	-	-
G N G Investment Limited	25	6.25%	-	-
Pranav Natwarial Shah	25	6.25%	-	-
Minesh Shah	25	6.25%	-	-
Reena Mehta	25	6.25%	-	-
Asha Dineshchandra Gawarvala	50	12.50%	-	-
Sutaria Devendrakumar S	25	6.25%	-	-
Capitalsquare Advisors Private Limited	25	6.25%	-	-

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

- (a) 500,000 Equity Shares of Rs. 10 each fully paid-up were allotted as bonus shares by capitalisation of Capital Redemption Reserve during 2011-12
- (b) 6,000,000 Equity Shares of Rs. 10 each fully paid-up were allotted as bonus shares by capitalisation of Capital Redemption Reserve during 2013-14
- (c) 24,000,188 Equity Share of Rs. 10 each fully paid-up were allotted as bonus shares by capitalisation of free reserves during 2016-17

3.5 The Company has issued Compulsorily Convertible Debentures (CCDs") of nominal value aggregating to Rs. 499,800,000.

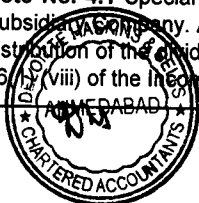
Significant terms of the same as under :

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



	As at 31st March 2017 Rupees	As at 31st March 2016 Rupees
Note 4. Reserves and Surplus		
Reserve u/s. 45-IA of RBI Act, 1934		
Outstanding at the beginning of the year	450,051,517	343,271,865
Additions during the year	134,744,640	106,779,652
Outstanding at the end of the year	584,796,157	450,051,517
Reserve fund u/s. 29-C of NHB Act,1987:		
Outstanding at the beginning of the year	-	-
a. Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	180,309	180,309
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	11,311,823	8,587,645
c. Total	11,492,132	8,767,954
Additions		
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	3,886,572	2,724,177
Outstanding at the end of the year		
a. Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	180,309	180,309
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	15,198,395	11,311,822
c. Total	15,378,704	11,492,131
Securities Premium Account		
Outstanding at the beginning of the year	31,818,192	31,818,192
Additions during the year	970,441,351	-
Less: Utilised for Initial Public Offer expenses (Refer Note No. 37)	36,708,309	-
Outstanding at the end of the year	965,551,234	31,818,192
General Reserve		
Outstanding at the beginning of the year	126,363,757	126,363,757
Less : Utilised for issue of bonus shares (Refer Note No. 3.2(a))	126,363,757	-
Outstanding at the end of the year	-	126,363,757
Capital Reserve on Consolidation		
Opening Balance	1,271,970	1,271,970
Closing Balance	1,271,970	1,271,970
Surplus in Statement of Profit and Loss		
Outstanding at the beginning of the year	598,861,502	331,224,058
Less: Utilised for issue of bonus shares (Refer Note No. 3.2(a))	113,638,123	-
Add: Profit for the year	685,328,952	542,004,259
	1,170,552,331	873,228,317
Less: Dividend on preference shares issued by subsidiary company outside the Group (including tax thereon)	-	1,010,818
	1,170,552,331	872,217,499
Less : Appropriations:		
Transfer to Reserve u/s. 45-IA of RBI Act,1934	134,744,640	106,779,652
Reserve u/s.29-C of NHB Act,1987 & Special Reserve U/s 36(1)(viii) of Income Tax Act,1961	3,886,572	2,724,177
Interim Dividend on Equity Shares	125,000,977	99,999,999
Interim Dividend on Preference Shares	29,956,571	26,056,571
Proposed Dividend on Preference Shares	-	2,895,175
Proposed Dividend on Equity Shares	-	7,200,839
Dividend distribution tax on preference dividend	5,937,630	5,894,881
Dividend distribution tax on equity dividend	25,451,500	21,804,703
Total Appropriations	324,977,890	273,355,997
Net Surplus in Statement of Profit and Loss	845,574,441	598,861,502
Total Reserves and Surplus	2,412,572,506	1,219,859,069

Note No. 4.1 Special Reserve has been created in terms of Section 36(1) (viii) of the income Tax Act,1961 out of the distributable profits of Subsidiary Company. As per Section 29C of NHB Act, 1987, the Subsidiary Company is required to transfer at least 20% of its net profits prior to distribution of the dividend every year to a reserve. For this purpose any Special Reserve created by the Subsidiary Company in terms of Section 36(1)(viii) of the Income Tax Act, 1961 is considered an eligible transfer.



	As at 31st March 2017 Rupees	As at 31st March 2016 Rupees		
Note 5. Preference Shares issued by the Subsidiary Company outside the group				
4,000,000 (As at 31 March, 2016: 2,000,000) 8% Optionally Convertible Preference Shares of Rs.10/-each fully paid-up	40,000,000	20,000,000		
	40,000,000	20,000,000		
<p>Note 5.1 The Subsidiary Company has issued further 2,000,000 8% Optionally Convertible Preference Shares (OCPS) of Rs.10/- each on private placement basis during the year ended 31st March, 2017. The OCPS carry a right to be paid fixed dividend at the rate of 8% per annum free of income-tax. The holder of the preference share capital shall, in respect of such capital, have a right to vote only on resolutions placed before the Company which directly affect the rights attached to his preference shares. The OCPS are optionally convertible into equity shares, at a price to be determined in accordance with the valuation report to be obtained at the time of conversion and as per the guidelines of Regulating authority prevailing at the time of conversion. The option of conversion can be exercised by the holder for 33.33% of shares held in each of the 5th, 6th and 7th year from the date of issue and if such option is not exercised, the 33.33% of the shares held shall be redeemed in each of the 5th, 6th and 7th year from the date of issue.</p>				
	Non Current		Current	
	As at 31st March 2017 Rupees	As at 31st March 2016 Rupees	As at 31st March 2017 Rupees	As at 31st March 2016 Rupees
Note 6. Long Term Borrowings				
(a) Debentures (Refer Note No. 6.1)				
Unsecured (Sub-ordinate Debt)				
400, 14.00% Unsecured, Redeemable, Non-Convertible Debentures of Rs. 1,000,000 each	400,000,000	400,000,000	-	-
200, 13.50% Unsecured, Redeemable, Non-Convertible Debentures of Rs. 1,000,000 each	200,000,000	200,000,000	-	-
(b) Term Loans (Refer Note No. 6.1)				
Secured				
From Banks	2,086,082,981	2,818,442,984	1,509,466,589	1,430,261,230
From Others	422,828,543	529,997,509	337,962,327	293,440,492
	3,108,911,524	3,948,440,493	1,847,428,916	1,723,701,722



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

	Amount Non Current	Amount Current	Terms of Redemption/ Repayment	Security
Debentures				
400, 14.00% Unsecured, Redeemable, Non-Convertible Debentures of Rs. 1,000,000 each	400,000,000	-	Coupon Rate: 14.00% p.a. Coupon Payment frequency: Quarterly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor :7 years	N.A.
200, 13.50% Unsecured, Redeemable, Non-Convertible Debentures of Rs. 1,000,000 each	200,000,000	-	Coupon Rate: 13.50% p.a. Coupon Payment frequency : Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenor Tenor : 6 years & 6 months	N.A.
Total Debentures	600,000,000	-		
Term Loans from Banks				
Term Loan - 1	41,656,667	83,333,333	Repayable in 6 half yearly installments from 30th December 2015. Rate of interest: Base Rate + Spread Maturity Period: 1 - 2 years No. of Installments due: 3	Secured by exclusive charge on specific standard assets portfolio of receivables of the company
Term Loan - 2	112,500,000	50,000,000	Repayable in 20 Quarterly installments from 30th September 2015. Rate of interest: Base Rate + Spread Maturity Period: 3-4 years No. of Installments due: 13	Secured by a first ranking and exclusive charge on standard receivables of the company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi, Mr. Mukesh Gandhi and Mrs. Shweta Gandhi
Term Loan - 3	67,500,000	30,000,000	Repayable in 20 Quarterly installments from 30th September 2015. Rate of interest: Base Rate + Spread Maturity Period: 3-4 years No. of Installments due: 13	Secured by a first ranking and exclusive charge on standard receivables of the company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi, Mr. Mukesh Gandhi and Mrs. Shweta Gandhi
Term Loan - 4	260,000,000	80,000,000	Repayable in 20 Quarterly installments from 30th September 2016. Rate of interest: One Year MCLR + Spread Maturity Period: 4-5 years No. of Installments due: 17	Secured by a first ranking and exclusive charge on standard receivables of the company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi, Mr. Mukesh Gandhi and Mrs. Shweta Gandhi
Term Loan - 5	-	122,514,940	Repayable in 36 monthly installments from 7th February 2015. Rate of interest: Base Rate + Spread Maturity Period: <1 years No. of Installments due: 10	Secured by a first ranking and exclusive charge on standard receivables of the company created out of the loan availed
Term Loan - 6	156,556,561	171,168,839	Repayable in 36 monthly installments from 7th February 2016. Rate of interest: Base Rate + Spread Maturity Period: 1-2 years No. of Installments due: 22	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed
Term Loan - 7	240,488,714	109,511,286	Repayable in 36 monthly installments from 7th May 2017. Rate of interest: One Year MCLR + Spread Maturity Period: 2-3 years No. of Installments due: 36	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed
Term Loan - 8	-	33,333,352	Repayable in 36 monthly installments from 30th April 2015. Rate of interest: Base Rate + Spread Maturity Period: < 1 Year No. of Installments due: 12	Secured by a charge on all the present and future book debts, Out standings, Money receivables, Claims and Bills, which are due and owing or which may any time during the continuance of the security become due and owing to the Company in the course of its business. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi
Term Loan - 9	16,666,663	50,000,004	Repayable in 36 monthly installments from 31st August 2015. Rate of interest: Base Rate + Spread Maturity Period: 1-2 years No. of Installments due: 16	Exclusive hypothecation charge on specific present and future receivables in respect of assets financed/ to be financed by bank. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

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

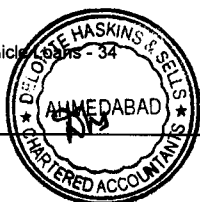
	Amount Non Current	Amount Current	Terms of Redemption/ Repayment	Security
Term Loan - 10	34,722,228	83,333,328	Repayable in 36 monthly installments from 14th September 2015. Rate of interest: Base Rate + Spread Maturity Period: 1-2 years No. of Installments due: 17	Exclusive hypothecation charge on specific present and future receivables in respect of assets financed/ to be financed by bank. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi
Term Loan - 11	66,666,656	66,666,672	Repayable in 36 monthly installments from 30th April 2016 Rate of interest: Base Rate + Spread Maturity Period: 1-2 years No. of Installments due: 24	Exclusive hypothecation charge on specific present and future receivables in respect of assets financed/ to be financed by bank. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi
Term Loan - 12	18,213,082	36,363,636	Repayable in 11 Quarterly installments from 31st March 2016. Rate of interest: Base Rate + Spread Maturity Period: 1-2 years No. of Installments due: 6	Secured by a first ranking and exclusive charge on standard receivables of the company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi, Mr. Mukesh Gandhi
Term Loan - 13	18,216,450	36,363,636	Repayable in 11 Quarterly installments from 30th June 2016. Rate of interest: Base Rate + Spread Maturity Period: 1-2 years No. of Installments due: 6	Secured by a first ranking and exclusive charge on standard receivables of the company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi, Mr. Mukesh Gandhi
Term Loan - 14	30,057,556	60,000,000	Repayable in 11 Quarterly installments from 30th September 2016. Rate of interest: Base Rate + Spread Maturity Period: 1-2 years No. of Installments due: 6	Secured by a first ranking and exclusive charge on standard receivables of the company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi, Mr. Mukesh Gandhi
Term Loan - 15	88,100,000	116,400,000	Repayable in 12 Quarterly installments from 30th March 2016. Rate of interest: Base Rate + Spread Maturity Period: 1-2 years No. of Installments due: 7	Secured by exclusive charge on receivables of the company created out of the loan availed
Term Loan - 16	6,250,199	14,285,707	Repayable in 28 Quarterly installments from 24th March 2011. Rate of interest: BBR+Spread Maturity Period: 1-2 years No. of Installments due: 7	Loan is secured by Hypothecation on receivables. Corporate Guarantee of MAS Financial Services Limited. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - 17	46,428,600	14,285,714	Repayment in 28 Quarterly Installment from 30th April 2014 Rate of interest: BBR+Spread p.a. Maturity Period: 4-5 years No. of Installments due: 17	Loan is secured by Hypothecation on receivables. Corporate Guarantee of MAS Financial Services Limited. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi.
Term Loan - 18	33,333,330	8,333,333	Repayment in 24 Quarterly Installments beginning from 30th June 2016. Rate of Interest BBR+Spread Maturity Period: 5 years No. of Installments due: 20	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi.
Term Loan - 19	70,833,332	16,666,667	Repayment in 24 Quarterly Installments beginning from 31st July 2016. Rate of Interest BBR+Spread Maturity Period: 5-6 years No. of Installments due: 21	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi.
Term Loan - 20	43,750,000	6,250,000	Repayment in 24 Quarterly Installments starting from 30th September 2017. Rate of Interest BBR+Spread Maturity Period: 6-7 years No. of Installments due: 24	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi.
Term Loan - 21	87,500,002	12,499,998	Repayment in 24 Quarterly Installments starting from 30th September 2017. Rate of Interest BBR+Spread Maturity Period: 6-7 years No. of Installments due: 24	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi.
Term Loan - 22	43,750,002	25,000,000	Repayable in 24 Quarterly installments from 28th February 2014. Rate of interest: BBR+Spread Maturity Period: 2-3 years No. of Installments due: 11	Loan is secured by hypothecation charge on portfolio created from the bank finance. Corporate Guarantee of MAS Financial Services Limited. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

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

	Amount Non Current	Amount Current	Terms of Redemption/ Repayment	Security
Term Loan - 23	75,803,570	33,690,476	Repayment in 24 Quarterly Installments starting from 1st September 2014. Rate of Interest BBR+Spread Maturity Period: 3-4 years No. of Installments due: 13	Loan is secured by hypothecation charge on portfolio created form the bank finance. Corporate Guarantee of MAS Financial Services Limited. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi.
Term Loan - 24	247,708,334	51,666,667	Repayment in 24 Quarterly Installments starting from 31st March 2017. Rate of Interest: BBR+Spread Maturity Period: 5-6 years No. of Installments due: 23	Loan is secured by hypothecation charge on portfolio created form the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi.
Term Loan - 25	-	49,987,399	Repayment in 8 Quarterly Installments from 07th June 2016. Rate of Interest:BBR+Spread Maturity Period: 1-2 years No. of Installments due: 4	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi.
Term Loan - 26	-	24,993,700	Repayment in 8 Quarterly Installments from 07th June 2016 Rate of Interest:BBR+Spread Maturity Period: 1-2 years No. of Installments due: 4	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi.
Term Loan - 27	38,315,130	49,501,135	Repayment in 8 Quarterly Installments from 07th January 2017. Rate of Interest:One year MCLR+Spread Maturity Period: 1-2 years No. of Installments due: 6	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi.
Term Loan - 28	18,750,000	5,000,000	Repayment in 24 Quarterly Installment from 19th March 2016. Rate of interest:BBR+Spread Maturity Period: 4-5 years No. of Installments due: 19	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 and Mr. Mukesh Gandhi. and Mrs. Sweta K. Gandhi.
Term Loan - 29	43,746,999	11,668,002	Repayment in 24 Quarterly Installment from 19th March 2016. Rate of interest:BBR+Spread Maturity Period: 4-5 years No. of Installments due: 19	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 and Mr. Mukesh Gandhi and Mrs. Sweta K. Gandhi.
Term Loan - 30	-	7,500,000	Repayment in 8 Quarterly Installment from 31st March 2016. Rate of interest:BBR+ Spread Maturity Period: <1 years No. of Installments due: 3	Hypothecation of the Receivables arising out of onward lending of Rupee Term loan extended by the Bank. Corporate Guarantee of MAS Financial Services Limited. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi.
Term Loan - 31	13,750,000	5,000,000	Repayment in 20 Quarterly Installment from 31st March 2016. Rate of interest:BBR+ Spread Maturity Period: 3-4 years No. of Installments due: 15	Hypothecation of the Receivables arising out of onward lending of Rupee Term loan extended by the Bank. Corporate Guarantee of MAS Financial Services Limited. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi.
Term Loan - 32	95,833,333	4,166,667	Repayment in 24 Quarterly Installment from 31st March 2018. Rate of interest: One year MCLR+Spread Maturity Period: 6-7 years No. of Installments due: 24	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 and Mr. Mukesh Gandhi.
Term Loan - 33	66,666,667	33,333,333	Repayment in 12 Quarterly Installment from 30th June 2018. Rate of interest: One year MCLR+Spread Maturity Period: 4 years No. of Installments due: 12	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Company (identified loan assets) sufficient to provide one time security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi.
Vehicle loans - 34	694,068	1,986,347	Repayable in 36 monthly installments. Rate of interest: Fixed No. of Installments due:16	Secured by hypothecation of the vehicle financed.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

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

	Amount Non Current	Amount Current	Terms of Redemption/ Repayment	Security
Vehicle Loans - 35	1,437,710	4,114,575	Repayable in 36 monthly installments. Rate of interest: Fixed No. of Installments due:16	Secured by hypothecation of the vehicle financed.
Vehicle Loans - 36	187,129	547,843	Repayable in 36 monthly installments. Rate of interest: Fixed No. of Installments due:16	Secured by hypothecation of the vehicle financed.
Total Term Loans from Banks	2,086,082,981	1,509,466,589		
Term Loans from Others				
Term Loans from a Financial Institution - 1	-	19,438,001	Repayable in 36 monthly installments from 15th November 2014. Rate of interest: LTLR - Spread Maturity Period: <1 years No. of Installments due: 7	Secured by hypothecation of book debts created out of the loan availed
Term Loans from a Financial Institution - 2	-	33,332,800	Repayable in 36 monthly installments from 15th April 2015. Rate of interest: LTLR - Spread Maturity Period: <1 years No. of Installments due: 12	Secured by hypothecation of book debts created out of the loan availed
Term Loans from a Financial Institution - 3	-	10,000,798	Repayable in 36 monthly installments from 15th April 2015. Rate of interest: LTLR - Spread Maturity Period: <1 years No. of Installments due: 12	Secured by hypothecation of book debts created out of the loan availed
Term Loans from a Financial Institution - 4	33,335,198	33,332,400	Repayable in 36 monthly installments from 15th April 2016. Rate of interest: LTLR - Spread Maturity Period: 1-2 years No. of Installments due: 24	Secured by hypothecation of book debts created out of the loan availed
Term Loans from a Financial Institution - 5	16,668,800	16,665,600	Repayable in 36 monthly installments from 15th April 2016. Rate of interest: LTLR - Spread Maturity Period: 1-2 years No. of Installments due: 24	Secured by hypothecation of book debts created out of the loan availed
Term Loans from a Financial Institution - 6	82,000,000	84,000,000	Repayable in 36 monthly installments from 10th April 2016. Rate of interest: PLR - Spread Maturity Period: 1-2 years No. of Installments due: 24	Secured by exclusive first charge by way of hypothecation of specific book debts of the company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi
Term Loans from a Financial Institution - 7	54,545,453	54,545,456	Repayable in 11 quarterly installments from 30th September 2016. Rate of interest: BASE RATE - Spread Maturity Period: 1-2 years No. of Installments due: 8	Secured by exclusive first charge by way of hypothecation of specific book debts of the company created out of the loan availed
Term Loans from a Financial Institution - 8	90,909,092	72,727,272	Repayable in 11 quarterly installments from 31st December 2016. Rate of interest: BASE RATE - Spread Maturity Period: 2-3 years No. of Installments due: 9	Secured by exclusive first charge by way of hypothecation of specific book debts of the company created out of the loan availed
Term Loan from National Housing Bank -9	5,826,000	2,238,000	Repayable in 27 Quarterly installments from 01st July 2013. Rate of interest: Fixed Maturity Period: 2-3 years No. of Installments due: 11	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 Limited.
Term Loan from National Housing Bank -10	35,585,000	3,096,000	Repayment in 51 Quarterly Installment from 01st July 2014. Rate of interest: Fixed Maturity Period: 9-10 years No. of Installments due: 39	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 Limited.
Term Loan from National Housing Bank -11	39,350,000	3,195,000	Repayment in 47 Quarterly Installment from 01st October 2015. Rate of interest: Fixed Maturity Period: 10-11 years No. of Installments due: 40	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 Limited.
Term Loan from National Housing Bank -12	64,609,000	5,391,000	Repayment in 39 Quarterly Installment from 01st July 2017. Rate of interest: Fixed Maturity Period: 9-10 years No. of Installments due: 39	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi.
Total Term Loans from Others	422,828,543	337,962,327		



	As at 31st March 2017 Rupees	As at 31st March 2016 Rupees
Note 7A. Deferred Tax (Liability) (Net)		
Tax effect of items constituting Deferred Tax Liability		
1. Difference between book balance and tax balance of fixed assets	(1,032,814)	(780,558)
2. Special Reserves u/s 36(1)(viii) of Income Tax Act, 1961 as per NHB Circular No.65/2014-15	(8,429,870)	(6,274,162)
Total Deferred Tax (Liability)	(9,462,684)	(7,054,720)
Tax effect of items constituting Deferred Tax Assets		
1. Contingent Provision for Standard Assets	3,152,447	2,401,149
2. Provision for Sub Standard Assets	418,061	117,117
3. Provision for Compensated Absences	243,570	182,451
4. Expenses eligible for deduction under section 35D of the Income-tax Act, 1961	-	121,507
Total Deferred Tax Assets	3,814,078	2,822,224
Net Deferred Tax (Liability)	(5,648,606)	(4,232,496)
Note 7B. Deferred Tax Asset (Net)		
Tax effect of items constituting Deferred Tax Liability		
On difference between book balance and tax balance of fixed assets	(2,396,679)	(1,864,031)
Total Deferred Tax Liability	(2,396,679)	(1,864,031)
Tax effect of items constituting Deferred Tax Assets		
Provision for non-performing assets	15,905,970	13,646,843
Contingent Provision for Standard Assets	26,555,869	16,419,228
Provision for Compensated Absences	2,160,614	1,877,506
Total Deferred Tax Assets	44,622,453	31,943,577
Net Deferred Tax Assets	42,225,774	30,079,546
Note 8. Other Long Term Liabilities		
Security deposits received	2,356,665,793	1,474,535,896
Interest accrued but not due on security deposits	86,369,168	43,788,043
Advances received against loan agreements (Refer Note No. 8.1 below)	77,416,701	8,333,332
	2,520,451,662	1,526,657,271
8.1 Advances received against loan agreements are repayable/adjusted over the period of the contract.		
Note 9. Long-term Provisions		
Contingent Provision against Standard Assets		
Holding Company	30,637,538	14,404,408
Subsidiary Company (Refer Note No. 9.1 and 9.2)	6,405,114	5,141,693
	37,042,652	19,546,101
Notes:		
9.1 The Subsidiary Company has complied with the norms prescribed under Housing Finance Companies (NHB) Directions, 2010 for recognizing Provision on Standard Assets in preparation of accounts. Pursuant to such norms, loan portfolio was classified into housing and non-housing loans and a provision of 0.4% on total portfolio of housing loans, 1% on Non Housing loans (including Project Finance for Non-Housing Projects) & 0.75% on Project Finance for Housing Projects has been provided for.		
The Subsidiary Company has also complied with the norms prescribed for recognising Non-Performing Assets (NPAs) in preparation of Accounts. As per the norms, NPAs are recognised on the basis of 90 days overdue. A provision of 15% has been made for Sub Standard Assets and a provision of 25% has been made for Doubtful assets (period upto 1 year - Category-I) for both housing and Non-Housing Loans as per the prudential norms.		



Note 9.2 Category-wise provision against Standard Assets of the Subsidiary Company	As at 31st March 2017	As at 31st March 2016
Housing		
Total Outstanding Amount	1,085,235,447	893,672,536
Provision Made	4,340,942	3,574,690
Non Housing		
Total Outstanding Amount	76,036,406	62,008,559
Provision Made	760,364	620,086
Project Funding for Housing		
Total Outstanding Amount	474,139,292	306,750,579
Provision Made	3,556,045	2,300,629
Project Funding for Non-Housing		
Total Outstanding Amount	87,731,692	76,693,924
Provision Made	877,317	766,939
Total Provision for Standard Assets of the Subsidiary Company	9,534,668	7,262,344
Of which:		
Current	3,129,554	2,120,651
Non-current	6,405,114	5,141,693
	9,534,668	7,262,344
Note 10. Short-term borrowings		
Secured (Refer Note below)		
Loans repayable on demand:		
From Banks:		
Cash Credit and Overdrafts	889,891,181	3,261,161,069
Short Term Loans:		
From Banks	6,790,000,000	4,150,000,000
	7,679,891,181	7,411,161,069
Note: Cash Credits/Overdrafts/Short Term Loans from Banks are secured by hypothecation of movable assets of the Group and goods covered under HP Agreements/ Loan cum Hypothecation Agreements and relative book debts, receivables, loans and advances and entire portfolio outstanding (except specific portfolio generated from various term loans sanctioned by various banks/FIs on an exclusive basis) and equitable mortgage/negative lien by deposit of title deeds on some of the Holding Company's immovable properties, as collateral security. The loans are also guaranteed by Mr. Kamlesh Chimanlal Gandhi, Mr. Mukesh Chimanlal Gandhi and Mrs. Shweta Kamlesh Gandhi.		
Note 11. Other Current Liabilities		
Current Maturities of long-term debt (Refer Note No. 6)	1,847,428,916	1,723,701,722
Interest accrued but not due		
Interest accrued but not due on borrowings	76,140,602	57,755,346
Interest accrued but not due on others	114,986,041	84,311,764
Other Payables:		
Statutory remittances (Contributions to PF and ESIC, Service Tax, etc.)	33,850,315	25,595,567
Dues to the assignees towards collections from assigned receivables (Refer Note No. 30(b))	1,122,233,154	799,031,497
Security deposits received	1,331,417,160	1,263,278,521
Bank overdraft as per book	-	2,461,837
Advances received against loan agreements (Refer Note No. 8.1)	5,411,882	7,992,391
	4,531,468,070	3,964,128,645



	As at 31st March 2017 Rupees	As at 31st March 2016 Rupees
Note 12. Short-term Provisions		
Provision for Employee Benefits		
Compensated Absences	6,979,793	5,976,891
Other Provisions		
Provision for Tax (net of Advance Tax)	30,461,977	25,616,871
Provision for Non-Performing Assets		
Holding Company	45,960,385	39,432,626
Subsidiary Company (Refer Note No.9.1, 12.1 and 12.2)	1,264,438	354,224
	47,224,823	39,786,850
Contingent Provision against Standard Assets		
Holding Company	46,095,786	33,039,038
Subsidiary Company (Refer Note No. 9.1 and 9.2)	3,129,554	2,120,651
	49,225,340	35,159,689
Provision for proposed equity dividend	-	7,200,839
Provision for proposed preference dividend	-	2,895,175
Provision for dividend distribution tax on proposed equity dividend	-	1,337,204
Provision for Dividend Distribution Tax on Proposed Preference Dividend	-	589,489
Provision for dividend distribution tax on dividends paid / proposed by subsidiary	-	345,700
Provision for dividend by subsidiary:		
-Preference shareholders outside the Group	-	135,519
	133,891,933	119,044,227
Note 12.1 Category-wise provision for Sub-Standard Assets of the Subsidiary Company	As at 31st March 2017	As at 31st March 2016
Housing		
Total Outstanding Amount	2,740,865	2,221,917
Provision Made	411,130	333,288
Non Housing		
Total Outstanding Amount	31,455	139,576
Provision Made	4,718	20,936
Project Funding for Housing		
Total Outstanding Amount	2,708,080	-
Provision Made	406,212	-
Total Provision for Sub Standard Assets (A)	822,060	354,224
Note 12.2 Category-wise provision for Doubtful Assets of the Subsidiary Company		
Housing		
Total Outstanding Amount	1,769,510	-
Provision Made	442,378	-
Total Provision for Doubtful Assets (B)	442,378	-
Total Provision for Non-Performing Assets of the Subsidiary Company (A+B)	1,264,438	354,224
Note : All doubtful assets are doubtful upto one year (Category - I)		



Note 13. Fixed Assets

Nature of Assets	Tangible Assets					Intangible Assets	
	Buildings	Office equipments	Furniture and Fixtures	Vehicles	Total	Software	Total
Gross Block							
Balance as at 1st April 2016	33,504,936	66,355,310	30,543,564	32,520,799	162,924,609	1,602,817	1,602,817
Additions	2,304,512	12,116,044	3,853,930	-	18,274,486	1,485,355	1,485,355
Disposals	-	1,171,918	1,989,271	450,303	3,611,492	-	-
Balance at 31st March 2017	35,809,448	77,299,436	32,408,223	32,070,496	177,587,603	3,088,172	3,088,172
Accumulated depreciation and amortisation							
Balance as at 1st April 2016	4,679,680	51,073,862	20,694,132	4,760,580	81,208,254	1,602,817	1,602,817
Depreciation and amortisation expense	552,657	7,033,754	2,222,732	3,851,384	13,660,527	105,827	105,827
Eliminated on disposal of assets	-	1,106,954	1,810,193	427,788	3,344,935	-	-
Balance at 31st March 2017	5,232,337	57,000,662	21,106,671	8,184,176	91,523,846	1,708,644	1,708,644
Net Block as at 31st March 2017	30,577,111	20,298,774	11,301,552	23,886,320	86,063,757	1,379,528	1,379,528
Gross Block							
Balance as at 1st April 2015	22,975,956	57,870,867	27,724,957	11,236,515	119,808,295	1,602,817	1,602,817
Additions	10,762,100	8,496,588	2,818,607	29,105,206	51,182,501	-	-
Disposals	233,120	12,145	-	7,820,922	8,066,187	-	-
Balance at 31st March 2016	33,504,936	66,355,310	30,543,564	32,520,799	162,924,609	1,602,817	1,602,817
Accumulated depreciation and amortisation							
Balance as at 1st April 2015	4,245,166	46,512,231	17,957,921	6,307,061	75,022,379	1,602,817	1,602,817
Depreciation and amortisation expense	488,358	4,573,169	2,736,211	3,144,348	10,942,086	-	-
Eliminated on disposal of assets	53,844	11,538	-	4,690,829	4,756,211	-	-
Balance at 31st March 2016	4,679,680	51,073,862	20,694,132	4,760,580	81,208,254	1,602,817	1,602,817
Net Block as at 31st March 2016	28,825,256	15,281,448	9,849,432	27,760,219	81,716,355	-	-



	Face Value Per Share/ Bond Rupees	As at 31st March 2017		As at 31st March 2016	
		No. of Shares/ Bonds	Rupees	No. of Shares/ Bonds	Rupees
Note 14. Non-Current Investments (at cost)					
NON-TRADE					
QUOTED					
In Equity Shares (Fully Paid Up):					
Apple Finance Limited	10	100	2,150	100	2,150
Athena Finance Limited	10	1	7	1	7
Cholamandalam Finance Limited	10	1	52	1	52
Dena Bank	10	3,209	88,443	3,209	88,443
First Leasing Finance Limited	10	1	23	1	23
Gujarat Lease Financing Limited	10	125	4,875	125	4,875
HDFC Bank Limited	2	15	2,904	15	2,904
ICICI Bank Limited	2	15	4,560	15	4,560
IndusInd Bank Limited	10	102	4,590	102	4,590
Kotak Mahindra Bank Limited	5	500	1,950	500	1,950
Reliance Capital Limited	10	1	77	1	77
HDFC Limited	2	5	0	5	0
			109,631		109,631
Less : Provision for diminution			46,641		46,641
			62,990		62,990
UNQUOTED					
In Equity Shares (Fully Paid-Up):					
Cosmos Co-operative Bank Limited	25	277	6,925	277	6,925
Investment in Pass Through Certificates					
Arkaios Multi Micro Finance Pool Trust 2015 Series A2	-	-	-	10	2,663,206
Total Non-Current Investment			69,915		2,733,121
1 Aggregate amount of Quoted Investments:					
Cost			109,631		109,631
Market Value			739,461		558,161
2 Aggregate amount of Unquoted Investments			6,925		2,670,131



MAAS FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

	Non Current		Current	
	As at 31st March 2017 Rupees	As at 31st March 2016 Rupees	As at 31st March 2017 Rupees	As at 31st March 2016 Rupees
Note 15. Long Term Loans and advances				
(A) Loans to Customers				
(i) Secured				
Loans	7,122,307,890	4,462,969,969	7,023,525,813	5,666,958,090
Retained Interest on securitisation/assignment	257,367,096	143,993,204	795,620,473	537,638,557
Installments and other dues from borrowers	-	-	145,508,647	122,089,305
	7,379,674,986	4,606,963,173	7,964,654,933	6,326,685,952
(ii) Unsecured				
Loans	1,406,908,697	1,234,452,626	3,466,664,318	4,271,716,043
Retained Interest on securitisation/assignment	8,280,792	11,651,781	100,278,959	65,571,749
Installments and other dues from borrowers	-	-	189,754,788	208,852,848
	1,415,189,489	1,246,104,407	3,756,698,065	4,546,140,640
Total Loans to Customers (A)	8,794,864,475	5,853,067,580	11,721,352,998	10,872,826,592
Of the above:				
Considered Good	8,794,864,475	5,853,067,580	11,673,921,106	10,833,393,966
Considered Doubtful - Non Performing Assets	-	-	47,431,892	39,432,626
	8,794,864,475	5,853,067,580	11,721,352,998	10,872,826,592
Notes:				
15.1 Secured exposures are exposures secured wholly or partly by hypothecation of assets, equitable mortgage of property, pledge of shares, other securities, assignments of life insurance policies, bank guarantees, company guarantees or personal guarantees and / or undertaking to create a security.				
15.2 The Group has advanced loans to its officers. Principal amount of such loans outstanding as on 31st March is:	2,348,503	2,518,905	392,491	96,155
(B) Other Loans and Advances				
Unsecured, considered good				
(i) Advance Funding				
Considered Good	-	-	489,906,697	501,192,912
Considered Doubtful - Non Performing Assets	-	-	298,003	-
	-	-	490,204,700	501,192,912
(ii) Security deposits	5,350,339	5,076,677	381,029	-
(iii) Advances to employees	-	-	1,494,389	1,164,819
(iv) Prepaid expenses (Refer Note No. 37)	-	-	32,771,543	795,359
(v) Advances recoverable in cash or kind	-	-	2,546,423	9,263,571
(vi) Capital Advances	21,392,422	553,750	-	-
(vii) Advance Tax and TDS (Net of provisions)	18,112,436	18,966,182	-	-
Total Other Loans and Advances (B)	44,855,197	24,596,609	527,398,084	512,416,661
Total Loans and Advances (A) + (B)	8,839,719,672	5,877,664,189	12,248,751,082	11,385,243,253



	As at 31st March 2017 Rupees	As at 31st March 2016 Rupees
Note 16. Other Non-Current Assets		
Non-current Bank Balances		
In Fixed Deposit Accounts:		
Deposits given as security against borrowings and other commitments	76,278,125	65,662,000
Unamortised Borrowing Costs	9,981,079	10,708,661
Interest Accrued on Deposits	8,554,906	3,582,425
	94,814,110	79,953,086
	Current	
	As at 31st March 2017 Rupees	As at 31st March 2016 Rupees
Note 17. Cash and Cash Equivalents		
(A) Cash and Cash Equivalents		
Cash on Hand	2,098,273	4,249,478
Balances with Banks:		
In Current/ Cash Credit Accounts	463,226,165	1,803,823,520
Total Cash and Cash Equivalents (As per AS3 Cash Flow Statements)	465,324,438	1,808,072,998
(B) Other Bank Balances		
In Current Accounts (Refer Note No. 17.1 below)	4,787,326	893,546
In Fixed Deposit Accounts		
Deposits given as security against borrowings and other commitments	3,548,024	8,052,024
Total Other Bank Balances	8,335,350	8,945,570
Total Cash and Cash Equivalents (A + B)	473,659,788	1,817,018,568
Note:		
17.1 Includes Rs. 4,787,326 (As at 31st March 2016 Rs. 893,546) in earmarked account i.e. "Collection and Payout Account".		
Note 18. Other Current Assets		
Unamortised Borrowing Costs	20,909,478	25,461,708
Interest Accrued		
On Loans and Advances	187,629,723	159,323,104
On Deposits	1,156,970	2,430,998
	188,786,693	161,754,102
Other Receivables	-	537,500
Re-possessed Assets	10,145,776	9,448,972
	219,841,947	197,202,282



HAS FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

	Year ended 31st March 2017	Year ended 31st March 2016
	Rupees	Rupees
Note 19. Revenue from operations		
(a) Income from Financing Activity		
i) Interest	3,363,770,415	2,831,464,949
ii) Other Operating Revenue Service Charges, Stamp & Document Charges etc.	273,384,065	252,596,429
(b) Interest on deposits placed as collateral towards assets assigned / securitised	-	2,105,514
(c) Income from Non-Financing Activity	308,408	345,788
	3,637,462,888	3,086,512,680
Note 20. Other Income		
Interest Income:		
On Investments - Non-Current, Non-Trade, Quoted (Govt. Securities)	-	13,150
On Bank Deposits	8,659,430	7,428,518
Dividend Income:		
Others	1,028	3,794
Profit on Redemption of Long Term Investment	-	33,788
Income distribution on Pass Through Certificates held as non-current investments	896,739	-
	9,557,197	7,479,250
Note 21. Employee Benefits Expense		
Salaries, Bonus and Allowances	274,654,873	229,336,222
Contributions to Provident & Other Funds (Refer Note No. 32)	13,581,638	8,179,590
Staff Welfare Expenses	5,641,412	6,691,926
	293,877,923	244,207,738
Note 22. Finance Costs		
Interest:		
On Bank Borrowings	1,083,942,646	925,814,542
On Debentures	147,974,001	135,761,785
On Others	321,952,379	240,580,545
	1,553,869,026	1,302,156,872
Discount on Commercial Papers	17,681,150	53,766,280
Other Borrowing Costs	71,395,403	66,603,514
	1,642,945,579	1,422,526,666



HAS FINANCIAL SERVICES LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

	Year ended 31st March 2017 Rupees	Year ended 31st March 2016 Rupees
Note 23. Depreciation and Amortisation		
Depreciation on tangible assets	13,660,527	10,942,086
Amortisation of intangible assets	105,827	-
	13,766,354	10,942,086
Note 24. Provisions and Loan Losses		
Loss Assets Written Off	216,885,092	202,006,472
Loss on Sale of Repossessed Assets (Net)	16,352,439	11,689,582
Provision for Non-Performing Assets	7,437,973	2,588,963
Contingent Provision against Standard Assets	31,562,202	19,784,980
	272,237,706	236,069,997
Note 25. Other Expenses		
Rent	18,156,406	15,596,219
Rates & Taxes	3,518,479	3,496,915
Stationery & Printing	7,861,552	10,228,040
Telephone	9,549,620	8,027,142
Electricity	5,678,972	4,987,608
Postage & Courier	6,948,430	7,093,724
Insurance	9,735,185	9,416,157
Conveyance	25,023,795	21,601,310
Travelling	24,330,996	25,025,670
Repairs & Maintenance:		
Building	1,471,183	2,890,270
Others	9,271,724	8,460,214
	10,742,907	11,350,484
Professional Fees (Refer Note below)	35,270,949	37,926,667
Director's Sitting Fees	675,000	540,000
Legal Expenses	18,083,064	16,941,551
Bank Charges	10,495,630	15,502,429
Commission	102,223,791	82,851,564
Advertisement Expenses	22,993,318	14,631,817
Sales Promotion Expenses	6,846,722	10,107,500
Loss on Sale of Fixed Assets	124,413	609,976
Recovery Contract Charges	32,058,501	34,212,711
Corporate Social Responsibility Expenditure (Refer Note No.28)	289,573	-
Miscellaneous Expenses	13,695,159	12,618,793
	364,302,462	342,766,277
Note: Payment to Statutory Auditors (including Service Tax)		
For Statutory Audit Fees	1,867,500	1,742,000
For Other Services		
The above doesn't include Rs. 8,050,000 which is adjusted / to adjust against the security premium account in connection with the filing of Draft Red Herring Prospectus of Holding Company with SEBI.	592,461	464,455
	2,459,961	2,206,455
Note: Payments made to a firm in which some of the partners of the audit firm are partners		
For Certification Services	115,000	-
	115,000	-



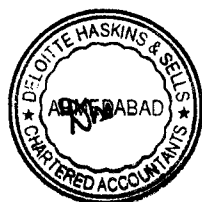
	Year ended 31st March 2017 Rupees	Year ended 31st March 2016 Rupees
Note 26. Earnings Per Share		
(A) Basic		
Computation of Profit (Numerator)		
Net Profit for the year	685,328,952	542,004,259
Less: Preference dividend including tax thereon	39,540,704	35,857,445
Net Profit for the year attributable to Equity Shareholders	645,788,248	506,146,814
Computation of Weighted Average Number of Shares (Denominator)		
Weighted average number of Equity Shares of Rs. 10 each used for calculation of Basic Earnings per Share (Refer Note 1 below)	40,016,510	40,000,313
Basic Earnings per Share of face value of Rs. 10 each (in Rs.)	16.14	12.65
(B) Diluted (Refer Note 2 below)		
Computation of Profit (Numerator)	Rupees	Rupees
Net Profit attributable to Equity Shareholder's as above	645,788,248	506,146,814
Add: Dividend on Compulsorily Convertible Cumulative Preference Shares including tax and Interest Expense on Compulsorily Convertible Debentures net of tax	42,513,959	-
Net Profit attributable to Equity Shareholder's (on dilution)	688,302,207	506,146,814
Computation of Weighted Average Number of Shares (Denominator)	Nos.	Nos.
(Refer Note below)		
Weighted average number of Equity Shares as above (Refer note 1 below)	40,016,510	40,000,313
Add: Effect of Compulsorily Convertible Cumulative Preference Shares and Compulsorily Convertible Debentures which are dilutive	4,890,451	-
Weighted average number of Equity Shares for Diluted Earnings per Share	44,906,961	40,000,313
Diluted Earnings per Share of face value of Rs. 10 each (in Rs.)	15.33	12.65

Note

1. Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings Per Share". As per the requirements of AS 20 "Earnings Per Share", the weighted average number of equity shares considered for calculation of Basic and Diluted Earnings per Share includes the bonus shares issued and the Basic and Diluted Earnings per Share for all comparative periods has been presented giving the effect to the issue of bonus shares as stated below:

The Holding Company has issued bonus shares (24,000,188 equity shares) in the ratio of 3:2 (3 bonus shares for every 2 equity shares held) pursuant to a resolution passed by the Board of Directors at their meeting held on 26th October 2016 and resolution passed by the Shareholders of the Holding Company at the Extraordinary General Meeting held on 9th November 2016, by utilising balance of Rs. 126,360,000 from General Reserve and Rs. 113,640,000 from Surplus in Statement of Profit and Loss. These equity shares have been allotted on 18th November 2016.

2. The Preference shares and Debentures are compulsorily convertible as per the method and year specified in the respective agreements. For the year ended 31st March 2017, the Holding Company has determined the dilutive effect for earnings per shares based upon the maximum number of equity shares likely to be issued to the potential equity shareholders. In the previous year, the same was not ascertainable.



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

Particulars	As at 31st March 2017 Rupees	As at 31st March 2016 Rupees
Contingent Liabilities		
In respect of disputed Income-tax matters : Future cash outflows in respect of the above matters are determinable only on receipt of judgements/ decision pending at various forums/ authorities.	2,851,720	2,816,490
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for:		
a) Tangible Assets	11,485,200	1,061,250
b) Intangible Assets	895,388	700,000

28 . Expenditure on Corporate Social Responsibility Activities

Particulars	Year ended 31st March 2017 Rupees	Year ended 31st March 2016 Rupees
Gross amount required to be spent by the Holding company during the year	12,490,354	9,600,346
Gross amount spent by the Holding company during the year	289,573	Nil

29 . As per the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 the contingent provision on standard assets is required to be made @ '0.35% of the balance of standard assets' as stipulated in paragraph 14 under Chapter V – Prudential Regulations of Section II : Prudential Issues for the financial year ending 31st March 2017 and '@ 0.40% of the balance of standard assets' for the financial year ending 31st March 2018. However the Holding Company has done early adoption of the '0.40%' criteria for the financial year ending 31st March 2017 and is compliant with the requirement for the financial year ending 31st March 2018 as prescribed in the RBI Directions.

30 . The Holding Company sells loans through securitization and direct assignment transactions, The information of securitization /direct assignment by the Holding company as originator as required by RBI Circular DNBS. PD. No. 301/3.10.01/2012-13 dated 21st August 2012 is as under:

(a) For Securitization Transaction

Sr. No.	Particulars	As at 31st March 2017 Rupees	As at 31st March 2016 Rupees
1	No of SPVs sponsored by the company for securitization transactions	Nil	Nil
2	Total amount of securitised assets as per books of the SPVs sponsored by the company	Nil	Nil
3	Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	b) On-balance sheet exposures		
	• First loss	Nil	Nil
	• Others	Nil	Nil
4	Amount of exposures to securitization transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	ii) Exposure to third party securitizations		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	ii) Exposure to third party securitizations		
	• First loss	Nil	Nil
	• Others	Nil	Nil

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



(b) For Assignment Transaction

Sr. No.	Particulars	As at 31st March 2017 Rupees	As at 31st March 2016 Rupees
1	No of SPVs sponsored by the company for assignment transactions	N.A.	N.A.
2	Total amount of assigned assets as per books of the company (excluding accrued interest)	13,053,891,466	10,274,847,481
3	Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	b) On-balance sheet exposures		
	• First loss	Nil	Nil
	• Others	1,161,547,320	758,855,291
4	Amount of exposures to assignment transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own assignments		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	ii) Exposure to third party assignments		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	b) On-balance sheet exposures		
	i) Exposure to own assignments		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	ii) Exposure to third party assignments		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	Dues to assignees towards collections from assigned receivables	1,121,825,996	799,031,497

31 . Disclosures for operating leases under Accounting Standard 19 – “Accounting for Leases”.

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

Particulars	Year ended 31st March 2017 Rupees	Year ended 31st March 2016 Rupees
Lease payments recognised in the Statement of Profit and Loss	18,156,406	15,592,999

Note:-

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

32 . Employee Benefits

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

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

	Particulars	As at/ For the year ended 31st March 2017 Rupees	As at/ For the year ended 31st March 2016 Rupees
A	Net liability /(assets) recognised in the Balance Sheet		
	Present value of funded obligation	12,442,786	7,569,126
	Fair value of plan assets	13,210,406	10,857,514
	Net liability/(assets)	(767,620)	(3,288,388)
B	Expense recognised in the Statement of Profit and Loss for the year		
	Current service cost	1,891,237	1,320,987
	Interest on obligation	602,238	434,346
	Expected return on plan assets	(813,725)	(799,243)
	Net actuarial losses /(gains)	2,758,604	235,787
	Expenses deducted from the fund	-	10,344
	Prior Year Charge	8,219	-
	Total expense included in employee benefit expense (Refer Note No. 21)	4,446,573	1,202,221
	Actual return on Plan assets	697,229	833,150



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

C	Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:		
	Opening defined benefit obligation	7,569,126	5,662,226
	Service Cost	1,891,237	1,320,987
	Interest Cost	602,238	434,346
	Actuarial losses /(gains)	2,642,108	277,914
	Benefits paid	(261,923)	(126,347)
	Closing defined benefit obligation	12,442,786	7,569,126
D	Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof:		
	Opening balance of fair value of plan assets	10,857,514	8,730,665
	Expense deducted from the fund	-	(172,205)
	Expected return	813,725	791,024
	Actuarial gains / (losses)	(116,496)	42,127
	Contributions by Employer	1,917,586	1,592,250
	Benefits paid	(261,923)	(126,347)
	Closing balance of fair value of plan assets	13,210,406	10,857,514
E	Major categories of plan assets as a percentage of total plan assets:		
	Qualifying insurance policy with LIC (Break-up of plan assets not available)	100%	100%
F	Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):		
	Discount rate (Refer note 1(b) below)	7.25% - 7.40%	8.10%
	Expected return on plan assets	7.25% - 7.40%	8.10%
	Annual increase in salary costs (Refer note 1(a) below)	7.00%	5.50%

Notes:

- 1 (a) The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.
- (b) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.
- (c) Overall expected rate of return on assets taken is the rate declared by LIC.

2 Defined Contribution Plans

	Year ended 31st March 2017 Rupees	Year ended 31st March 2016 Rupees
Amount recognised as an expense and included in Note No. 21 of Consolidated Statement of Profit and Loss		
Provident Fund	6,542,516	5,344,785
E.S.I.C	932,879	643,172
Total	7,475,395	5,987,957

3 Experience Adjustments:

	As at 31st March 2017 Rupees	As at 31st March 2016 Rupees	As at 31st March 2015 Rupees	As at 31st March 2014 Rupees	As at 31st March 2013 Rupees
Present value of the defined benefit obligation	12,442,786	7,569,126	5,662,226	5,565,638	4,795,374
Fair value of the plan assets	13,210,406	10,857,514	8,730,665	8,362,566	7,479,088
Deficit/(Surplus) in the plan	(767,620)	(3,288,388)	(3,068,439)	(2,796,928)	(2,683,714)
Experience (gain) / loss adjustments on plan liabilities	2,438,240	268,290	(529,270)	(264,415)	24,112
Experience (gain) / loss adjustments on plan assets	116,496	(42,127)	19,216	(21,611)	2,509

33 . Segment Reporting

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



34 . Related Party Disclosures

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

List of related parties and relationships:

Sr. No.	Nature of Relationship	Name of Related Parties
1	Key Management Personnel	Mr. Kamlesh C. Gandhi (Chairman & Managing Director) Mr. Mukesh C. Gandhi (Whole Time Director & Chief Finance Officer) Mrs. Darshana S. Pandya (Director & Chief Operating Officer) (w.e.f. 23rd September 2016)
2	Entities under common control	MAS Realities Limited (upto 17th March 2017) Sarjan Developers Private Limited (upto 17th March 2017) Swalamb Mass Financial Services Limited Anamaya Capital LLP Acquarian Information Technology Private Limited (upto 8th March 2017) Mukesh C. Gandhi (HUF) (upto 17th December 2016) Kamlesh C. Gandhi (HUF) Prarthna Marketing Private Limited
3	Relatives of Key Management Personnel	Mrs. Shweta K. Gandhi Mrs. Urmilaben C. Gandhi Mr. Dhwanil K. Gandhi Mr. Saumil D. Pandya (w.e.f. 23rd September 2016)

Related party transactions:

Sr. No.	Nature of transactions	Year ended 31st March 2017 Rupees	Year ended 31st March 2016 Rupees
1	Subscription to Compulsorily Convertible Cumulative Preference Shares: * Mr. Kamlesh C. Gandhi Mr. Mukesh C. Gandhi	2,500,000 2,500,000	- -
2	Remuneration (Including Bonus): Mr. Kamlesh C. Gandhi Mr. Mukesh C. Gandhi Mrs. Darshana S. Pandya Mr. Saumil D. Pandya Mr. Dhwanil K. Gandhi	43,456,706 43,387,326 1,133,065 1,538,306 875,008	33,713,106 33,544,386 - - 580,000
3	Subscription to Optionally Convertible Preference Shares: Mr. Kamlesh C. Gandhi Mr. Mukesh C. Gandhi Mrs. Shweta K. Gandhi	5,000,000 10,000,000 5,000,000	5,000,000 10,000,000 5,000,000
4	Dividend Paid: Mr. Mukesh C. Gandhi Mr. Kamlesh C. Gandhi Mr. Mukesh C. Gandhi (HUF) Mrs. Shweta K. Gandhi Mrs. Urmilaben C. Gandhi Prarthna Marketing Private Limited Mrs. Darshana S. Pandya Mr. Saumil D. Pandya	51,927,597 20,910,265 1,629,264 54,032,777 171 4,313,900 2,953 2,953	31,751,920 27,872,032 39,862,096 72,266,257 4,169 5,743,107 - -
5	Loan granted: Mrs. Darshana S. Pandya	580,000	-
6	Unsecured loan received: Mr. Kamlesh C. Gandhi Mr. Mukesh C. Gandhi	- -	3,000,000 3,000,000
7	Unsecured loan repaid: Mr. Kamlesh C. Gandhi Mr. Mukesh C. Gandhi	- -	3,000,000 3,000,000



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Sr. No.	Nature of transactions	As at 31st March 2017 Rupees	As at 31st March 2016 Rupees
	Balance outstanding at the end of the year:		
8	Loan Granted		
	Mrs. Darshana S. Pandya	2,740,994	2,681,735
9	Remuneration payable (Including Bonus)		
	Mr. Kamlesh C. Gandhi	2,438,330	1,940,000
	Mr. Mukesh C. Gandhi	2,438,330	1,940,000
	Mrs. Darshana S. Pandya	89,375	-
	Mr. Saumil D. Pandya	109,622	-
	Mr. Dhwanil K. Gandhi	23,600	20,000
10	Compulsorily Convertible Cumulative Preference Shares:		
	Mr. Kamlesh C. Gandhi	-*	-
	Mr. Mukesh C. Gandhi	-*	-
11	Optionally Convertible Preference Shares		
	Mr. Kamlesh C. Gandhi	10,000,000	5,000,000
	Mr. Mukesh C. Gandhi	20,000,000	10,000,000
	Mrs. Shweta K. Gandhi	10,000,000	5,000,000

* The Compulsorily Convertible Cumulative Preference Shares (CCCPS) have been sold on 20th March 2017 and hence no CCCPS are held on 31st March 2017.

35. Balances of retail loans and advances of Holding Company and loans & advances and trade payables of Subsidiary Company are subject to confirmation. Adjustments, if any required, will be made on settlement of the account of the parties.

36. Disclosure required in terms of Clause 13.5A of Chapter XIII on Guidelines for preferential issues, SEBI (Disclosure and Investor Protection) Guidelines, 2000

The Holding Company has received an amount of Rs. 1,000,000,041 towards share application money and the allotment of equity shares was made on 30th March 2017 on satisfaction of condition precedent as mentioned in Investment Agreement. As per the objects of the preferential allotment, the end use of the funds raised was towards meeting the capital requirements. The entire amount of Rs. 1,000,000,041 has been utilised during the year.

37. The Holding Company has incurred Rs. 68,555,074 (inclusive of non-deductible portion of service tax) during the year for the private placement of equity shares, proposed IPO and OFS.

Out of the expenses incurred, the Holding Company has adjusted the Rs. 36,708,309 against securities premium account to the extent of funds raised including identifiable expenditure of Rs. 29,631,250 pertaining to the private placement of equity shares and remaining expenses pertaining to IPO and OFS such as legal counsel, payment to auditors and stamp duty expenses has been shown as prepaid expenses, which would be recovered as per agreed terms from the selling shareholders and balance would be further adjusted against share premium accounts on completion of the IPO.

38. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016 is as per the following details:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8th November 2016	1,396,000	542,670	1,938,670
(+) Permitted receipts	-	5,496,077	5,496,077
(-) Permitted payments	-	2,676,465	2,676,465
(-) Amount deposited in banks	1,396,000*	1,933,553	3,329,553
Closing cash in hand as on 30th December 2016	-	1,428,729	1,428,729

* As per the information available with the Holding Company, this does not include an unauthorized deposit of Rs. 3,514,000 by customers/recovery agents in the Holding Company's Bank account without knowledge of the Holding Company.



39 . Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

Name of entity in the group	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net	Amount (Rupees)	As % of consolidated	Amount (Rupees)
Parent				
MAS Financial Services Limited	92.40%	3,161,919,650	96.99%	672,283,200
Subsidiary				
MAS Rural Housing and Mortgage Finance Limited	4.53%	154,925,576	1.88%	13,045,752
Minority Interest	3.07%	104,983,389	1.13%	7,863,719
Total	100%	3,421,828,615	100%	693,192,671

40 . The Board of Directors of Holding Company has proposed following dividend on the Preference Share in its board meeting held on 17th May 2017.

- (a) Rs. 2,617/- on 21,735,545 fully paid up 0.01% Compulsory Convertible Cumulative Preference Shares of Rs. 10 each to be paid to those shareholders whose names appear on the register of members as on 17th May 2017.
- (b) Rs. 3,643,886/- on 21,735,545 fully paid up 13.31% Compulsory Convertible Cumulative Preference Shares of Rs. 10 each to be paid to those shareholders whose names appear on the register of members as on 17th May 2017.

The Board of Directors of Subsidiary Company has proposed following dividend on the Equity and Preference Shares in its board meeting held on 10th May 2017.

- (a) Rs. 1,077,125/- on 18,034,920 fully paid up Equity Shares of Rs. 10 each to be paid to those shareholders whose names appear on the register of members as on 10th May 2017.
- (b) Rs. 3,722,875/- on 4,000,000 fully paid up 8% Optionally Convertible Preference Shares of Rs.10 each to be paid to those shareholders whose names appear on the register of members as on 10th May 2017.

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

For and on behalf of the Board of Directors



[Signature]

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

[Signature]

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

[Signature]

Nirav Patel
(Company Secretary)

[Signature]

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

Place: Ahmedabad
Date: **21/06/2017**