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Together towards a  
**SUSTAINABLE**  
**FUTURE**

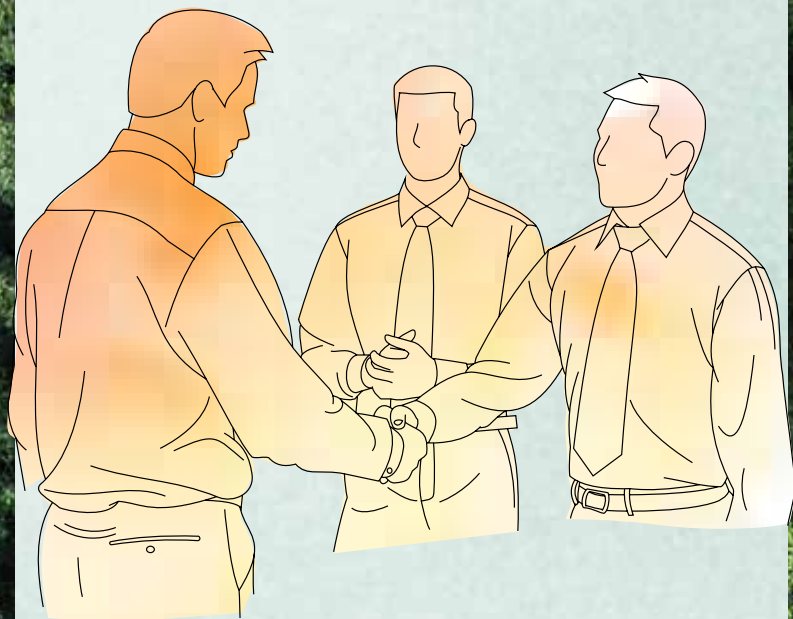
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## ABOUT THE REPORT

(GRI 2-2 c; 2-3 a, b, c, d; 2-4 a)


The ESG report for the fiscal year 2022-2023 of **MAS** Financial Services Limited (**MAS**) has been primarily prepared with reference to GRI 2021 standards, which are recognized as the global best practice for reporting on economic, environmental, and social impacts. These standards enable organizations to disclose their positive and negative contributions to sustainable development. The report incorporates the GRI Universal Standards, Sector Standards specific to the finance sector, and Topic Standards relevant to various areas. By using these standards, **MAS** has identified material topics that are significant for achieving sustainable development.


The report includes **MAS** Financial Services Limited, data from all operational locations of **MAS** Financial Services Limited in India. This marks the inaugural publication of an Environmental, Social, and Governance (ESG) report, aligning the reporting period and frequency with that of the financial report. Furthermore, no restatements of information have been made from previous reporting periods, as this is the first sustainability report being published.


We are actively working on measuring Scope 3 GHG emissions. Once this measurement is complete, we will initiate external verification of our ESG data. While external assurance has not been conducted yet, we want to assure our stakeholders that the ESG data in this report has undergone a rigorous internal review.


We highly appreciate any feedback and welcome contributions and suggestions from all our stakeholders. Please find below the contact persons' details for further assistance:

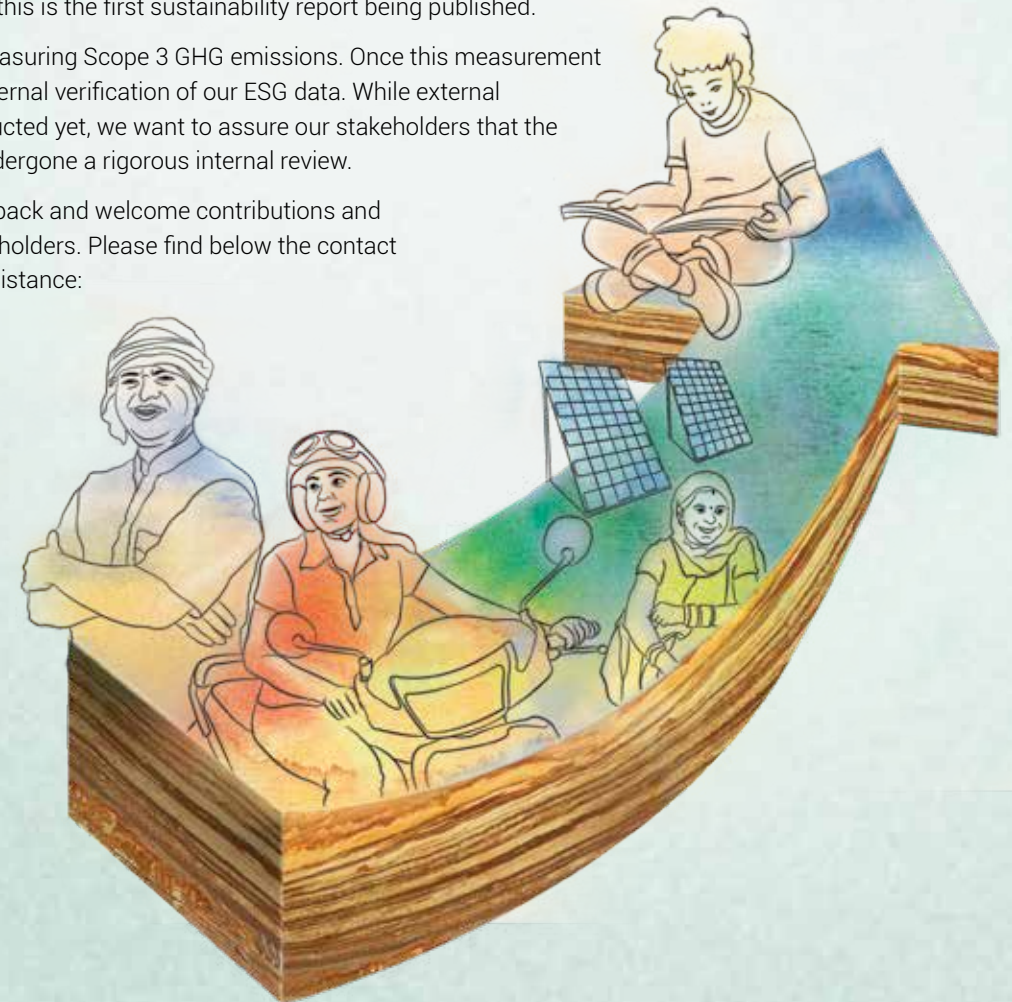
 Meet Chande, Manager - Investor Relations

 [meet\\_chande@mas.co.in](mailto:meet_chande@mas.co.in)

 This report is available for download on **MAS** official website (<https://mas.co.in/>)

 Company Name: **MAS** Financial Services Limited  
6, Ground Floor,  
Narayan Chambers B/H. Patang Hotel,  
Nehru Bridge Corner Ashram Road,  
Ahmedabad-380009 (India)

 Telephone: 079-41106500



## FOUNDER AND CMD'S MESSAGE

(GRI 2-22 a)



The company also strives to serve as a good corporate citizen, which not only takes responsibility for its own development but also for its impact on the associated people, environment, and society in general

**21.5** million  
Jobs supported

**11.7** million  
Customers of MSME, Commercial  
Vehicle and Two Wheeler served

Source: Company Data

### Dear Stakeholders,

As the CMD of **AAAS** Financial Services Limited, a leading non-banking financial company committed to driving positive change in the financial sector, I am honored to connect with you through our first ESG Report. Today, I would like to emphasize the relevance of sustainable development to our organization and share our strategy for contributing to sustainable development.

Sustainable development lies at the heart of our business philosophy and guides our decision-making processes. We firmly believe that integrating environmental, social, and governance (ESG) principles into our operations benefits society and the planet and creates long-term value for our stakeholders.

Our dedication to sustainable development is reflected in our financial performance as well. I am happy to share that **AAAS** reported strong performance for the financial year 2022-23 with its total assets under management crossing ₹ 8,000 crores mark. Despite challenging market conditions, we have consistently delivered solid financial results. In the fiscal year 2022-23, our profit after tax stood at ₹ 201 crores, showcasing our ability to generate sustainable returns for our shareholders.

**In its nearly three-decades-long journey, the company has exhibited very robust and consistent growth along with promoting sustainable development, last-mile delivery of credit, financial inclusion, job creation, and providing finance to small & medium enterprises that are the backbone for the growth of the country.**

The company also strives to serve as a good corporate citizen, which not only takes responsibility for its own development but also for its impact on the associated people, environment, and society in general. This growth is a testament to our robust business model, strong risk management practices, and unwavering commitment to excellence.

However, for **AAAS**, sustainable development goes beyond financial metrics. We are equally focused on our social and environmental impact. We understand that our success is intricately linked to the well-being of the communities we serve and the health of the planet we share.

To contribute to sustainable development, we have implemented a comprehensive strategy with measurable targets and ongoing initiatives. Here are some key highlights:



### Social Impact:

#### Financial Inclusion:

We provide access to financial services to low-income groups and underserved communities. To date, our outreach programs have served over 11.7 million customers of MSME, 2-wheeler and commercial vehicle loans, supporting over 21.5 million jobs and empowering them with financial tools for a better future.

#### Skill Development:

We actively support skill development initiatives, equipping individuals with the knowledge and expertise needed to secure gainful employment and contribute to economic growth.

#### CSR Expenditure:

In 2023, our CSR spending was directed towards enduring initiatives that advance education, sanitization, health, environment, and overall welfare, aiming to guarantee the well-being of communities.



### Environmental Responsibility:

#### Carbon Footprint Reduction:

We have adopted energy-efficient practices, resulting in a reduction of 0.02 tCO<sub>2</sub>e/Mn INR from the last fiscal. Furthermore, we continue to explore renewable energy solutions to further decrease our carbon footprint.

#### Environmental Risk Management in Lending:

Embedded in our ESG policy, **MASS** actively addresses environmental and social risks in lending through credit appraisal. All loans above ₹ 5 crores, for Greenfield projects or capital expenditure, undergo EHS norm evaluation.



### Governance and Ethics:

#### Compliance and Transparency:

We maintain the highest standards of corporate governance, ensuring transparency and accountability in all our operations. Our commitment to ethical conduct is the foundation upon which we have built and continue to build trusted relationships with our stakeholders.

#### Risk Management:

We employ rigorous risk management practices to safeguard the interests of our clients, shareholders, and the communities we serve. We strive to ensure sustainable growth and resilience by proactively identifying and mitigating risks.

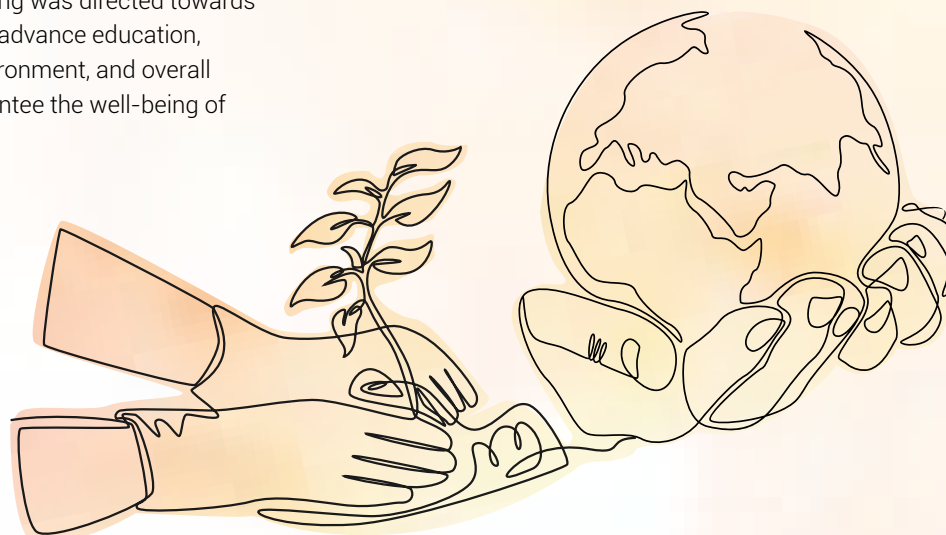
I firmly believe that sustainable development is not merely a trend but an essential aspect of responsible business. At **MASS**, we are determined to embed sustainability into our organizational DNA, continuously challenging ourselves to do better and make a meaningful impact.

We are immensely grateful for your support and partnership on this journey toward sustainable development. Together, we can create a brighter, more equitable, and environmentally conscious future.

Thank you for your unwavering trust in **MASS** Financial Services Limited

Best Wishes

**Kamlesh Chimanlal Gandhi**  
CMD, **MASS** Financial Services Limited



## HIGHLIGHTS FROM THE YEAR

AAFS Financial Services has achieved remarkable advancements in its efforts to provide affordable and sustainable financial solutions to individuals from diverse financial backgrounds, including those residing in remote areas. Concurrently, the company has successfully maintained positive cash flows and delivered attractive returns to its investors, all while ensuring the satisfaction of its employees.

The following are some of the key performance highlights from FY22-23.

### Highlights

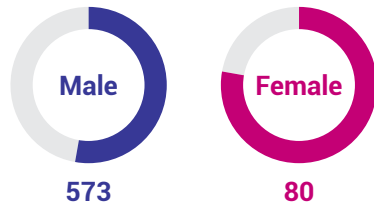
(in ₹ million)





FY 2022 - 2023

Training obtained by number of employees

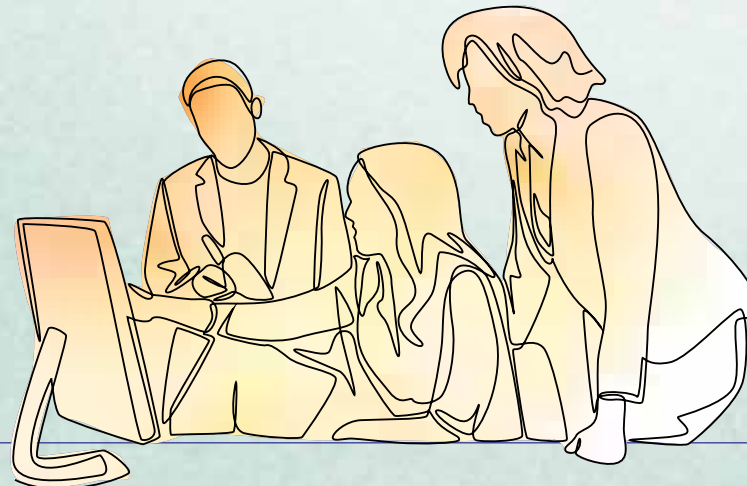


Certified as great place to work

JAN 23 - JAN 24

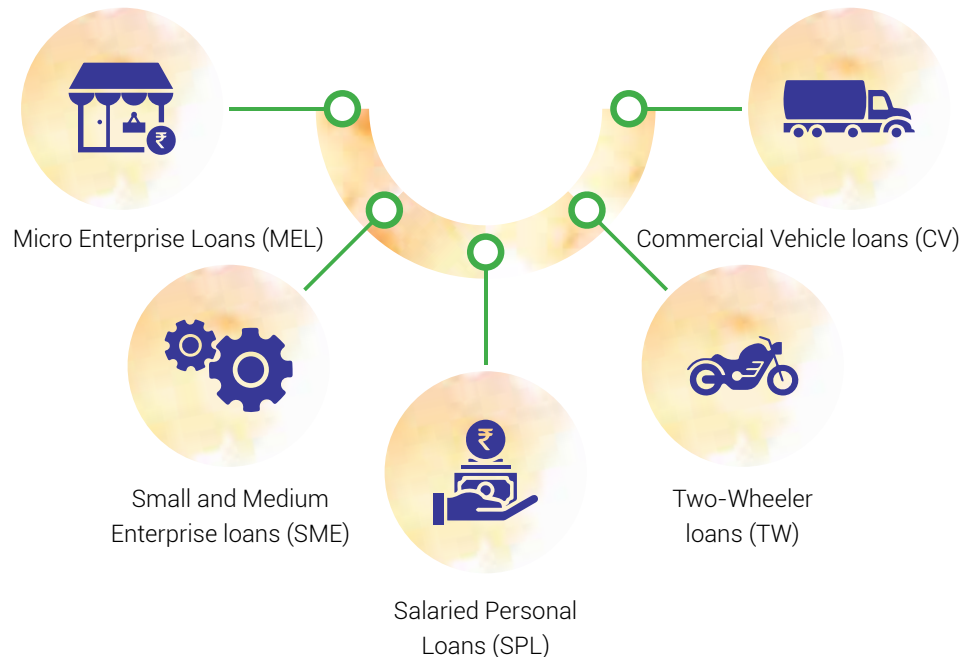


The Great Place to Work certificate is a prestigious recognition awarded to organizations that demonstrate an exceptional workplace culture and employee experience. **MAS** believes the advantages of the Great Place to Work certificate go beyond just the recognition itself. The true value lies in the ongoing commitment to creating a positive work environment and leveraging the certificate as a catalyst for continuous improvement and growth.



## ABOUT HAS FINANCIAL SERVICES LIMITED

(GRI 2-1 a, b, c, d; 2-2 a, b; 2-6 a, b)



HAS Financial Services Limited is a non-banking financial company headquartered in Ahmedabad, India. It was established in 1995 and operates as a public company registered with the Reserve Bank of India. HAS has a strong presence across urban, semi-urban, and rural areas of India. With a network of 149 branches spread across Gujarat, Maharashtra, Rajasthan, Madhya Pradesh, Tamil Nadu, Karnataka, Chhattisgarh, and Delhi NCR, the company has effectively served over 7,58,000+ active customers and 9250+ customer locations as of March 2023. The company also has partnership with 148 NBFCs spread across India. HAS prides itself on providing financial services directly at the customers' doorsteps, catering to both formal and informal sectors. As a non-

deposit-taking systematically important - non-banking finance company (NBFC), HAS specializes in providing various types of loans, including Micro Enterprise Loans (MEL), Small and Medium Enterprise loans (SME), Two-Wheeler loans (TW), Commercial Vehicle loans (CV), and Salaried Personal Loans (SPL). The company has developed a unique distribution model in which it distributes all the mentioned loans through own direct channel and through NBFCs partners. The share of distribution in total AUM through direct retail distribution has increased to ~62% in FY 2022-23 from ~52% in FY 2021-22.

**HAS has a clear vision to become one of the most efficient distributors of financial services and create value on a large scale. Efficiency is a key focus for HAS, as it aims to optimize the use of available resources and continuously improve productivity in all its activities. The company strives to set benchmarks for the financial services industry and compete with itself by constantly raising standards.**

Creating value on a large scale is another important aspect of HAS's vision. The company recognizes the need to increase value for all stakeholders and periodically adopt and adapt business models that facilitate this goal. HAS currently focuses on serving the lower and middle-income groups across urban, semi-urban, and rural areas, including both the formal and informal sectors. Its business model, extensive experience, and wide distribution network position it uniquely in the industry.

HAS has a mission centered around excellence, creating a wide financial distribution network, and being a catalyst for efficient financial services, which it term as financial inclusion. The company constantly endeavors to achieve excellence, considering it an ongoing process. The Company believe in the power of distribution and have applied it alongside their commitment to excellence to become the most efficient distributor of financial services. Additionally, HAS aims to be a responsible and efficient intermediary in the financial services ecosystem, playing a pivotal role in the efficient utilization of available resources.



# BRANCH NETWORK (as of 31<sup>st</sup> March 2023)

## Strong Retail Presence & Distribution Network

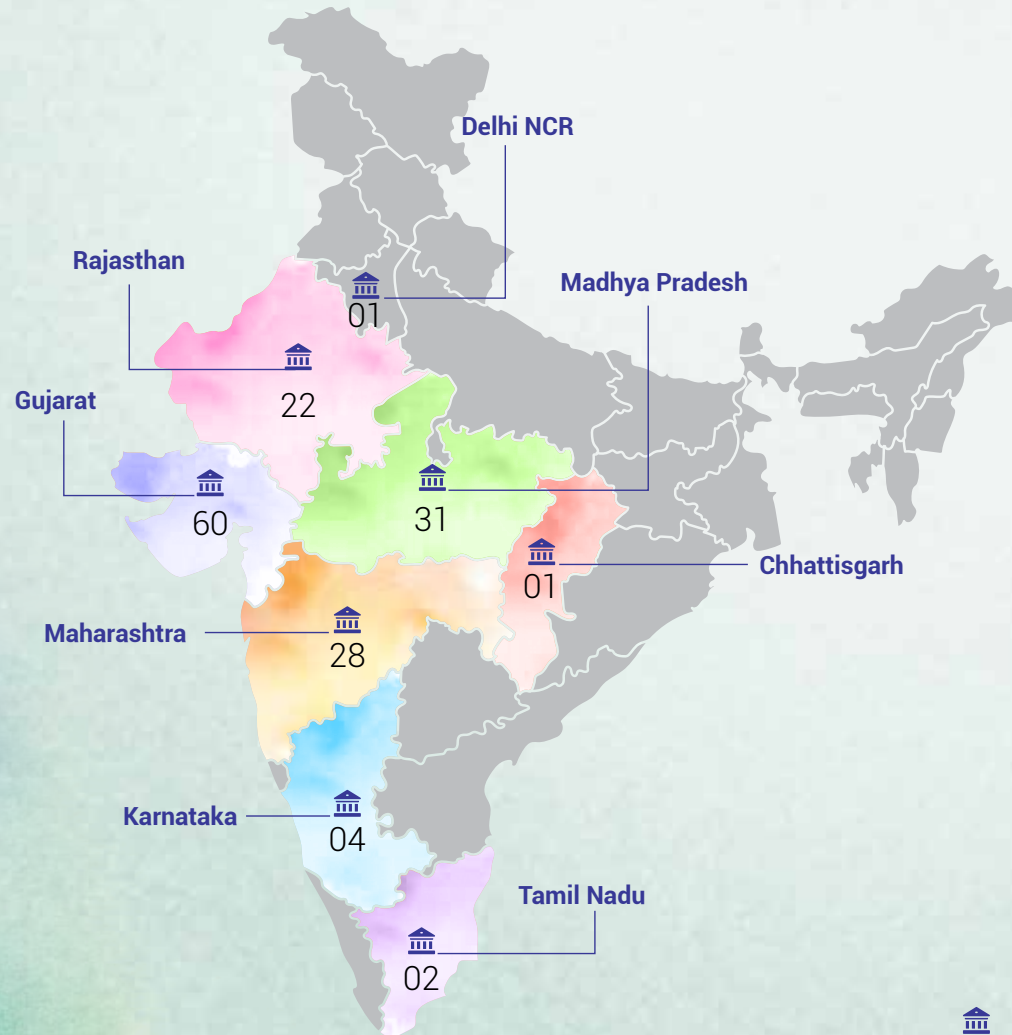
**25+** Years of Endeavours

**149** Branches

**148** NBFC Partners

**9250+** Customers Locations

**Across 7 States & 1 Union Territory**



No. of Branches

## PRODUCT OFFERING PERFORMANCE ANALYSIS

### MSME Portfolio



#### Micro-Enterprise Loan (MEL)

Micro Enterprises primarily includes retailers, traders, small manufacturers, and service providers. The ticket size of these loans' ranges from ₹ 0.5 lakhs to ₹ 5 lakhs with tenure upto 36 months. During the financial year 2022-23, **AAAS** disbursed loans totaling ₹ 4,766.39 crores as MEL loans. Assets Under Management (AUM) for MEL loans amounted to ₹ 3,874.16 crores as of 31<sup>st</sup> March 2023 as compared to ₹ 3,249.38 crores as on 31<sup>st</sup> March 2022



#### Small & Medium Enterprises (SME) Loan

**AAAS** provides loans to small and medium enterprises (SMEs) involved in manufacturing, trading, or service sectors. These loans are designed to cater to their specific needs, including the acquisition of fixed assets such as machinery or industrial property, as well as fulfilling their working capital requirements such as purchasing stock or replacing trade credit. The loan amount offered by **AAAS** range from ₹ 10 lakhs to ₹ 5 crores.

During the financial year 2022-23, **AAAS** disbursed loans totaling ₹ 3117.80 crores as SME loans. As of March 31, 2023, the AUM for SME loans stood at ₹ 2,986.66 crores as compared to ₹ 2,274.80 crores as on 31<sup>st</sup> March 2022

Number of women borrowers for MSME portfolio were Approximately 3,50,000+ with total outstanding loan amount of approximately more than ₹ 1000+ crores as on 31<sup>st</sup> March 2023

### Wheels Portfolio



#### Two-Wheeler Loans

**AAAS** provides two-wheeler loans to a diverse range of customers including farmers, self-employed businessmen, professionals, and salaried individuals residing in urban, semi-urban, and rural areas. The loan amounts offered for two-wheelers range from ₹ 25,000 to ₹ 1.50 lakhs. During the financial year 2022-23, **AAAS** disbursed loans totaling ₹ 542.18 crores as Two Wheeler loans. Asset Under Management (AUM) for Two Wheeler Loans amounted to ₹ 554.35 crores as on 31<sup>st</sup> March 2023 as compared to ₹ 377.41 crores as on 31<sup>st</sup> March 2022



#### Commercial Vehicle Loans

**AAAS** facilitates the financing of commercial vehicle purchases, both new and old. The loans offered for the acquisition of commercial vehicles range from ₹ 1 lakhs to ₹ 15 lakhs. Additionally, **AAAS** assists individuals and businesses in purchasing bikes for personal use or expanding their transportation and distribution operations.

During the financial year 2022-23, **AAAS** disbursed loans totaling ₹ 370 .51 crores as Commercial Vehicle loans. Asset Under Management (AUM) for Commercial Vehicle Loans amounted to ₹ 372 .48 crores as on 31<sup>st</sup> March 2023 as compared to ₹ 345 .20 crores as on 31<sup>st</sup> March 2022



#### Salaried Personal Loans

**AAAS** offers Salaried Personal Loans of up to ₹ 5 lakhs to salaried individuals employed in approved companies to meet their personal financial requirements. In FY 2022-23, **AAAS** provided loans amounting to ₹ 331.97 crores as Salaried Person Loans. Assets Under Management (AUM) for salaried personal loans stood at ₹ 304.9 crores as of March 31, 2023.

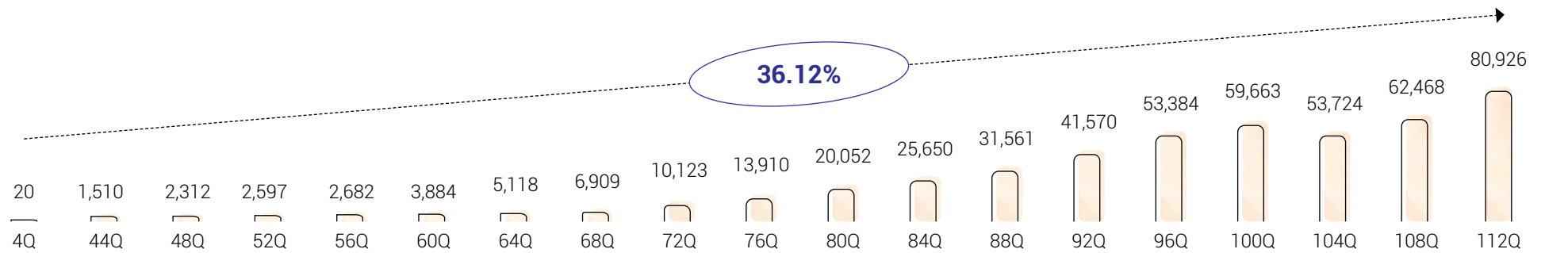


# CONSISTENT PERFORMANCE OVER THE YEARS

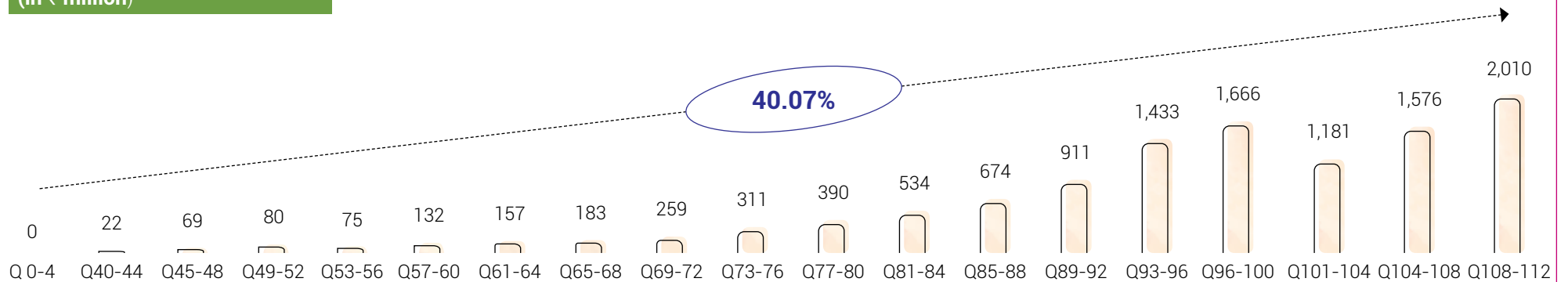


Consistently and steadily is the fastest way to reach where you want to

## Asset Under Management (AUM) (in ₹ million)



## Profit After Tax (PAT) (in ₹ million)





# GOVERNANCE

The company places great importance on corporate governance, viewing it as more than just regulatory compliance. It upholds principles of transparency, unity, integrity, spirit, and responsibility towards stakeholders, including shareholders, employees, and customers. By fostering effective corporate governance, the company aims to achieve its goals and objectives, enhance long-term shareholder value, and make sound business decisions. It ensures compliance with relevant regulations, such as the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Reserve Bank of India's regulations for Non-Banking Financial Companies. The Board of Directors plays a crucial role in providing strategic guidance, independent perspectives, and effective oversight, ensuring the Company's operations align with stakeholder expectations and uphold high standards of ethics and professionalism.

All the directors maintain their independence from each other, and the Board's composition adheres to regulatory requirements. The directors hold directorships within the permissible limit, and their committee positions are disclosed appropriately. Regular quarterly meetings are held to review the Company's performance, while additional meetings are convened as and when necessary to discuss policies, strategies, and other matters. The Board Meetings took place six times in Ahmedabad during FY 23.





## Structure of Board and its Committees

(GRI 2-9 a, b, c - i, ii, iii, iv, v)

The Board of the company comprises of 7 directors each with a 5-year tenure out of which 1 is the Promoter Executive Director, 1 is a Woman Executive Director, 1 is a Woman Independent Director, 3 are Independent Directors and 1 is an additional independent director as on March 31, 2023, the details of which are as below:



**Mr. Kamlesh Chimanlal Gandhi**

Chairman & Managing Director  
(Promoter)



**Mrs. Darshana Saumil Pandya**

Director & CEO (Non-Promoter,  
Non-Independent)



**Mr. Balabhaskaran**

Independent Director

- Executive Director
- Non - Executive Director



**Mr. Chetan Ramniklal Shah**

Independent Director



**Mr. Umesh Rajanikant Shah**

Independent Director



**Mrs. Daksha Niranjjan Shah**

Independent Woman Director

The committees of the Board focus on specific areas of expertise and make informed decisions within their assigned authority. These committees provide detailed recommendations to the Board regarding matters within their purview. The decisions and recommendations of the committees are then presented to the Board for their information or approval, depending on the requirements.



### Audit committee members

- ① Mr. Balabhaskaran Narayanan Nair (Chairman)
- ② Mrs. Darshana Pandya (Member)
- ③ Mr. Chetan Ramniklal Shah (Member)
- ④ Mr. Umesh Rajanikant Shah (Member)



### Stakeholders relationship committee members

- ① Mr. Balabhaskaran Narayanan Nair (Chairman)
- ② Mrs. Darshana Pandya (Member)
- ③ Mr. Chetan Ramniklal Shah (Member)



### Nomination & remuneration committee members

- ① Mr. Balabhaskaran Narayanan Nair (Chairman)
- ② Mr. Chetan Ramniklal Shah (Member)
- ③ Mr. Umesh Rajanikant Shah (Member)



### CSR committee members

- ① Mr. Umesh Rajanikant Shah (Chairman)
- ② Mrs. Darshana S. Pandya (Member)
- ③ Mr. Balabhaskaran Narayanan Nair (Member)



### Risk management committee members

- ① Mr. Chetan Ramniklal Shah (Chairman)
- ② Mrs. Darshana Pandya (Member)
- ③ Mr. Umesh Rajanikant Shah (Member)



### Finance Committee

- ① Mr Kamlesh Gandhi (Chairman & Managing Director)
- ② Mrs Darshana Pandya (CEO, Member)
- ③ Mr Ankit Jain (CFO, Member)



### ESG Committee

- ① Mr Kamlesh Gandhi (Chairman)
- ② Mrs Darshana Pandya (CEO, Member)
- ③ Mr Dhvanil Gandhi (Executive Vice President, Member)
- ④ Mr Ankit Jain (CFO, Member)
- ⑤ Ms Riddhi Bhayani (Company Secretary & Compliance Officer, Member)
- ⑥ Mr Meet Chande (Manager, Investor Relations , Member)

Overseeing Organisation's Impact on

- Environment
- People
- Economy

In addition to their roles within **AAAS**, the members of the governance body hold other significant positions and commitments. The details are as follows:

#### Mr. Kamlesh C. Gandhi

(Chairman & Managing Director): Director in 5 additional companies.

#### Mrs. Darshana S. Pandya

(Director & Chief Executive Officer): Director in 4 additional companies.

#### Mr. Balabhaskaran Narayanan Nair

(Non-Executive Independent Director): Director in 3 additional companies.

#### Mr. Chetan Ramniklal Shah

(Non-Executive Independent Director): Director in 1 additional company.

#### Mrs. Daksha Niranjana Shah

(Non-Executive Independent Director): Director in 8 additional companies.



## Nomination and selection of the highest governance body

(GRI 2-10 a, b)

The nomination and selection processes for the highest governance body and its committees encompass a range of criteria and considerations. Playing a pivotal role in enhancing the Board's efficacy, the Nomination and Remuneration Committee has developed a methodology and criteria to assess both the Board's performance and individual directors. This comprehensive evaluation process encompasses diverse factors, including board composition, strategic planning, the roles of the Chairman, non-executive directors, and senior management, information dissemination, and adherence to regulatory mandates. These thoughtfully crafted criteria collectively ensure that the highest governance body comprises capable individuals adept at overseeing the organization and making decisions that serve the best interests of stakeholders.

**When nominating and selecting members for the highest governance body, the following factors are taken into consideration:**



### Views of stakeholders (including shareholders)

The committee considers the views and feedback of stakeholders, including shareholders, in the nomination and selection process. This ensures that the interests and expectations of key stakeholders are considered.



### Diversity

The committee emphasizes the importance of diversity in terms of gender, expertise, background, and experience when selecting members for the highest governance body. This promotes a broader range of perspectives and enhances the board's ability to make informed decisions.



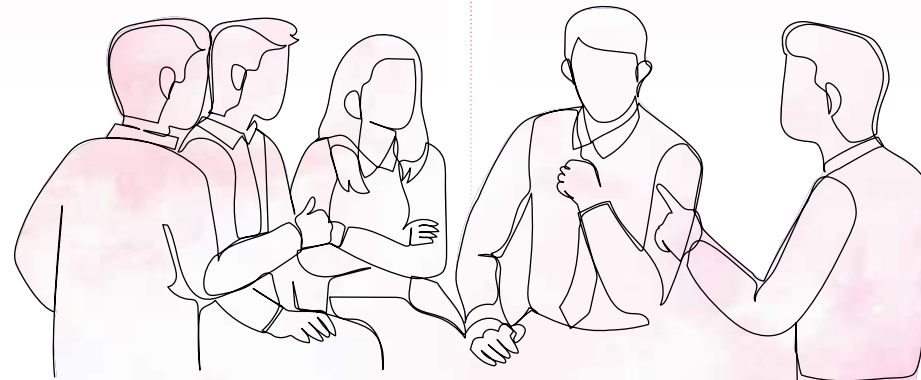
### Independence

The committee ensures that the members of the highest governance body possess independence, both in their actions and judgments, to ensure objective decision-making and effective oversight.



### Competencies relevant to the impacts of the organization

The committee assesses the competencies and skills of potential board members, considering their relevance to the impacts of the organization. This includes evaluating their understanding of the industry, strategic thinking abilities, financial acumen, and knowledge of governance practices.



## Chair of the highest governance body

(GRI 2-11 a, b)

The Chairman & Managing Director holds a senior executive position in the organization and carries the responsibility of leading the organization while managing its operations under the guidance of the Board. With a remarkable track record and over two decades of experience, he has played a pivotal role in driving the company's consistent performance and growth. To ensure integrity and address potential conflicts of interest, robust governance mechanisms and transparent practices have been implemented, thereby upholding ethical standards and aligning with stakeholders' interests.



## Role of the highest governance body in overseeing the management of impacts

(GRI 2-12 a, b c)

MASS firmly upholds the belief that good corporate governance is rooted in principles of transparency, unity, integrity, spirit, and responsibility towards stakeholders, investors, shareholders, workers, and consumers. The organization recognizes that effective corporate governance requires a high level of competence and capability in managing business and resources to achieve its goals and objectives. Guided by these principles, the Board serves as the driving force behind MASS's corporate governance practice, providing strategic guidance and independent perspectives to senior management while fulfilling fiduciary responsibilities. The Board's direction and control ensure that the Company operates in line with stakeholder aspirations and societal expectations.

Committed to sound governance practices, MASS adheres to the requirements set by regulatory bodies like the Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI). Regularly evaluating our governance systems, the company prioritizes transparency, accountability, and ethical conduct, striving for continuous improvement and the best possible outcomes in all our endeavors. By reaffirming our commitment to corporate standards and business principles, the Board plays a crucial role in shaping the organization and meeting the expectations of stakeholders and society.

## Delegation of responsibility for managing impacts.

(GRI 2-13)

Aligned with its commitment to responsible business practices, the highest governing body has established a dedicated ESG Committee within the Board of Directors. Comprised of senior management personnel, this committee plays a pivotal role in overseeing various aspects of social, environmental, and governance responsibilities, with the authority to make decisions related to sustainability. The responsibility for addressing impacts extends beyond the committee, supported by a structured reporting mechanism. Simultaneously, the HR Head of the Company, tasked with handling employee grievances, regularly provides detailed reports on the nature and resolution of these concerns. These reports contribute to a comprehensive evaluation of the organization's impact on both its workforce and the wider society.

## Role of the highest governance body in sustainability reporting

(GRI 2-14)

The highest governance body reviews and approves reported information, including material topics, by assessing the ESG guidelines every year or during significant operational changes. Top management ensures the policy's suitability, effectiveness, and alignment with objectives, focusing on establishing robust risk management and internal controls for addressing social, environmental, and governance responsibilities. This process promotes transparency, accountability, and responsible practices within the organization.

## Conflicts of interest

(GRI 2-15 a, b - i)

To ensure the prevention and mitigation of conflicts of interest, we strictly adhere to our zero-tolerance policy towards unethical business practices and prioritize the adherence to relevant principles, including those related to conflict of interest. We have implemented a Code of Conduct that all directors are required to comply with, and we obtain annual declarations from directors affirming their commitment to upholding ethical standards. Our company also has policies in place regarding related party transactions, which ensure that all transactions conducted in the ordinary course of business are conducted at arm's length prices to avoid any potential conflicts of interest.

HAAS has a robust policy on Related Party Transactions, aiming to manage potential conflicts of interest and ensure transparency. The policy defines related party transactions and materiality thresholds, complying with relevant laws and regulations, including Companies Act, 2013. All related party transactions require prior approval from the Audit Committee. Board approval is essential for transactions surpassing materiality thresholds, as mandated by SEBI LODR Regulation 23(1). Our threshold, set at 10% of annual consolidated turnover, except for brand/royalty transactions exceeding 2%. These material transactions are disclosed in the Board's report and quarterly to stock exchanges. Unapproved related party transactions undergo scrutiny, with the Audit Committee empowered to take action, including termination or seeking shareholder approval.

In addition, we ensure that there is no conflict of interest in the appointment of directors on the Board of the company, Key Management Personnel (KMPs), and senior management. We assess the "fit and proper" status of

proposed and existing directors and ensure that their appointment does not create any conflicts of interest. These measures demonstrate our commitment to maintaining the highest level of integrity and transparency in our governance practices.

## Communication of critical concerns

(GRI 2-16 a)

The company has implemented a vigil mechanism through its Whistle Blower Policy, allowing employees to confidentially report instances of unethical behavior, fraud, or violations of the company's Code of Conduct to the management. The policy encourages whistle blowers to raise genuine concerns and provides safeguards to protect them from any form of retaliation. The Audit Committee periodically reviews the functioning of the vigil mechanism, ensuring its effectiveness. All whistleblowers have been provided access to the Audit Committee without any denials.

## Collective knowledge of the highest governance body

(GRI 2-17)

The company has implemented various measures to enhance the knowledge, skills, and expertise of its Board of Directors and Key Managerial Personnel, with a specific emphasis on sustainable development. Directors receive continuous support through regular briefings, keeping them abreast of the company's operations, strategic priorities, and environmental, social, and governance (ESG) matters, including sustainable development efforts. These initiatives aim to keep directors informed and engaged, enabling them to make informed decisions in

line with the company's long-term sustainability goals. Through robust orientation and ongoing updates, the highest governance body is well-prepared to address sustainability challenges and opportunities effectively.

### Rich experienced Board of Directors:

**Mr Kamlesh C. Gandhi,**

Chairman & Managing Director : 28 Years

**Mrs. Darshana S. Pandya,**

Director & CEO : 27 Years

**Mr. Balabhaskaran N. Nair,**

Independent Director: 28 Years

**Mr. Chetan R. Shah,**

Independent Director: 44 Years

**Mr Umesh R. Shah,**

Independent Director: 42 Years

**Mrs. Daksha N. Shah,**

Independent Director: 56 Years





## Evaluation of the performance of the highest governance body

(GRI 2-18 a, b)

With the objective of enhancing the effectiveness of the highest governance body, the Nomination and Remuneration Committee has formulated a comprehensive methodology and criteria for evaluating the performance of the board and individual directors in overseeing the organization's impacts on the economy, environment, and people. These evaluations, conducted independently on a quarterly basis, encompass various factors such as board composition, strategic planning, the role of the Chairman and non-executive directors, timeliness and quality of information flow, and adherence to compliance and regulatory issues. The frequent and

independent evaluations aim to ensure accountability, drive continuous improvement, and strengthen the governance processes of the organization.

In response to the evaluations, no changes were made to the composition of the highest governance body or organizational practices. The evaluations might have found the current structure and practices to be effective and aligned with the company's goals and objectives. The Board of Directors and Key Managerial Personnel may have received positive feedback, indicating that their current approach to governance and sustainable development is satisfactory. Consequently, the company has decided to continue with the existing composition and practices, ensuring continuity and consistency in its governance framework.

## Remuneration policies

(GRI 2-19)

HAAS's remuneration policies for the highest governance body and senior executives comprise fixed pay and variable pay components, maintaining a balance between stability and performance incentives. The policies include sign-on bonuses to attract top talent, termination payments to ensure fairness, and claw backs for accountability. Retirement benefits are offered to senior executives, promoting long-term commitment. All decisions are reviewed by the Nomination and Remuneration Committee, ensuring transparency and compliance with regulations. Directors and Key Managerial Personnel are not involved in determining their own remuneration, emphasizing objectivity. Non-Executive/Independent Directors receive meeting fees, while stock options are excluded. These policies aim to attract, retain, and motivate competent leaders while aligning their performance with the company's goals.

The remuneration policies for members of the highest governance body and senior executives are designed to align with the organization's objectives and performance in managing its impacts on the economy, environment, and people. Key result areas and performance expectations are reviewed quarterly to assess the directors' contributions. This approach ensures that their objectives and actions are closely tied to sustainable development and responsible business practices, creating a strong incentive for them to prioritize and excel in managing the organization's impacts on multiple stakeholders.



## Process to determine remuneration.

(GRI 2-20)

HAAS follows a well-defined process for designing its remuneration policies and determining remuneration. The organization has established a Nomination and Remuneration Committee comprising independent directors. By having independent oversight, HAAS ensures transparency, fairness, and alignment of remuneration with the organization's objectives and performance. The committee's involvement contributes to the establishment of remuneration policies that attract and retain competent resources while fostering a balance between short and long-term performance, all in line with regulatory requirements and best practices. HAAS actively seeks and considers the views of stakeholders, including shareholders, regarding remuneration. The

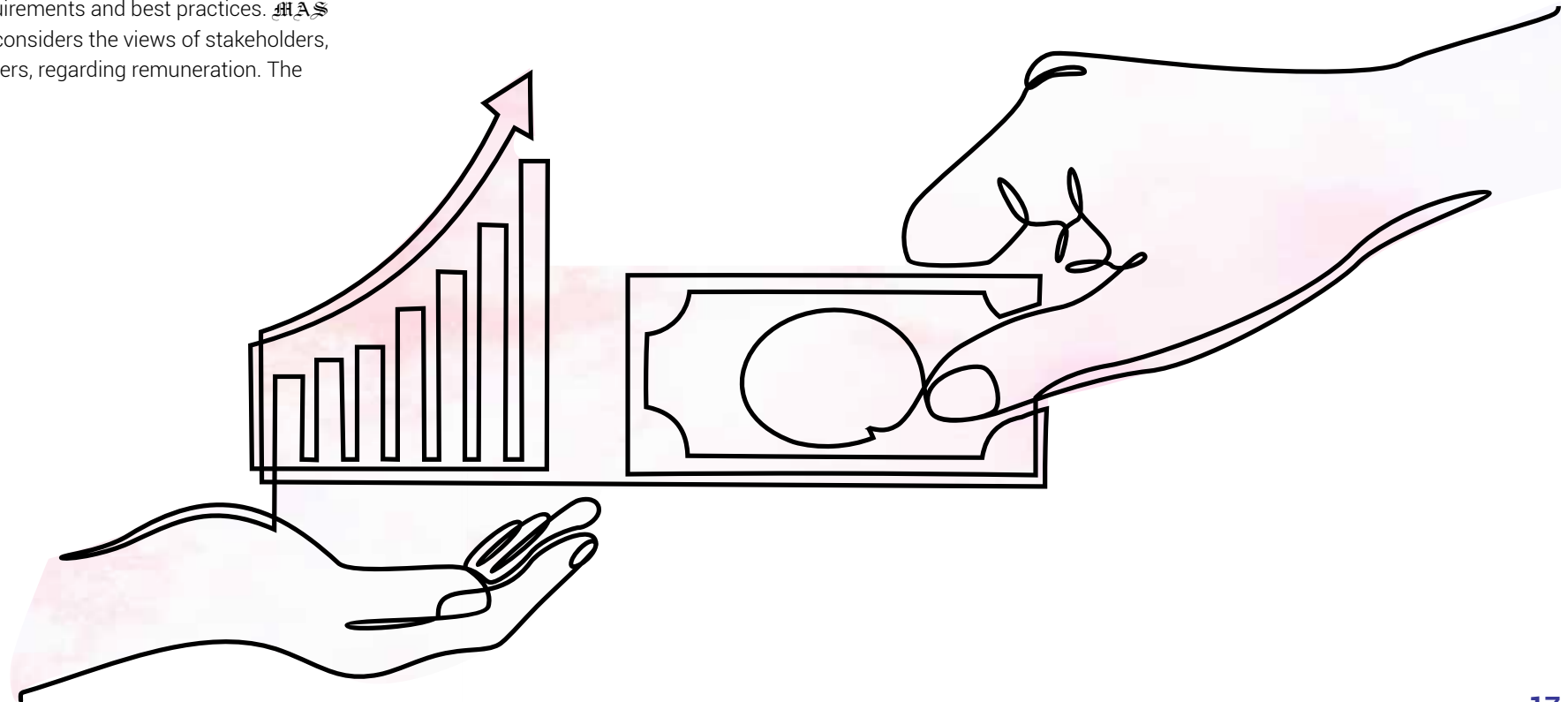
Nomination and Remuneration Committee, carefully reviews and recommends managerial remuneration for approval by the Board of Directors and, if required, shareholders. This transparent and structured process ensures that stakeholders' interests are taken into account, promoting accountability and aligning remuneration practices with the company's long-term objectives and sustainability.

HAAS does not engage remuneration consultants in the process of determining remuneration. Moreover, the company has stated that the results of votes from stakeholders, including shareholders, on remuneration policies and proposals are not applicable, meaning that there have been no specific votes conducted on these matters.

## Annual total compensation ratio

(GRI 2-21 a, b)

The annual total compensation ratio between the organization's highest-paid individual and the median annual total compensation for all employees (excluding the highest-paid individual) is 146.83:1. Additionally, the percentage increase in annual total compensation for the highest-paid individual compared to the median percentage increase for all employees (excluding the highest-paid individual) has been 36.91:16.86% over the previous year.



## Policy commitments

(GRI 2-23)

Frameworks, policies, and handbooks serve as important communication tools for the Board to convey the company's stance on various significant matters and establish clear procedures and processes. These policies and frameworks are carefully designed, taking into account the company's activities and business relationships, to comply with relevant legislation and meet the expectations of diverse stakeholders. Approval of all policies and policy commitments is obtained from the board, and they are effectively communicated to both external and internal stakeholders. In line with this, **AAS** has developed a range of policies to address emerging business environment and stakeholder concerns. As part of our commitment to sustainability, we have recently introduced a sustainability policy (ESG), which reflects our dedication to meeting the present and future needs and expectations of stakeholders.

**Few excerpts from the policy are stated in the table below:**

Policy Name	Description	Link
Code of Conduct	Establishes uniform safeguards for customer interests and fair business practices.	<a href="#">🌐</a>
Code of Conduct for Board of Directors and Senior Management	Outlines guidelines and ethical standards for Board members and Senior Management.	<a href="#">🌐</a>
Code of Conduct - Insider Trading	Regulates trading by insiders in accordance with SEBI regulations.	<a href="#">🌐</a>
Internal Code of Conduct	Establishes a consistent system for managing employee conduct and interactions.	<a href="#">🌐</a>
Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)	Ensures timely and adequate disclosure of price-sensitive information.	<a href="#">🌐</a>
Corporate Governance Policy	Committed to following good corporate governance policies and standards.	<a href="#">🌐</a>
Corporate Social Responsibility (CSR) Policy	Establishes guidelines to make CSR a key priority area and contribute to society.	<a href="#">🌐</a>
Policy on Related Party Transactions	Establishes materiality thresholds and procedures for related party transactions.	<a href="#">🌐</a>
Vigil Mechanism Policy	Establishes a whistleblower mechanism for reporting unethical activities.	<a href="#">🌐</a>
Data Privacy Policy	Protects customer data in accordance with data privacy legislation.	<a href="#">🌐</a>
Interest Rate Policy	Determines interest rates based on various factors, including cost of funds and risk premium.	<a href="#">🌐</a>
Dividend Distribution Policy	Provides a framework for dividend distribution and is available in the Annual Report.	<a href="#">🌐</a>
Remuneration Policy	Establishes the remuneration policy for Directors, KMP, and employees.	<a href="#">🌐</a>
Materiality Policy	Identifies group companies, outstanding litigation, and dues to creditors for disclosure.	<a href="#">🌐</a>
Policy for Determining Material Subsidiaries	Identifies material subsidiaries and provides a governance framework for them.	<a href="#">🌐</a>
Policy on Materiality of Events	Specifies the criteria and authority for determining material events or information.	<a href="#">🌐</a>
Policy for Appointment of Statutory Auditors	Specifies the policy for appointing statutory auditors for the company.	<a href="#">🌐</a>
Policy On Prevention of Sexual Harassment at Workplace	Provides guidelines for managing employee conduct to promote a harassment-free workplace.	<a href="#">🌐</a>
Policy for restructuring of MSME Loans	Provides assistance to MSME borrowers with internal guidelines for loan restructuring.	<a href="#">🌐</a>
Policy for restructuring of advances to individuals and small businesses	Provides assistance to individual borrowers and small enterprises with internal guidelines for loan restructuring.	<a href="#">🌐</a>
Policy on Familiarization process for Independent Directors	Familiarizes Independent Directors with the company and its operations.	<a href="#">🌐</a>
Familiarization Programmes for Independent Directors	Outlines familiarization programs for independent directors.	<a href="#">🌐</a>
Terms and Conditions of Appointment of Independent Directors	Specifies terms and conditions for appointing independent directors.	<a href="#">🌐</a>
Criteria of Making Payment to the Non-Executive Directors	Provides criteria for making payments to non-executive directors.	<a href="#">🌐</a>



**MASS** Financial Services Limited continually reinforces its due diligence, audit process, evaluation, and the exposure matrix for all its NBFC partners. As an integral facet of its standard lending operations, the company extends loans and advances subsequent to a meticulous exercise of appropriate due diligence. Concurrently, an ESG framework is firmly established, accompanied by plans for an advanced level of due diligence and oversight concerning ESG risk for specific loans. In line with this, the company steadfastly upholds human rights as a fundamental and central principle, making every effort to promote, protect, and advocate for human rights. This enduring commitment extends to cultivating workspaces devoid of violence, harassment, intimidation, and any other hazardous or disruptive conditions – both from internal and external sources. To strengthen this, the organization has closely defined a mechanism for redressing grievances, ensuring that employees can confidentially and secretly express concerns or issues without fear of reprisal.

Importantly, the array of policy commitments outlined in the table has received official endorsement and approval from the Board of **MASS**. Operating as the highest level of authority within the organization, the Board holds the power to make conclusive decisions on these issues. This endorsement indicates the official recognition and legal validity of these policies for the company and its stakeholders. By obtaining Board approval, **MASS** underlines its steadfast commitment to upholding the principles and guidelines outlined in these policies, establishing transparency, fairness, and regulatory compliance as integral elements of its operational structure.

The scope of **MASS** Financial Services Limited's policy commitments extensively traverses its internal operations, customer interactions, and business associations, encompassing an array of domains spanning corporate governance, code of conduct, equitable customer treatment, data privacy, and constant transparency in business negotiations. These policies are inherently designed to instill ethical behavior, transparency, and accountability across the organization and its diverse interactions with stakeholders. In a collaborative effort to enhance awareness and comprehension, **MASS** actively shares its policy

commitments with its employees, business partners, and relevant stakeholders through a range of channels. These include internal discussions, employee handbooks, disclosures on the website, training programs, and annual reports. The company takes meticulous measures to ensure that all stakeholders are well-informed about its policies, thereby nurturing a prevailing culture defined by ethical conduct and prudent business methodologies.



## Glance at our ESG Policy

MASS Financial Services Limited is unwavering in its commitment to responsible operations, emphasizing the integration of ESG (Environment, Social & Governance) and sustainability for enduring stakeholder value. The policy applies to all employees, associates, and third parties involved in company activities, directing its focus on direct operations and customer services.

With the objective of creating a robust ESG framework, MASS aims to mainstream environmental and social considerations into internal risk management and credit processes. It seeks to assess risks in financing activities, address potential adverse consequences, and identify opportunities for both environmental sustainability and fair growth. Stakeholder engagement, based on trust, values, and ethical conduct, is paramount to MASS's success. The company acknowledges its responsibility to consider stakeholder interests and actively creates systems to understand and address their expectations and concerns. MASS is dedicated to establishing sustainable business partnerships, treating stakeholders as valued partners. Regular revisions of the ESG framework align with evolving stakeholder expectations, and periodic materiality exercises identify crucial ESG topics.

By upholding ethical conduct and striving for sustainable development, MASS Financial Services Limited aims to make positive impacts in the areas of social, environmental, and governance while delivering value to stakeholders. Let's now delve into the specific areas covered by our policy:



### Environment

In pursuit of a comprehensive climate change strategy, MASS is dedicated to diminishing its carbon footprint by implementing initiatives that target reduced energy consumption together with effective water resource management and waste minimisation. The company actively promotes eco-friendly alternatives like LPG, CNG, and electric vehicles, currently financing LPG and CNG vehicles with plans to extend support to electric vehicles in the near future. Waste management is a top priority, ensuring responsible disposal of electronic waste through authorized channels, preventing any hazardous materials from reaching landfills. Commitment to forest conservation involves a "going green" approach, minimizing paper usage by leveraging technology for transactions, invoicing, and approvals. MASS places a strong emphasis on compliance, diligently adhering to all relevant statutory and regulatory requirements in the realm of environmental protection.



### Social

MASS demonstrates a comprehensive commitment to social responsibility across diverse realms. Their impactful initiatives in Rural Development, Education, Hunger & Poverty, and Healthcare showcase a dedication to community and societal betterment. Customer trust remains paramount, with a focus on sensitive handling of data and robust measures against cybercrime. The company actively promotes financial inclusion, reaching those "new to credit" and fostering employment through support for businesses. Employee-centric policies ensure equality, inclusivity, health, and safety, reflecting a holistic approach to corporate responsibility, aligned with regulatory compliance.



### Governance

MASS places a strong emphasis on ethics and integrity, conducting all duties with the utmost standards in accordance with laws and best practices. Compliance is a key focus, ensuring adherence to regulatory requirements. The company is dedicated to robust information management, providing accurate and secure information to stakeholders while complying with relevant standards. Future-proofing the business involves fostering long-term customer relationships, a professional approach, effective risk management, and adherence to sector best practices. Prioritizing data privacy and cybersecurity, MASS implements processes and policies to safeguard sensitive information. The commitment extends to delivering competitive, professional, value-adding, and innovative services that continuously improve operations to meet customer needs and expectations.

The company vows not to finance activities deemed unacceptable under its Environmental, Social, and Governance (ESG) Policy. This commitment covers projects and corporate loans and includes restrictions on funding for activities such as the manufacture of banned drugs, trade in weapons, alcoholic beverages (excluding beer and wine), standalone casinos, gambling, pornography, narcotics, gutkha, tobacco, polluting industries without proper clearances, Ozone Depleting Substances (ODS) production, illegal products, radioactive materials, banned wildlife-related products, and wildlife trade regulated under CITES. This aligns with the company's dedication to ethical business practices.

## Embedding policy commitments

(GRI 2-24)

The Chairman & Managing Director, Mr. Kamlesh Gandhi, assumes the pivotal role of overseeing and implementing the Business Responsibility Policy commitments, ensuring their integration into various levels and functions of the organization's activities and business relationships. The organization seamlessly weaves the commitments of responsible business conduct into its core strategies, operational policies, and day-to-day procedures. These commitments are intricately threaded throughout every facet of its operations, aligning with the company's overarching goals and values. This integration ensures that responsible practices are not merely an add-on, but an intrinsic and coherent part of how the organization functions at all levels.

## Processes to remediate negative impacts.

(GRI 2-25)

₹AS is committed to identifying and addressing any negative impacts that may arise from its facility for voting by electronic means. If the organization identifies any negative impacts caused or contributed to by this facility, it pledges to take appropriate actions to remediate them. The Company recognizes the importance of being responsible for its actions and is committed to cooperating with stakeholders to address any adverse consequences resulting from the electronic voting system. To identify and address grievances related to the facility for voting by electronic means, ₹AS has established a formal grievance redressal mechanism. Stakeholders can address their concerns regarding electronic voting to Mr. Utpal Shah, at Central Depository

Services (India) Limited - Ahmedabad, through various channels, such as mail, email, or toll-free phone number. The Company ensures that stakeholders can freely express their grievances without fear of retaliation and that their complaints are handled confidentially and professionally.

In addition to the formal grievance redressal mechanism, ₹AS has implemented a Whistle Blower Policy to enable employees to report any unethical behavior, fraud, or violations of the Company's Code of Conduct related to the electronic voting system. This policy empowers employees to raise concerns or grievances without the fear of victimization. It also allows direct access to the Chairman of the Audit Committee in exceptional cases, ensuring that concerns are escalated and addressed effectively. Stakeholders who are the intended users of the grievance mechanisms are actively involved in the process. The Whistle Blower Policy, designed to address concerns related to the electronic voting system, allows employees to play a crucial role in identifying and reporting any negative impacts they observe or experience. The policy is regularly reviewed by the Audit Committee, ensuring that stakeholders' inputs are considered in improving the mechanism's effectiveness.

To track the effectiveness of the grievance mechanisms and remediation processes, ₹AS monitors the number of complaints received, the time taken for resolution, and the level of stakeholder satisfaction with the outcomes. For example, the Grievances Redressal Mechanism under the Customer Relationship Management (CRM) system helps resolve customer complaints efficiently, leading to enhanced customer satisfaction. Employee feedback and reports of unethical behavior are considered when reviewing the Whistle Blower Policy, ensuring continuous improvement.

## Mechanisms for seeking advice and raising concerns

(GRI 2-26)

The company, in adherence to its policies, practices, and processes, upholds the principle of engaging with stakeholders and seeks to address any disparities in a manner that is just, fair, equitable, and consistent. Should the need arise, the company will take necessary corrective actions to rectify the situation. In addition, the grievance mechanism is made available on the company's website.

**Grievance Redressal Mechanism is in place for the following shareholder groups**



The company recognizes the importance of stakeholders and proactively addresses their concerns through a structured approach. It encourages stakeholders to openly express their concerns and grievances. During the fiscal year 2022-23, the company received a total of 138 complaints from consumers, all of which were promptly resolved to the satisfaction of the stakeholders.



## Compliance with laws and regulations

(GRI 2-27)

During the financial year, **HAAS** did not incur any fines, penalties, punishments, awards, settlement amounts, or compounding fees with any regulatory, law enforcement agencies, or judicial institutions. There were no significant cases or instances that required disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015. As a result, the company did not have to make any disclosures related to monetary transactions or legal actions during the reporting period. On the other hand, fines were paid by the organization for a one instance of non-compliance with laws and regulations arising from a previous reporting period. This particular case pertained to the delayed submission of advance notice regarding the recommendation of an interim dividend.

## Collective Bargaining agreement

(GRI 2-30)

Collective bargaining involves negotiations between employers (or employer organizations) and workers' organizations (trade unions) to set working conditions, employment terms, and regulate employer-worker relations. In **HAAS**, there are no employees affiliated with any employee association or union. The organization establishes working conditions and employment terms internally, relying on its policies and guidelines. Since there are no collective bargaining agreements in place for its employees, **HAAS** independently shapes operational decisions through its internal processes.

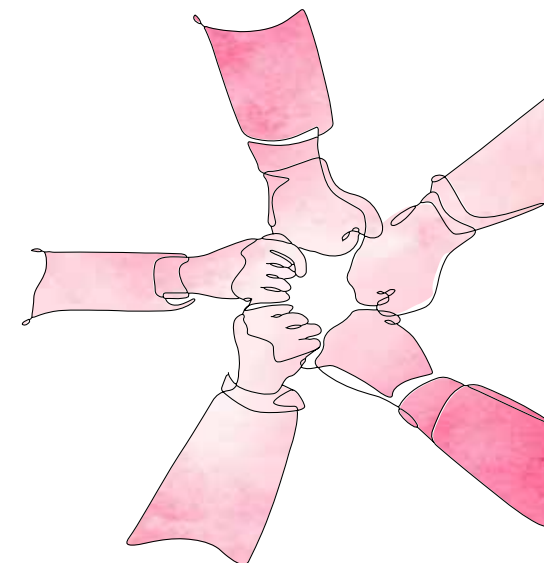
## Membership associations

(GRI 2-28)

**HAAS** is a member of the following associations:



Through these industry associations, we actively engage in policy advocacy and proactively contribute to the discussions and resolutions on various industry issues within the scope of the above-mentioned associations.



## MATERIALITY AND MATERIAL TOPICS

### Stakeholder Engagement

(GRI 2-29)

Considering the influence and interest of stakeholders in the organization, they can be categorized into four types:

- ③ Crowd requiring Minimum Effort,
- ③ Subjects who are to be Kept Informed,
- ③ Context Setters who are to be Kept Satisfied, and
- ③ Key Players who are to be Managed Closely.

Based on this classification, the following stakeholders have been chosen for engagement:

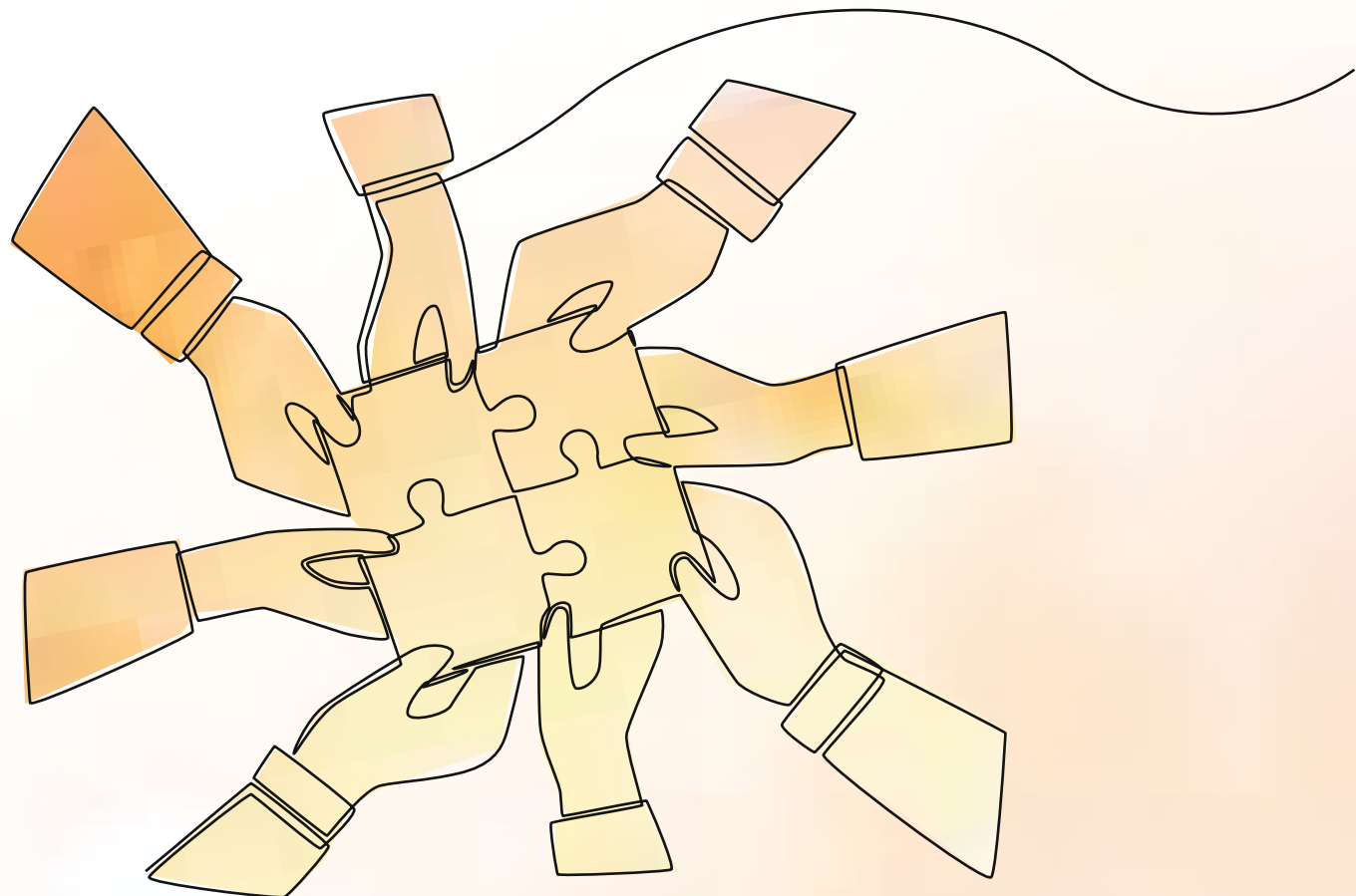


Engaging with stakeholders serves a vital purpose in the organization by enabling the identification of material topics that shape its priorities. Through this engagement, the organization gains insights to develop strategies and action plans concerning the significant topics derived from the process. It is essential to conduct a comprehensive assessment of both the internal and external context, encompassing Environmental, Social, and Governance aspects. This evaluation facilitates the implementation of effective strategic initiatives to address ESG risks and opportunities, forming a solid foundation for sustainable development endeavors. **HAAS** is dedicated to fostering enduring relationships with its stakeholders, built upon trust and performance. Understanding the expectations and concerns of stakeholders is crucial for **HAAS**'s business management and growth, recognizing the significance of customers, employees, shareholders, regulatory bodies, and the communities as valued stakeholders.







To ensure meaningful engagement with stakeholders, the organization employs a proactive approach to address their expectations and concerns. This is achieved through regular and informed conversation involving key stakeholders such as senior management, customers, suppliers, community members, employees, investors, regulators, and industry associations. Various engagement methods, including interviews, surveys, workshops, and open discussions, are utilized to facilitate effective communication.

In the process of engagement, boardroom members are interviewed to gain insights into their perspectives on ESG within the organization. Workshops are also conducted with different stakeholder groups to provide a

concise overview of ESG and its significance in **HAAS**'s journey. As part of their fiduciary responsibilities, the Board provides strategic guidance and independent viewpoints to the senior management team. They offer direction and exercise appropriate oversight to ensure that the Company operates in alignment with stakeholder aspirations and societal expectations.

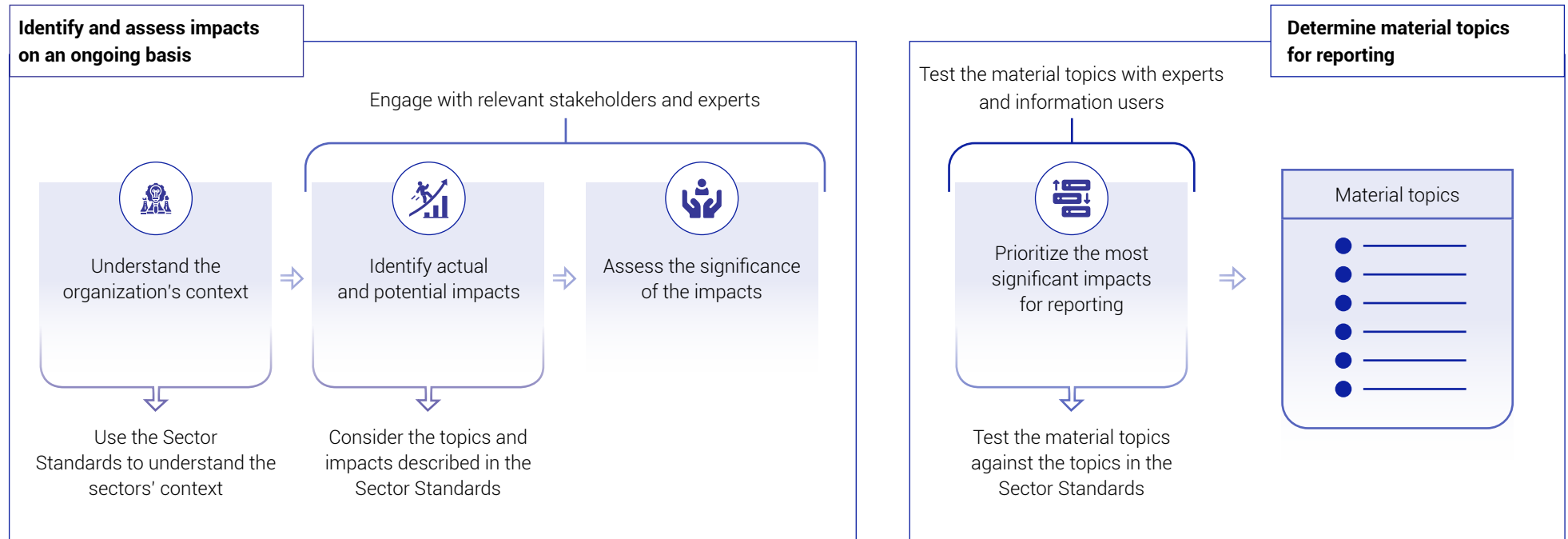




Stakeholders	Type of Stakeholder	Mode and Frequency of Engagement	Engagement Topic
 Customers	External	<ul style="list-style-type: none"> <li>Ⓞ Through Websites</li> <li>Ⓞ Satisfaction Survey</li> <li>Ⓞ Stakeholder Engagement Process</li> <li>Ⓞ Customer meets.</li> <li>Ⓞ Regular Interaction</li> </ul>	<ul style="list-style-type: none"> <li>Ⓞ Products and Services</li> <li>Ⓞ Complaints and Redressal Procedures</li> <li>Ⓞ Feedback</li> <li>Ⓞ Customer privacy</li> </ul>
 Suppliers	External	<ul style="list-style-type: none"> <li>Ⓞ Supplier Engagement Meets</li> </ul>	<ul style="list-style-type: none"> <li>Ⓞ Procurement Practices</li> <li>Ⓞ Cost of Materials</li> </ul>
 Investors	Internal and External	<ul style="list-style-type: none"> <li>Ⓞ Business Reports</li> <li>Ⓞ Sustainability Reports</li> <li>Ⓞ Investors Feedback</li> <li>Ⓞ Stakeholder Engagement Process</li> </ul>	<ul style="list-style-type: none"> <li>Ⓞ Credit Rating</li> <li>Ⓞ Investment Decisions</li> <li>Ⓞ Governance</li> <li>Ⓞ Transparency and disclosures</li> </ul>
 Community Members	External	<ul style="list-style-type: none"> <li>Ⓞ CSR Initiatives</li> <li>Ⓞ Continued engagement and representation</li> <li>Ⓞ Quarterly and annual compliance reports</li> <li>Ⓞ Performance reports shared with the SEBI and the RBI</li> </ul>	<ul style="list-style-type: none"> <li>Ⓞ Local employment generation</li> <li>Ⓞ Gender equality</li> <li>Ⓞ Carbon emissions/footprint</li> </ul>
 Regulators	External	<ul style="list-style-type: none"> <li>Ⓞ Regular and direct engagement</li> <li>Ⓞ Mandatory regulatory filings including with RBI and SEBI</li> <li>Ⓞ Quarterly and annual compliance reports</li> </ul>	<ul style="list-style-type: none"> <li>Ⓞ Ethics and transparency</li> <li>Ⓞ Timely submission of requisite reports</li> <li>Ⓞ Compliance with norms and regulations</li> <li>Ⓞ Good corporate governance</li> <li>Ⓞ Proactive participation in regulatory reforms</li> <li>Ⓞ Co-operation with statutory audits and inspections</li> </ul>
 Industry associations	External	<ul style="list-style-type: none"> <li>Ⓞ Regular engagement</li> <li>Ⓞ Participation in thought leadership programmes</li> <li>Ⓞ Co-lending with Banks</li> </ul>	<ul style="list-style-type: none"> <li>Ⓞ Fair competition</li> <li>Ⓞ Necessary collaborations and market making</li> <li>Ⓞ Thought leadership &amp; capacity building</li> </ul>

# DYNAMIC APPROACH TO IMPACT MATERIALITY AND MATERIAL TOPICS

(GRI 3-1, 3-2)

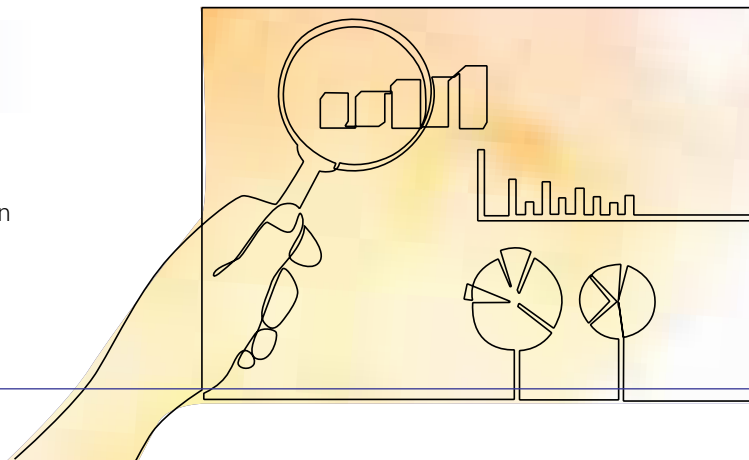


To conduct a materiality assessment for **HTAS**, the following steps are undertaken:



## Understanding the organization's context:

An initial outline is prepared, considering the organization's activities, business relationships, and relevant stakeholders within the sustainability context in which they operate.





**Identification of actual and potential impacts:**

The activities are assessed in relation to their impact on various ESG (Environment, Social, and Governance) topics. These topics are further categorized under three main categories: Environment, People, and Economy, based on their significance. Each activity is evaluated to determine its positive and negative impacts on the identified ESG topics and stakeholders.

The selection of ESG topics is guided by peer review, and industry-specific guidelines and standards such as the Sustainability Accounting Standards Board (SASB) framework.

Through this materiality assessment process, **HAAS** aims to gain a comprehensive understanding of the significant ESG aspects related to its operations and stakeholders, enabling the development of effective strategies and initiatives for sustainable development.

Positive and negative impacts are categorized based on the following criteria:



Actual or Potential Impacts.



Short term, medium term, or long-term impacts.



Caused, Contributed, or Directly linked to the organization.

To capture stakeholder responses, a questionnaire is prepared, which includes the ESG topics, their positive and negative impacts, impact classification, assessment parameters, and parameters to determine their impact on human rights.

During the financial year 2022-23, **HAAS** Financial Services Limited conducted stakeholder engagement activities. The engagement process included senior management, employees from various departments, Operations, Finance, Technology, HR, etc. These interactions provided **HAAS** with valuable insights, feedback, and perspectives from its diverse stakeholder groups. The engagement efforts helped foster better relationships, address concerns, and align **HAAS**'s business practices with the needs and expectations of its stakeholders.



**Assessing the significance of the impacts:**

The first step of assessment is to check if the impact is found to cause, contribute to, or be directly linked to a violation of human rights. If so, the topic is classified as a material topic without requiring any additional assessment.

If the impacts do not lead to any human right violation, assessment is performed in the below given manner.









+ Positive - Negative

+	Actual	Severity (Scale * Scope)
+	Potential	Severity (Scale * Scope) * Likelihood
-	Actual	Severity (Scale * Scope * Irremediable Character)
-	Potential	Severity (Scale * Scope * Irremediable Character) * Likelihood



## Prioritizing the most significant impacts for reporting:

The positive impacts and negative impacts were ranked in descending order based on the scores received from the stakeholders. For the fiscal year 2022-2023, a threshold of 40% was set. The top 40% impacts from both the positive and negative impact groups were selected to create a list of material topics.

Environment			
	Climate change	The company produces greenhouse gas (including carbon dioxide and methane) emissions in its business operations through use of electricity, fuels, and other resources. GHG emissions contribute to climate change and global warming.	 GRI 305
Social			
	Digitization	Digitization significantly impacts the company, driving improved efficiency and productivity by automating and streamlining manual processes. Enhanced data management facilitates better analysis and informed decision-making. Expanding its customer base and market reach through digital platforms, the company remains competitive in the digital landscape. Ultimately, digitization empowers the company to adapt, innovate, and meet evolving customer expectations in the digital age.	 Non-GRI
	Data Security	Data security plays a critical role in safeguarding the company's sensitive information, preserving its reputation, and establishing trustworthiness. Implementing effective measures to protect customer data, intellectual property, and confidential information from unauthorized access and breaches is essential. By prioritizing data security, the company mitigates the risks of reputational damage, financial losses, legal consequences, and non-compliance with regulations. Moreover, a robust data security framework strengthens customer trust, fosters strong business partnerships, and showcases the company's commitment to privacy and confidentiality. Ultimately, prioritizing data security ensures operational smoothness, safeguards company assets, and contributes to long-term success and sustainability.	 Non-GRI, SASB FN-CF-230a
	Selling Practices	Selling practices significantly impact the company, shaping its reputation, customer relationships, and overall success. Adopting ethical selling practices builds trust and enhances the brand image. Transparent and fair practices foster positive customer experiences, driving satisfaction, loyalty, and repeat business. Conversely, unethical practices lead to dissatisfaction, negative reviews, and legal issues. Prioritizing ethics helps maintain customer relationships, attract new customers, and differentiate from competitors, ultimately driving growth, profitability, and sustainable success in the marketplace.	 GRI-417 SASB FN-CF-270a

	Customer Satisfaction	Customer satisfaction profoundly impacts the company's success and growth. Satisfied customers become loyal advocates, recommending the company and providing positive feedback. Meeting or exceeding customer expectations enhances reputation, brand differentiation, and customer retention. Positive experiences lead to higher customer lifetime value and increased revenue. Prioritizing satisfaction ensures competitiveness, sustainability, and a thriving future.		Non-GRI
	Customer Privacy	Customer privacy significantly impacts the company, influencing reputation, trust, and success. Prioritizing privacy demonstrates commitment to protecting sensitive information and individual rights. Trust in secure data handling fosters engagement, information sharing, and long-term relationships. Mishandling privacy risks reputation, trust, and legal consequences. Upholding strong privacy practices differentiates the company, enhances loyalty, and mitigates breach risks. Prioritizing privacy ensures sustainability, competitiveness, and long-term growth.		GRI 418
	Employee Growth and Development	Employee growth and development profoundly impact the company, driving performance, productivity, and success. By investing in employees, the company fosters a skilled and motivated workforce. Training, mentorship, and learning initiatives enhance knowledge, skills, and job performance. This increases productivity, innovation, and quality output. Moreover, it boosts employee satisfaction, engagement, and retention, reducing turnover costs and attracting top talent. Nurturing employee potential cultivates a culture of improvement, adaptability, and loyalty, contributing to long-term growth and competitive advantage.		GRI 404
	Employee Health and Wellbeing	Employee health and wellbeing significantly impact the company, driving productivity, morale, and performance. Prioritizing physical and mental wellness enhances employee engagement, motivation, and job satisfaction. It reduces nonattendance, improves retention, and fosters a positive work environment of collaboration and support. Investing in initiatives like wellness programs and work-life balance support attracts top talent, reduces healthcare costs, and mitigates workplace stress. Ultimately, it leads to a happier, healthier, and more successful workforce, ensuring the company's overall success and sustainability.		GRI 403
	Community Initiatives/Social Responsibility	Community initiatives and social responsibility profoundly impact the company, shaping reputation, brand image, and long-term sustainability. Active engagement demonstrates commitment to positive societal impact. Efforts such as supporting causes, promoting sustainability, and fostering inclusivity enhance reputation and differentiate from competitors. Strengthened stakeholder relationships drive loyalty, engagement, and investor confidence. Prioritizing community initiatives creates a positive legacy, ensuring success and sustainability.		GRI 413

**Economy****Economic  
Performance**

Economic performance profoundly impacts the company, driving growth, profitability, and long-term sustainability. Strong performance enables revenue generation, profit maximization, and effective resource allocation. It fuels research and development, expansion, and market exploration. It attracts investors and secures financing. Robust performance enhances brand image, instills stakeholder confidence, and ensures financial health. Prioritizing and achieving strong economic performance ensures success, shareholder value creation, and effective navigation of economic challenges.



GRI 201

**Indirect Economic  
Impacts**

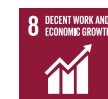
The company's awareness of the significant influence of indirect economic impacts, including job creation, collaborative partnerships, and sustainable practices, drives its commitment to long-term success and a positive brand image. By fostering economic growth, driving innovation, and prioritizing sustainability, the company strengthens its reputation, enhances stakeholder relationships, and contributes to the overall well-being of communities, ensuring sustainable growth and shared value creation.



GRI 203

**Business Ethics**

Business ethics profoundly impact the company, shaping its reputation, stakeholder trust, and long-term success. By operating with integrity, transparency, and fairness, the company builds strong relationships, attracts loyal customers, and fosters a positive work environment. Prioritizing business ethics contributes to sustainable growth and a competitive edge.

GRI 205,  
GRI 206

Since this is our first Sustainability Report, there have been no alterations to the list of material topics when compared to the previous reporting period.



## MANAGEMENT OF MATERIAL TOPICS

(GRI 3-3 a, b, c)

● Low ● Medium ● High

Impact on	Material Topics	Business Activity	Stakeholders (Business Relationships)	Type of Impacts (Negative/positive)	Associated Impacts	Potential/ Actual	Organization's role in the negative impact	Impact on Human Rights
<b>Environment</b>	Climate change	Operations (all activities)	All stakeholders	⊖	Carbon Emissions	Actual	Contributed	●
<b>People</b>	Digitization	Operations (all activities)	All stakeholders	⊕	Operational efficiency	Actual	-	NA
	Data Security	Operations (all activities)	All stakeholders	⊖	Data breaches	Potential	Caused	●
	Selling Practices	Operations (Origination or Sourcing)	Customers	⊖	Brand and reputation damage	Potential	Caused	●
	Customer Satisfaction	Operations (all activities)	Customers	⊕	Increase in revenue	Potential	-	NA
	Customer Privacy	Operations (all activities)	Customers	⊖	Penalties and litigations	Potential	Caused	●
	Employee Growth and Development	Operations (all activities)	Employees	⊖	Manpower attrition	Actual	Caused	NA
	Employee Health and Wellbeing	Operations (all activities)	Employees	⊕	Increase in Employee productivity	Potential	-	●
	Community Initiatives/Social responsibility	CSR	Community	⊕	Increased number of beneficiaries	Potential	-	●
	<b>Economy</b>	Economic Performance	Operations (all activities)	Investors and Shareholders, Employees	⊕	Business growth	Actual	-
Indirect Economic Impacts		Operations (all activities)	Communities, Customers	⊕	Availability of products and services for those on low incomes.	Actual	-	NA
Business Ethics		Operations (all activities)	All stakeholders	⊖	Penalties and litigations	Potential	Contributed	●

⊖ Negative ⊕ Positive

AAAS has implemented specific policies and commitments addressing the identified material topic as given in the table below:

● Environment ● People ● Economy

Impact on	Topics	Policy/Commitment	Link
●	Climate Change	Ⓞ ESG Policy <sup>1</sup>	Intranet
●	Digitization	Ⓞ IT Policy	Intranet
●	Data Security	Ⓞ Data Privacy Policy	<a href="#">🌐</a>
●	Selling Practices	Ⓞ Internal code of conduct	<a href="#">🌐</a>
		Ⓞ Policy for restructuring of Individual Loans and Small Businesses Resolution Framework 2.0	<a href="#">🌐</a>
●	Customer Satisfaction	Ⓞ Customer Grievance Policy	<a href="#">🌐</a>
●	Customer Privacy	Ⓞ Data Privacy Policy	<a href="#">🌐</a>
●	Employee Growth and Development	Ⓞ Human Resource Policy	Intranet
●	Employee Health and Wellbeing	Ⓞ Human Resource Policy	Intranet
●	Community Initiatives/ Social responsibility	Ⓞ CSR Policy	<a href="#">🌐</a>
●	Economic Performance	Ⓞ Dividend Distribution Policy	<a href="#">🌐</a>
		Ⓞ Investment Policy	Intranet
●	Indirect Economic Impacts	Ⓞ CSR Policy	<a href="#">🌐</a>
		Ⓞ ESG Policy <sup>1</sup>	Intranet
●	Business Ethics	Ⓞ Corporate Governance Policy	<a href="#">🌐</a>
		Ⓞ Related Party Transaction Policy	<a href="#">🌐</a>
		Ⓞ Internal Code of Conduct	<a href="#">🌐</a>

<sup>1</sup>came into effect from 1<sup>st</sup> April 2023.

## ACTIONS TAKEN TO MANAGE THE TOPIC AND RELATED IMPACTS

### (GRI 3-3 d-i)

To prevent or mitigate potential negative impacts such as penalties and litigations related to business ethics, data breaches, brand and reputation damage, and penalties and litigations related to customer privacy, **HAAS** has taken following actions:



### Business Ethics:

#### ③ Code of Conduct and Compliance:

Established a comprehensive code of conduct, communication, and reinforced ethical standards through training programs, and ensured compliance with applicable laws and regulations.

#### ③ Whistleblower Policy:

Implemented a policy that encourages reporting of unethical behavior, ensures whistleblower protection, and establishes a transparent process for addressing reported incidents.

#### ③ Compliance Framework:

Developed a robust framework to ensure adherence to laws, regulations, and best practices, conducting periodic audits and reviews to identify and address any non-compliance issues.



### Data Breaches:

#### ③ Data Security Measures:

Implemented strong security measures like encryption, firewalls, access controls, and regular vulnerability assessments.

#### ③ Employee Training:

Educates employees on data security best practices, phishing awareness, and password hygiene.

#### ③ Incident Response Plan:

Developed a comprehensive plan to address data breaches, including notifying affected parties, cooperating with authorities, and implementing remediation measures.



### Brand and Reputation Damage:

#### ③ Brand Management Strategy:

Developed and maintained a positive brand image through effective communication and proactive reputation management.

#### ③ Stakeholder Engagement:

Engaged with customers, employees, investors, and the community, responding transparently to concerns and maintaining open communication channels.

#### ③ Social Responsibility Initiatives:

Participates in initiatives that align with the company's values, supporting social causes and environmental sustainability.



### Penalties and Litigations Related to Customer Privacy:

#### ③ Privacy Policies:

Established clear privacy policies, ensuring compliance with privacy laws and regulations.

#### ③ Data Consent and Transparency:

Obtained explicit customer consent, communicated data usage purposes, and provided options for managing preferences.

#### ③ Data Protection Measures:

Implemented technical and organizational measures to protect customer data, regularly reviewing and updating security protocols.

#### ③ Privacy Impact Assessments:

Conduct assessments to identify and mitigate privacy risks associated with new products or processes, ensuring privacy compliance from the early stages.

Implementing these actions will help **HAAS** Financial Services Ltd. proactively manage and mitigate potential negative impacts, protecting its interests, maintaining customer trust, and complying with applicable laws and regulations.



## ACTIONS TO ADDRESS ACTUAL NEGATIVE IMPACTS

(GRI 3-3 d- ii)

To effectively address negative impacts like manpower attrition and carbon emissions, **HAAS** has implemented various following measures:



### Manpower Attrition:

- ⦿ **Enhanced Employee Engagement:**  
Implemented initiatives to boost engagement, job satisfaction, and work-life balance, such as regular feedback sessions, recognition programs, skill development opportunities, and flexible work arrangements.
- ⦿ **Facilitate Career Development and Growth:**  
Provided clear paths for career development, training programs, and internal promotion opportunities to encourage employee growth and foster loyalty.
- ⦿ **Offer Competitive Compensation and Benefits:**  
Review and ensure competitive compensation packages that include salaries, performance-based incentives, insurance, and retirement plans, benchmarking against industry standards.
- ⦿ **Nurture a Positive Work Environment and Culture:**  
Foster inclusivity, work-life balance, and open communication channels, promoting diversity and conducting regular employee surveys to identify areas for improvement.

By implementing these measures, **HAAS** can effectively address manpower attrition and reduce carbon emissions, contributing to a sustainable and socially responsible operation.



### Carbon Emissions:

- ⦿ **Implement Energy Efficiency Measures:**  
Deploy energy-efficient technologies like LED lighting and efficient air conditioner systems and utilize power-saving modes for office equipment to reduce energy consumption.
- ⦿ **Foster Employee Awareness and Engagement:**  
Conduct training programs, internal communications, and campaigns to raise employee awareness about sustainability, encouraging environmentally friendly practices such as reducing paper usage and promoting carpooling or public transportation.



## ACTIONS TO MANAGE ACTUAL AND POTENTIAL POSITIVE IMPACTS

(GRI 3-3 d- iii)

To address actual and potential positive impacts such as business growth, availability of products and services to low-income groups, operational efficiency, increased revenue, increased employee productivity, and an increased number of beneficiaries, **HAAS** has considered the following actions:

### ▶ Business Growth:

- ③ **Market Expansion:** Identify new opportunities and tailored products to meet customer needs.
- ③ **Product Diversification:** Introduce innovative financial products and services.
- ③ **Strategic Partnerships:** Collaborate with institutions to expand the customer base and enhance offerings.
- ③ **Digital Transformation:** Embrace technology for streamlining operations and improved customer experiences.

### ▶ Availability of Products & Services to Low-Income Groups:

- ③ **Targeted Outreach Programs:** Design initiatives and offer affordable products to educate and serve low-income groups.
- ③ **Collaborate with NGOs and Microfinance Institutions:** Partner with organizations to extend financial services to underprivileged communities.

### ▶ Operational Efficiency:

- ③ **Process Automation:** Implemented technology-driven solutions to automate tasks and increase efficiency.
- ③ **Streamline Workflow:** Continuously optimize processes and encourage cross-functional collaboration.
- ③ **Performance Monitoring:** Establishing KPIs, monitoring metrics, and utilize data analytics for informed decision-making.

### ▶ Increase in Revenue:

- ③ **Customer Retention and Cross-selling:** Provide excellent service, personalized offerings, and cross-sell relevant products.
- ③ **Market Penetration:** Develop targeted marketing campaigns and leverage digital channels for wider reach.

### ▶ Increase in Employee Productivity:

- ③ **Training and Development:** Invest in employee growth through training and learning opportunities.
- ③ **Performance Incentives:** Implement incentives aligned with business objectives to motivate employees.

### ▶ Increased Number of Beneficiaries:

- ③ **Financial Inclusion Initiatives:** Participate in various programs and collaborate with communities for wider reach.
- ③ **Impact Assessment:** Measure social impact, refine strategies, and maximize positive effects on beneficiaries.

By implementing these actions, **HAAS** Financial Services Ltd. can effectively manage and leverage the actual and potential positive impacts, driving sustainable business growth, improved customer satisfaction, and positive social outcomes.

## GOALS AND TARGETS

### (GRI 3-3 e)

In establishing goals and targets, we have demonstrated resilience and relevance to our consumers and stakeholders across various economic and technological changes. Our approach involves close collaboration with stakeholders and aligning our long-term decisions with their needs and objectives, forming the foundation of our sustainability roadmap. Through a materiality assessment, we have identified key priorities based on stakeholder input, allowing us to select the focus year and establish a baseline year for data analysis. The topics for our goals have been determined by incorporating stakeholder concerns and opinions.

HAAS Material Topics	Initiatives	Measure of Performance	Target
<b>Economic Performance</b>	Business Growth	Revenue	AUM & PAT Growth of 20% to 25% Y-o-Y
<b>Indirect Economic Impacts</b>	Job Creation through different Loans to medium and small businesses	Jobs created	To Create approximately 2,000,000* of Jobs up to year 2028
<b>Business Ethics</b>	Improve governance and risk management framework	Advancing our governance and risk management framework	Alignment to the framework
<b>Digitization</b>	Increasing Digital capability	Count of paper-free or digitalized processes	Increase by 25 % - 30% Y-o-Y
<b>Selling Practices</b>	Constant follow up with Customers	Sales Commitment	100% fulfillment of commitment every year.
<b>Customer Satisfaction</b>	Addressing complaints	Percentage of complaints resolved	Resolving 100% of complaints every year.
<b>Customer Privacy</b>	Establishment of compliance initiatives	Decrease in the number of non-compliances	Zero cases of non-compliance from the baseline year by 2025
<b>Employee Growth and Development</b>	Building capabilities of employees	Training coverage (% of employees)	To continuously endeavor to upgrade the skill-set and efficiency of 100% of employees through Training & Development and employee engagement programs
	Training to Employees	Training manhours/employee/year	Achieve training to 24 man hours/emp/year from 2023 to 2028.

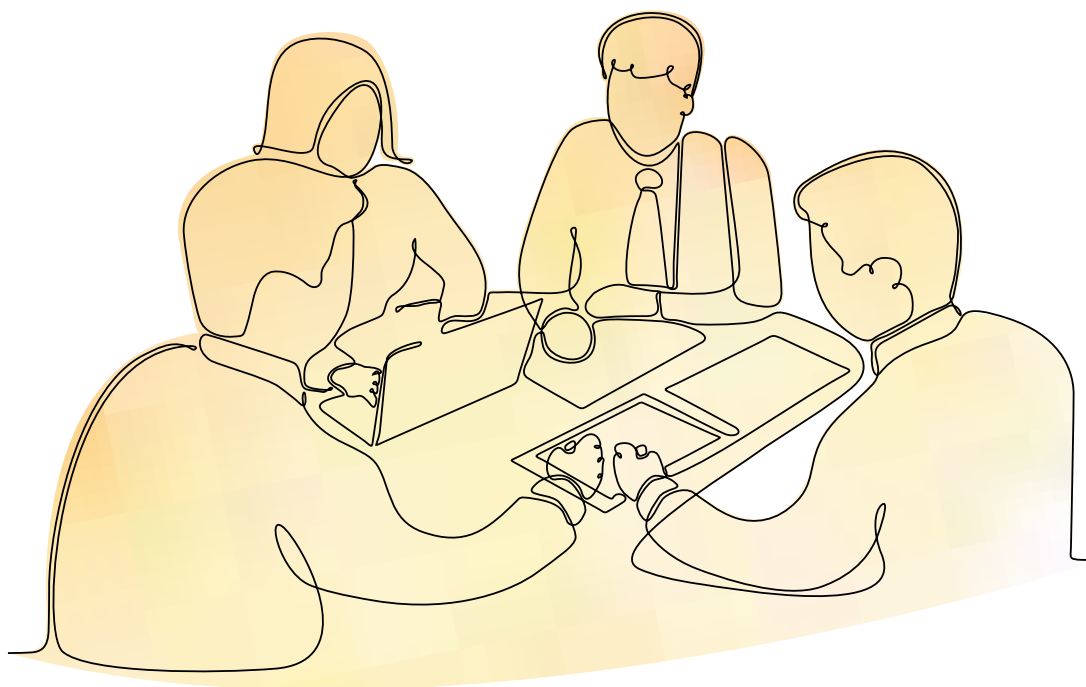
Source: Company Data

Material Topics	Initiatives	Measure of Performance	Target
<b>Employee Health and Wellbeing</b>	Health and Safety Training to Employees	% employees covered	5% increase Y-o-Y in training on health and safety.
<b>Community Initiatives/Social Responsibility</b>	Empower communities by focusing on financial literacy.	Number of beneficiaries	5% Y-o-Y increase from the baseline year value.
	Uplift communities through focused programs (ongoing CSR initiatives)	Number of beneficiaries	5% Y-o-Y increase from the baseline year value.
<b>Climate Change</b>	Ensure continued reduction in carbon emissions	Decrease in CO <sub>2</sub> emissions per million INR of revenue.	Approximately 2% decline in CO <sub>2</sub> emissions by the year 2025 from the baseline year.

As we begin our ESG journey, we recognize the importance of setting targets to measure our adherence to the principles of the National Guidelines on Responsible Business Conduct. Despite being in our first year of ESG adoption, we have established objectives and targets, aiming to align our ESG efforts with our business goals and ensure long-term stakeholder value through a comprehensive sustainability strategy.

While we have set these goals and targets, their progress and effectiveness will be assessed in the upcoming reporting period and subsequent years. As a committed organization, we will closely monitor and review our actions to gauge their impact and make improvements as needed. Our dedication to continuous improvement means that lessons learned from this initial phase will be incorporated into our operational policies and procedures.

**The engagement with stakeholders has been instrumental in shaping our ESG strategy, and their valuable insights will continue to guide us in evaluating the effectiveness of our actions. As we look forward to sharing our progress in the future, we remain committed to improving our ESG practices and making a positive impact on society and the environment.**





## STRICT GOVERNANCE COMPLIANCE

At MAS Financial Services Limited, the management is committed to upholding the highest standards of corporate governance and actively ensuring its implementation throughout all business operations. We strictly comply with SEBI and RBI regulations pertaining to corporate governance, while our experienced Board

of Directors, including independent and female directors, provides valuable expertise. We continuously monitor and enhance our internal control systems and risk management processes, maintaining regular dialogue with auditors for compliance. With robust processes, operational mechanisms, and IT systems, we ensure

regulatory and tax compliance, as well as safeguard privacy and cybersecurity. Our Board-approved policies on corporate governance, data privacy, internal code of conduct, risk management, nomination, POSH, and related party transactions can be accessed on our website at [www.mas.co.in](http://www.mas.co.in).



## ECONOMIC PERFORMANCE

### (GRI 201-1) - Material Topic

A company's ability to generate and distribute economic value is a fundamental indicator of its wealth creation for stakeholders. Assessing various components of the economic value generated and distributed provides insights into organizational performance. Our evaluation encompasses financial and non-financial aspects, considering long-term perspectives. The organization's exceptional expertise, robust financial acumen, clear vision, effective governance, and strong stakeholder relationships contribute to a trustworthy system and drive growth. Transparency in revealing relevant financial data is crucial for stakeholders, mitigating mistrust and increasing investor confidence.

Nonetheless, the current market condition in both the domestic and global context has a significant impact on our economic performance. Our performance is given below in numbers-

Direct economic value generated	Unit	FY23	FY22	FY21
Direct Economic Value Generated: Revenue (A)	crores (₹)	946.09	655.57	593.89
Economic Value Distributed (B)				
Operating Costs	crores (₹)	147.08	84.01	106.78
Employee Wages and Benefits	crores (₹)	62.49	42.23	29.73
Payments to Providers of Capital	crores (₹)	474.82	319.54	264.49
Payments to Government	crores (₹)	63.74	53.75	49.39
Community Investments	crores (₹)	0.28	0.42	0.34
Total (B)	crores (₹)	748.41	499.95	450.73
Economic Value Retained (A-B)	crores (₹)	197.68	155.62	143.16



**For us and all of our investors, economic performance is of utmost importance. Our economic performance in any given year reflects our efforts. We think that by adopting a triple bottom-line approach to business sustainability, we will be able to not only perform better business, but also exceed the expectations of all of our stakeholders.**

## Retirement and other employee benefits



### Defined contribution plans

Company provides or contributes to provident fund and insurance based on defined contributions during an employees' service.

#### Defined contribution plans

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



### Defined benefit plans

Company pays gratuity, at 15 days salary per year, to employees with 5+ years of service. Funds managed by Life Insurance Corporation of India.

#### Defined benefit plans

The company pays gratuity to the employees who have completed five years of service at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972. The gratuity liability amount is contributed to the Life Insurance Corporation of India who administers the fund of the company.



### Short-term employee benefits

Short-term employee benefits, including salaries and ex-gratia, recognized when services rendered.

#### Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service.

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

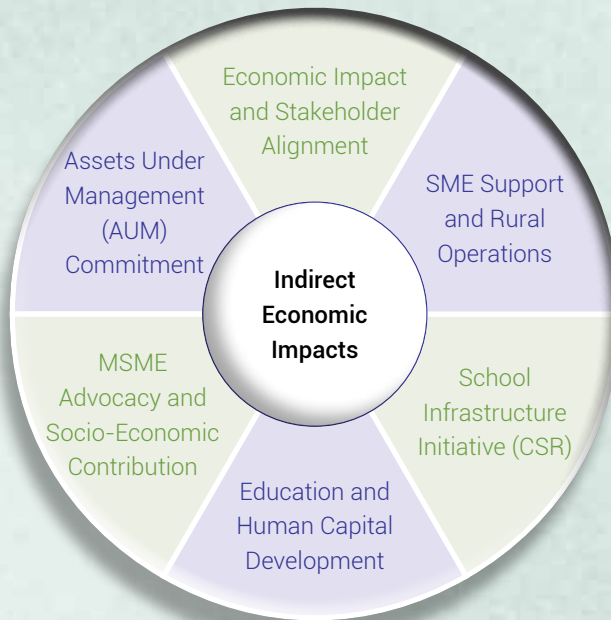
- ⦿ in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- ⦿ in case of non-accumulating compensated absences, when the absences occur.

The financial report discloses expenses amounting to ₹ 1.87 crores for contributions to Provident Fund and other funds, as well as an expense of ₹ 0.66 crores for gratuity. These figures reflect the Group's commitment to defined contribution plans, with ₹ 1.92 crores allocated to the provident fund and ₹ 0.13 crores to the employee state insurance scheme, both recognized as employee benefits expenses in the statement of profit and loss. The company contributes to the gratuity liability, entrusting this amount to the Life Insurance Corporation of India, which oversees the company's fund.

Moreover, for short-term employee benefits, a liability is acknowledged based on reliable estimates for payments anticipated due to past services provided by employees under present legal or constructive obligations. As of March 31, 2023, a provision has been set aside for employee benefits, taking into account these considerations and affirming the organization's responsible approach. Additionally, the liability associated with gratuity and other post-employment benefits is determined using the Projected Unit Credit Method, spreading the obligation over the anticipated period during which benefits are expected to be derived from employees' services.

# INDIRECT ECONOMIC IMPACTS

(GRI 203) – Material Topic

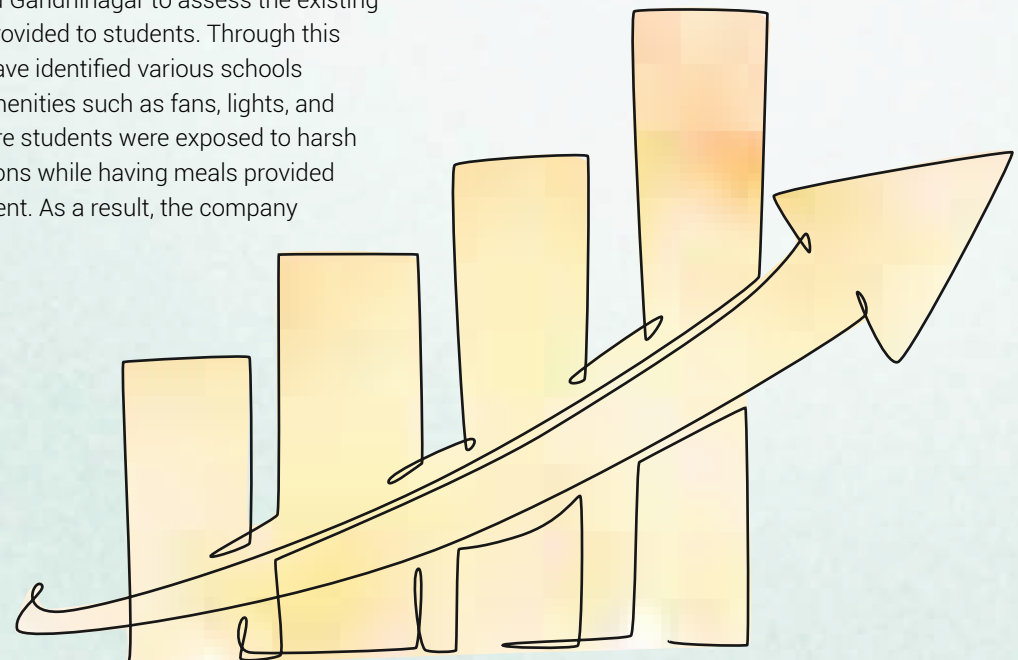


The far-reaching indirect economic impacts resulting from our business operations hold profound significance within the realm of external benchmarks and stakeholder priorities, encompassing national and international standards, protocols, and policy agendas. Our role in extending financial services to the unbanked is aligned with goals of financial inclusion and equality, in harmony with established standards. Likewise, our support for small and medium enterprises (SMEs) resonates with stakeholder expectations, as SMEs play a pivotal role in driving economic growth and job creation, aligning with both national and international priorities. Operating

primarily in rural and semi-urban regions, our influence on vital sectors like agriculture and trading, advances policy agendas centered on sustainable development and community empowerment. With a substantial portion of our Assets Under Management (AUM) allocated to the Micro, Small, and Medium Enterprises (MSME) segment, we tangibly demonstrate our commitment, reinforcing our role as a catalyst for positive change in line with broader socio-economic objectives.

The company's management team has proactively engaged with schools located on the outskirts of Ahmedabad and Gandhinagar to assess the existing infrastructure provided to students. Through this initiative, they have identified various schools lacking basic amenities such as fans, lights, and tables, and where students were exposed to harsh weather conditions while having meals provided by the government. As a result, the company

prioritized infrastructure-related projects to support these schools and students. The infrastructure support provided by the company to schools has had a positive impact on the communities and local economies. By improving school infrastructure, students have access to better learning environments, which can lead to improved educational outcomes and future employment opportunities. Additionally, the provision of essential facilities like fans, lights, benches, computers, and play areas has enhanced the overall well-being of students, positively influencing the local community.

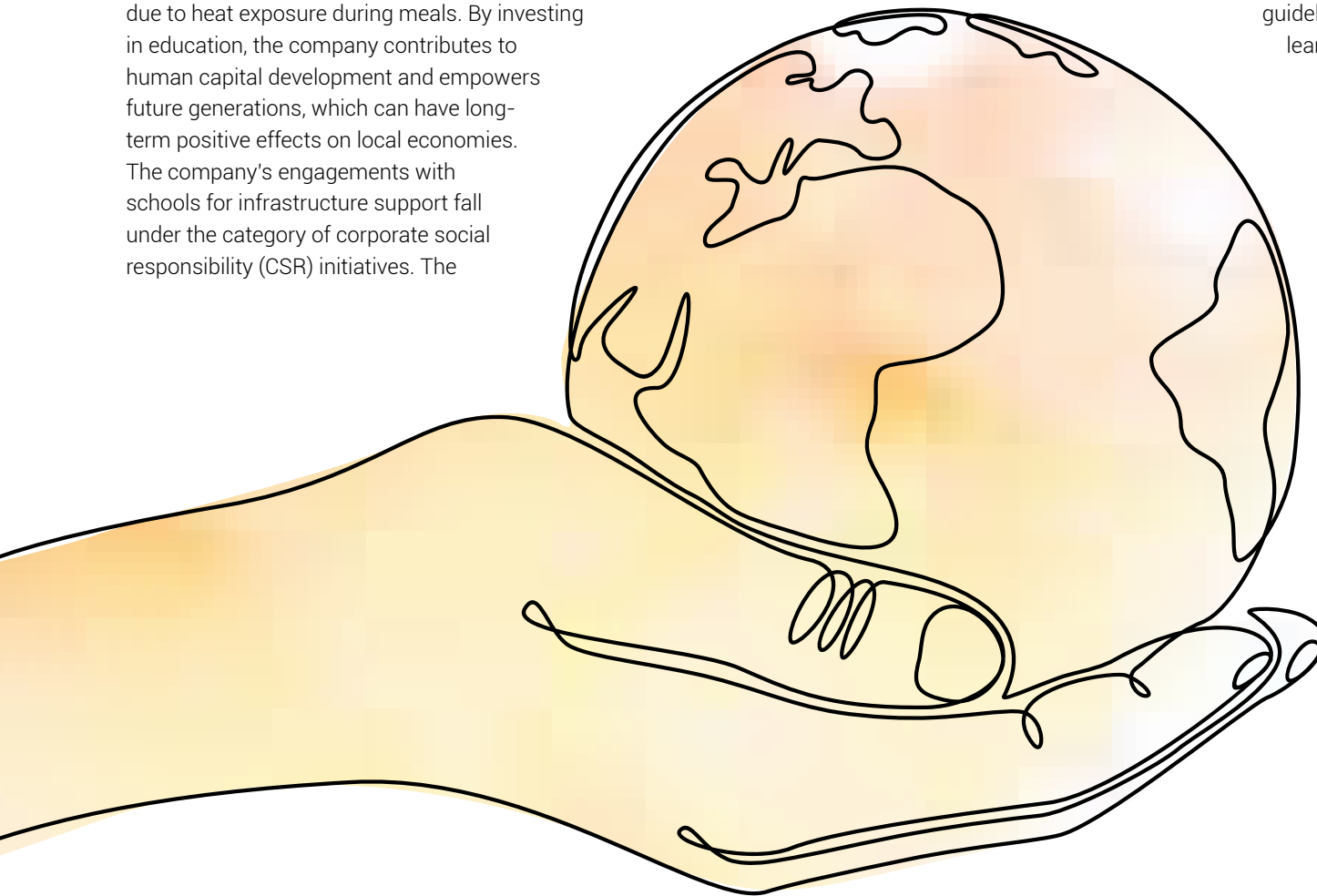




The initiative has also helped in creating a conducive learning atmosphere, increasing student attendance, and reducing health-related issues due to heat exposure during meals. By investing in education, the company contributes to human capital development and empowers future generations, which can have long-term positive effects on local economies. The company's engagements with schools for infrastructure support fall under the category of corporate social responsibility (CSR) initiatives. The

"**MASS** Shiksha Protsahan" initiative embodies the ideology of transforming lives through knowledge generation and empowerment. The company allocates funds in accordance with its CSR policy and prescribed guidelines to provide essential facilities to schools and improve the learning environment for students.

In the context of the MSME sector, the company is actively involved in advocating for key proposals such as budget allocations, tax incentives, subsidies, a technology and infrastructure development fund, national-level mentorship programs, easier access to credit, and reforms to reduce credit costs. These efforts aim to foster the growth and development of MSMEs, promote entrepreneurship, and enhance traditional sectors like agriculture and handicrafts, ultimately creating a more enabling environment for the MSME community. These initiatives are not driven by commercial motives but are part of the company's commitment to contributing positively to the socio-economic ecosystem.



## BUSINESS ETHICS

### (Non GRI) – Material Topic

At **MAS** Financial Services, we consider business ethics as the cornerstone guiding our principles and moral compass. Upholding integrity is our paramount focus, and we prioritize transparent financial dealings, ensuring accuracy and honesty in all transactions. Our commitment extends to fostering fairness and equal treatment for stakeholders, from clients to employees, and placing a premium on diversity and respect within our corporate culture. Embracing corporate social responsibility, we actively contribute to societal well-being, adhering not only to financial regulations but also to a high standard of ethical conduct in our operations. By mitigating conflicts of interest, encouraging a culture of accountability through whistleblowing, and maintaining a strong focus on customer satisfaction and employee welfare, **MAS** Financial Services solidifies its dedication to ethical business practices, building trust, sustaining a positive reputation, and ensuring enduring success in the financial services sector.

Our unwavering commitment to ethical standards is further emphasized in our strict prohibition of bribery and corruption in all business dealings. Through comprehensive policies, codes, and charters, we establish a framework for principled conduct. All employees are bound by the principles of integrity and responsible business conduct outlined in our Employee Charter. Upholding a zero-tolerance policy towards unethical practices, we prioritize adherence to relevant principles, particularly those addressing conflicts of interest. Our Code of Conduct is rigorously enforced, with directors annually declaring their dedication to upholding ethical standards. We also have stringent policies on related party transactions, ensuring that all transactions conducted in the ordinary course of business are at arm's length prices to prevent potential conflicts of interest. Recognizing human rights as a fundamental value, **MAS** Financial Services actively supports, protects, and promotes human rights, fostering fair and ethical business and employment practices.

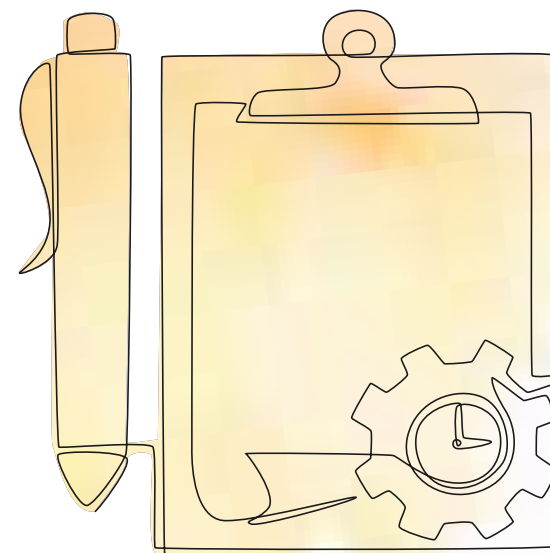
Furthermore, we are proud to report that during the reporting period, no legal actions, either pending or completed, have been undertaken concerning anti-corruption, anti-competitive behavior, or violations of anti-trust and monopoly legislation, where **MAS** Financial Services has been identified as a participant. This underscores our commitment to maintaining the highest standards of integrity and compliance with all relevant laws and regulations in our business operations.

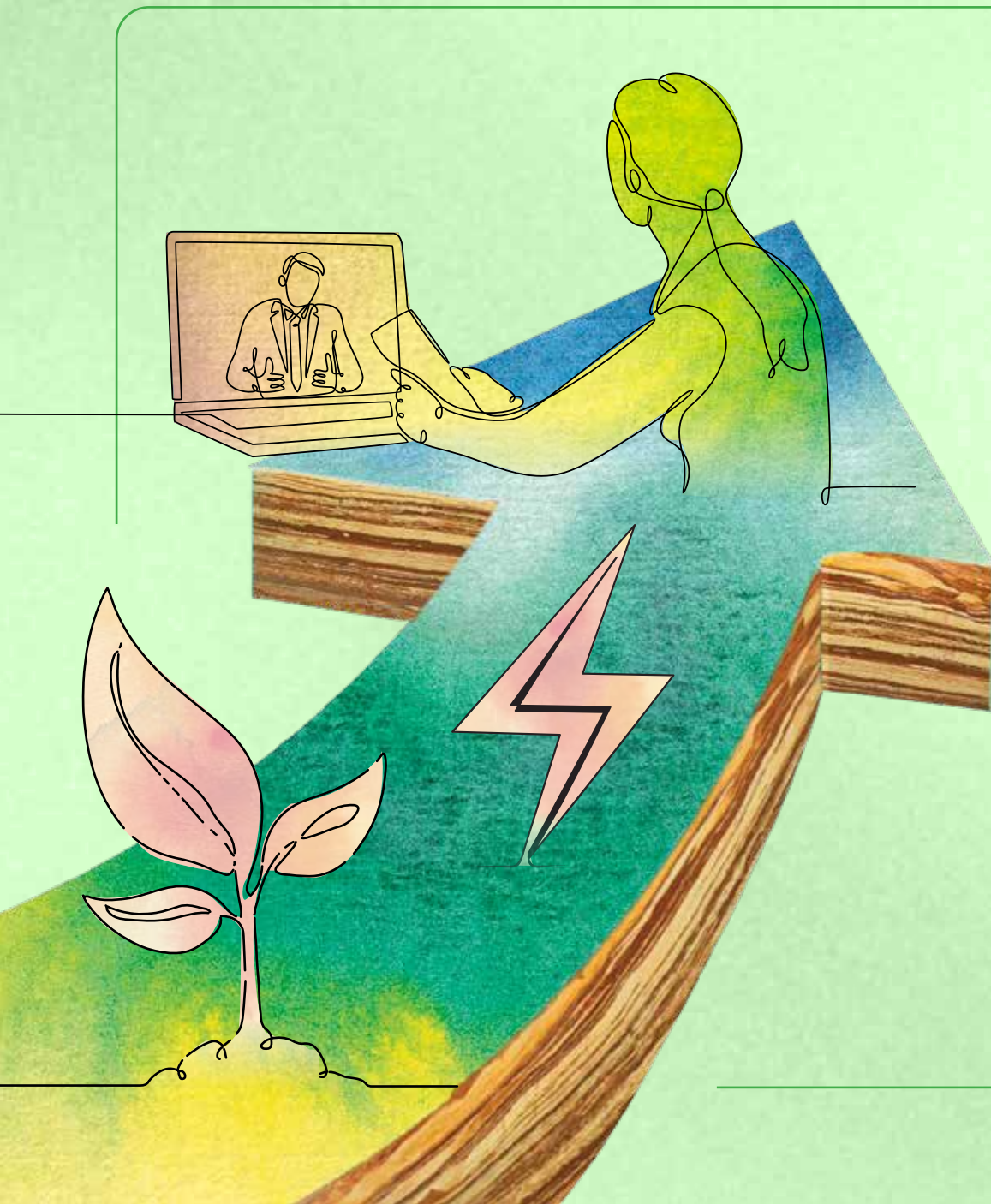
### Strategic Risk Management at **MAS** Financial Services :

We work in a dynamic business environment at MAS, and we believe that prospective and developing risks must be appropriately identified, and mitigation methods must be established, and institutionalized on a regular basis. NBFCs are susceptible to a variety of risks in the normal course of business. NBFC executives must make business decisions based on a dynamic and integrated risk management system and process that is guided by corporate strategy. During business, NBFCs are susceptible to a number of main risks, including fraudulent transaction risk, reputational risk, credit risk, interest rate risk, liquidity risk, and operational risk. It

is therefore critical for NBFCs to implement effective risk management systems that address the issues raised above, as well as to recognize the importance of appointing directors with "fit and proper" credentials and ensuring that he or she is well-known in the financial sector, so that the company can ensure that he or she is capable of making decisions that are not detrimental to the interests of current and future investors. We continually revise our risks, with a formally established committee.

This procedure is well-integrated into our company's operations. Each business vertical has implemented a risk-management policy, structure, and process to address the specific nature of the business, guided by our overall corporate risk-management framework.





## ENVIRONMENTAL STEWARDSHIP

**MAAS** Financial Services Limited (**MAAS**) places significant emphasis on fostering sustainable growth in its business operations. The company is committed to minimizing its environmental impact and making a positive contribution to society, all while ensuring profitability. As a finance sector company, **MAAS** has relatively lower energy and materials requirements compared to energy-intensive industries, resulting in a smaller carbon footprint. The company's long-term sustainability strategy revolves around environmental stewardship, climate preservation, and the responsible use of natural resources. **MAAS** continuously measures and monitors its environmental performance, seeking to enhance it over time. The company recognizes the financial and non-financial implications of climate change and aims to improve energy efficiency within its organizational boundaries.

**MAAS** is dedicated to adopting an environmentally conscious approach across all its business and operational activities. The management prioritizes raising awareness among stakeholders about the importance of environmental conservation and encourages the promotion of eco-friendly products throughout value chains. The company is fully committed to optimizing electricity, energy, and water resources to reduce carbon and water footprints, as well as minimize waste across all physical locations. To strengthen its commitment, **MAAS** has established a separate Environmental, Social, and Governance (ESG) committee and policy to effectively implement and monitor initiatives related to the environment, social responsibility, and governance aspects.



## Energy

(GRI 302-1,302-3) - Material Topic

HAS operates in multiple locations across India, boasting a network of more than 149 branches. To ensure both cost-effectiveness and reduced environmental impact, the company has implemented diverse energy management practices at these sites. The primary source of energy for HAS's company offices, regional offices, and branches is grid electricity. Additionally, diesel generators are installed in these facilities to serve as backup power sources in the event of outages. This combination of energy sources enables HAS to maintain efficient operations while minimizing any adverse effects on the environment.

### Energy Management Initiatives



#### Energy-Efficient Lighting

HAS has implemented an energy management initiative by upgrading lighting systems to energy-efficient LED bulbs across its headquarters and branch offices. This change significantly reduces energy consumption and lowers carbon emissions.



#### Power Management Guidelines

Clear instructions and training have been provided to all HAS employees regarding power management. Employees are encouraged to turn off computers, printers, and other electronic devices when not in use, contributing to energy conservation efforts.



#### Employee Awareness Campaigns

HAS conducts regular awareness campaigns and training sessions to educate employees about the importance of energy conservation and sustainability. These efforts foster a culture of environmental responsibility and encourage employees to actively participate in energy-saving practices.



#### Paperless Initiatives

HAS promotes a paperless work environment by digitizing documentation and implementing digital workflows. This initiative reduces paper consumption, saves resources, and supports eco-friendly practices.



#### Virtual Meetings and Telecommuting

HAS encourages the use of virtual meetings and telecommuting options for employees whenever possible, reducing the need for business travel and lowering associated energy consumption.

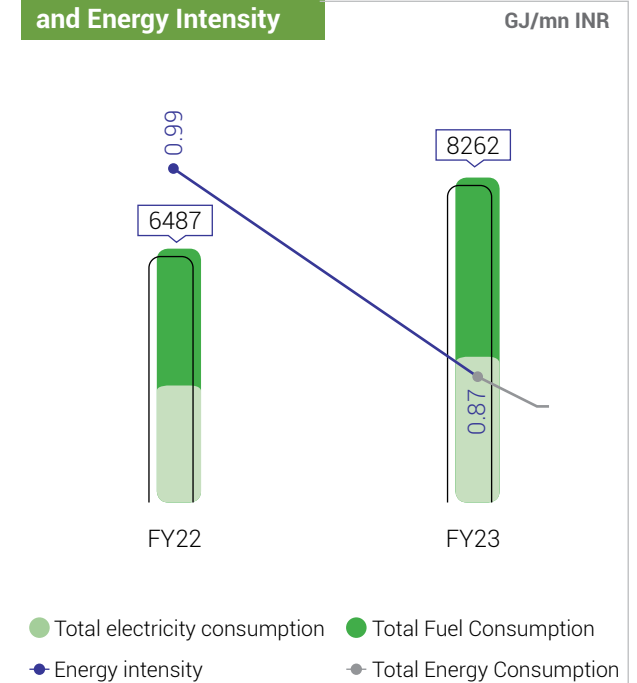




Beyond the following initiatives, we encourage our employees to practice energy conservation measures.

Parameter	Unit	FY 2022-23	FY 2021-22
Total electricity consumption (A)	GJ	3724	2919
Total Fuel Consumption (B)	GJ	4539	3568
Energy Consumption through other sources (C)- Renewable Source	GJ	Nil	Nil
<b>Total Energy Consumption (A+B+C)</b>	<b>GJ</b>	<b>8262</b>	<b>6487</b>
Energy intensity per rupee of turnover (Total Energy Consumption (GJ)/ Turnover in million INR)	GJ/ million INR	0.87	0.99

### Energy Consumption and Energy Intensity



The total energy consumption increased from 6,487 to 8,262, indicating a rise in energy usage. On the other hand, the energy intensity decreased from 0.99 to 0.87, reflecting improved energy efficiency.

**12.12%**  
decrease in energy  
intensity from FY 22

## Climate change and GHG Emissions

(GRI 305 -1, 305-2 305-4) - Material Topic

HAS acknowledges the significant role of greenhouse gas (GHG) emissions in contributing to climate change and recognizes the regulatory frameworks established by international agreements like the United Nations (UN) Framework Convention on Climate Change and the subsequent UN Kyoto Protocol. The company is fully aware of the major GHGs, namely Carbon dioxide (CO<sub>2</sub>), Methane (CH<sub>4</sub>), Nitrous oxide (N<sub>2</sub>O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulphur hexafluoride (SF<sub>6</sub>), and Nitrogen trifluoride (NF<sub>3</sub>).

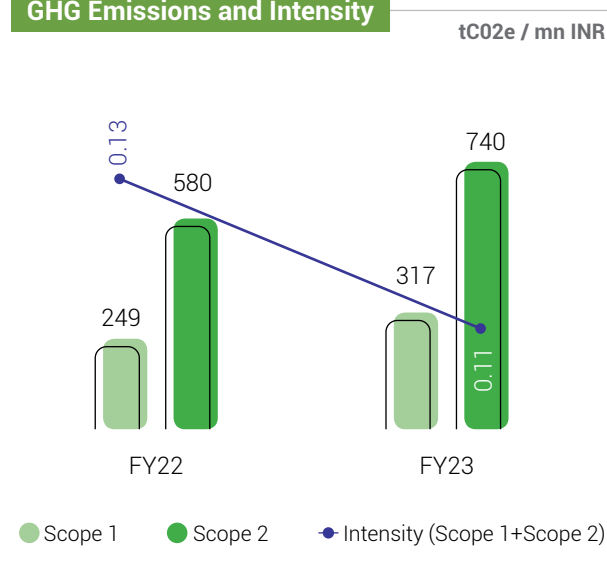
We understand the direct link between the contribution to climate change and global warming and its GHG emissions, which stem from activities involving electricity usage, fuel consumption, and resource utilization. As part of its commitment to environmental stewardship, we consider it essential to measure the impacts it generates in order to effectively mitigate and reduce its emissions in the future.

To provide a comprehensive overview, HAS classifies its emissions into two scopes. Scope 1 emissions encompass direct emissions resulting from the company's fuel usage in its operational activities, while Scope 2 emissions are calculated based on electricity consumption across its extensive network of 149 branches located throughout India. By diligently assessing its emissions, we aim to enhance our understanding of its environmental footprint and proactively implement strategies to decrease emissions in the coming years. We have diligently documented our emissions for the reporting period of 2022-23.

Fuel	Unit	FY 2022-23	FY 2021-22
Scope 1	kgCO <sub>2</sub>	314534	247276
Scope 1	kgCH <sub>4</sub>	45	36
Scope 1	kgN <sub>2</sub> O	3	2
Scope 1	tCO <sub>2</sub> e	317	249
Scope 1 Intensity	tCO <sub>2</sub> e/Mn INR	0.03	0.04
Scope 2	tCO <sub>2</sub> e	740	580
Scope 2 Intensity	tCO <sub>2</sub> e/Mn INR	0.078	0.088
Scope 1+ Scope 2 Intensity	tCO <sub>2</sub> e/Mn INR	0.11	0.13

At HAS, we have undertaken initiatives to reduce our energy consumption and GHG emissions from our business operations.

### GHG Emissions and Intensity



In FY23, there was an increase in Scope 1 emissions from 249 to 317, indicating a rise in direct greenhouse gas emissions. Additionally, Scope 2 emissions also increased from 580 to 740, reflecting higher indirect emissions associated with purchased electricity. However, the intensity (Scope 1+Scope 2) decreased from 0.13 to 0.11, suggesting improved emission efficiency per unit of activity or energy consumed.

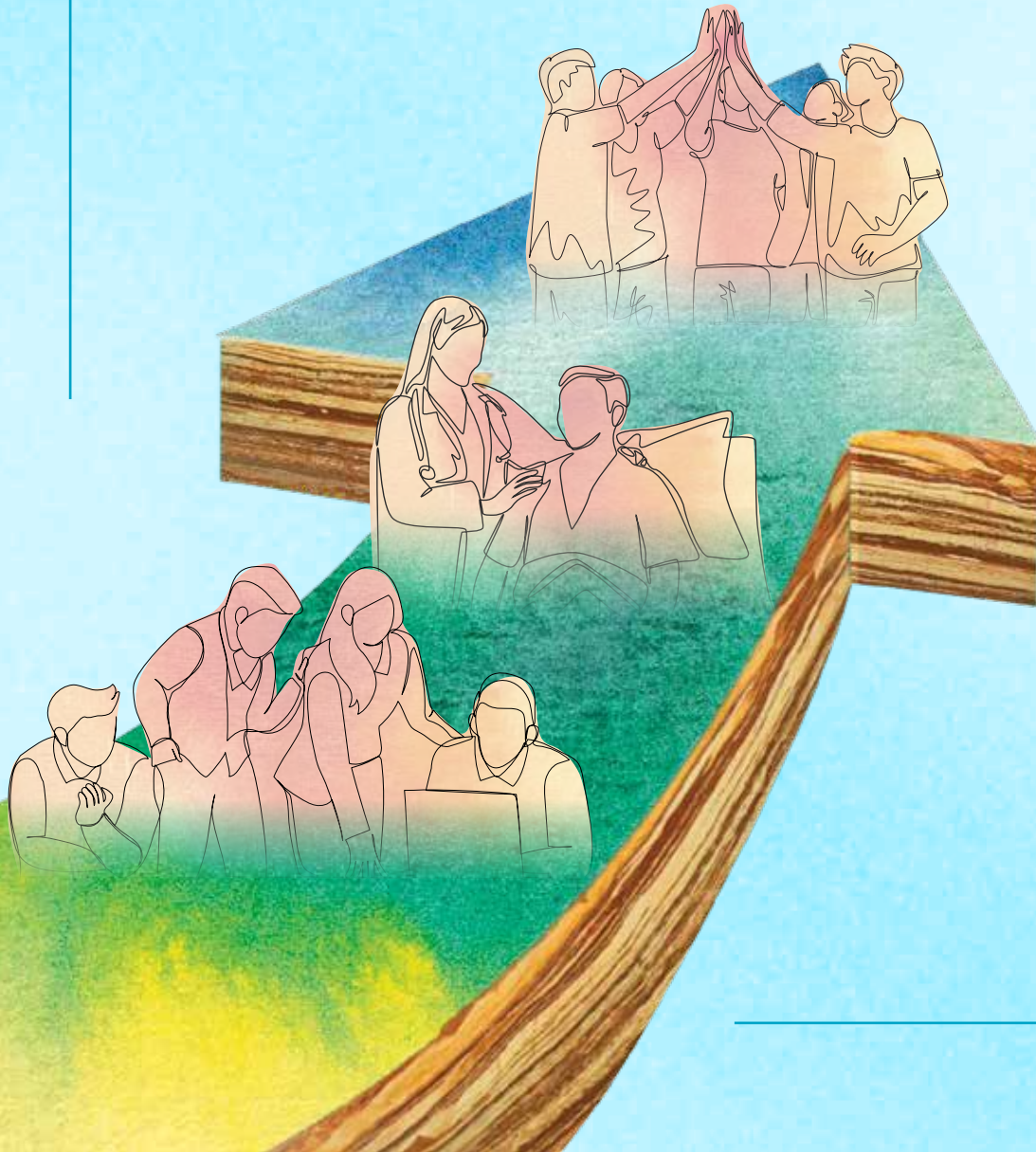
**15.38%**

decrease in GHG emissions  
intensity from FY 22.



# ENHANCING SOCIAL IMPACTS

**AAAS** Financial Services is deeply committed to elevating social impacts, embodying a dedication to holistic corporate citizenship. Through strategic alignment of resources, our goal is to effect meaningful and sustainable change in the communities we serve. Targeted investments in education, health, and welfare programs aim to amplify our positive footprint. We prioritize continuous improvement, transparency and innovation to ensure our social initiatives not only address immediate needs but also contribute to long-term, transformative outcomes effectively. Fostering collaboration, transparency, and community engagement, we aspire to enhance social impacts that resonate far beyond our immediate sphere of influence. Our CSR initiatives, is guided by the mantra "Caring for communities is a way of life.". The dedicated committee drives multifaceted projects like sponsoring education of students, supporting infrastructure at schools and organizing impactful events like blood donation camps, food grain distribution, & menstrual hygiene awareness at rural areas etc. **AAAS** also continuously provide support towards various equipments for the military hospital and welfare of war widows'. **AAAS** embodies a holistic CSR commitment, fostering positive change and empowering communities towards a sustainable future.





## Scale of the Organization

(GRI 2-7, a, b, c, d, e), (GRI 401) (GRI405)

AA\$ Financial Services Limited is dedicated to fostering diversity and inclusion within the organization, as we firmly believe that a diverse workforce brings together unique perspectives, experiences, and talents, leading to enhanced innovation and better decision-making; we prioritize equal opportunities in recruitment and hiring, aiming to build a workforce that reflects the diversity of the communities we serve; through policies, initiatives, and training programs, we promote a culture of belonging and respect, actively encouraging open dialogue, collaboration, and teamwork; our commitment to diversity and inclusion extends to our relationships with customers, suppliers, and stakeholders, fostering a vibrant and dynamic work environment that fuels the growth and success of our employees and the overall success of AA\$.

**With a total workforce of 1154 employees, our commitment to excellence is underpinned by a highly skilled and diverse workforce. We emphasize on hiring the most qualified individuals for every role, fostering an inclusive work environment that values diverse perspectives and talents. We strive to promote diversity and inclusion within our permanent employee base, specifically supporting those with disabilities. Our commitment ensures equal opportunities and support for all members of our workforce.**

### Employee Benefits

At AA\$, we prioritize the well-being of our full-time and part-time employees by offering a range of comprehensive benefits. Our operations and sites strictly adhere to both local laws and industry standards, ensuring compliance with all applicable regulations. We are committed to creating a safe and supportive work environment that aligns with legal requirements and upholds industry best practices. By providing our employees with these benefits and maintaining a commitment to compliance, we strive to foster a positive and fulfilling workplace where our team members can thrive and contribute to the success of the company.

Data of benefits provided to full time Employee of AA\$ Financial Services Limited is illustrated in the table below:

Benefits provided to full-time employees. April 2022 to March 2023	Y/N
i. Life insurance;	✓
ii. Health care;	✓
iii. Disability and invalidity coverage;	✓
iv. Parental leave;	✓
v. Retirement provision;	✓
vi. Stock ownership;	✗
vii. Others.	✓



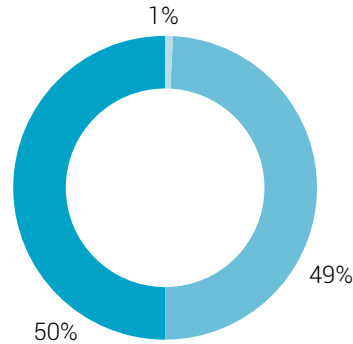


## Talent Attraction

AAAS recognizes the importance of adapting to the current economy by offering an attractive value offering to the market, strategically employing effective recruitment channels, and prioritizing employee satisfaction. The Human Resources team at AAAS is dedicated to acquiring and retaining top talent, ensuring that the company attracts skilled professionals who align with its values and goals. By prioritizing the recruitment and retention of exceptional employees, AAAS strengthens its position in the market and fosters a positive work environment that promotes growth, engagement, and long-term success.

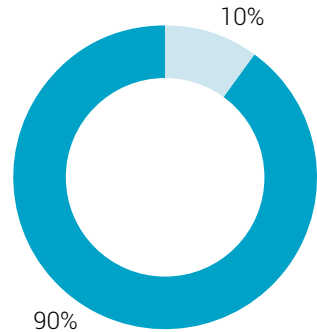
April 2022 to March 2023	By Age Group (Years)			By Gender	
	< 30	30-50	> 50	Male	Female
No. of new employee hires	243	244	4	440	51
Rate of new employee hires	49%	51%	1%	90%	10%

Rate of new employee hires



- By Age Group (Years) < 30
- By Age Group (Years) 30-50
- By Age Group (Years) > 50

Rate of new employee hires



- By Gender Male
- By Gender Female



AAAS Financial Services recognizes the significance of supporting employees during important life transitions, particularly when they welcome a new family member. To facilitate this transition, we offer comprehensive parental leave that outlines the time off granted to new mothers and fathers, allowing them to dedicate themselves to the care of their newborns. Additionally, our parental leave benefit extends to cover adoption leave, ensuring that both male and female employees have the opportunity to bond with and care for their adopted children. By providing these supportive benefits, AAAS Financial Services aims to create an inclusive and family-friendly work environment that values the well-being and happiness of its employees.

Parental leave data for AAAS Financial Services is illustrated in the table below:

April 2022 to March 2023	Male
No. of employees entitled	1065
No. of employees availed	49
No. of employees returned to work	47
After return still employed for 12 months	33
Return to work rate	96%
Retention rate	67%

## Diversity, Equity, and Inclusion

At **HAAS** Financial Services, we recognize the importance of cultivating an inclusive and diverse culture to drive our strategic initiatives for inclusion, equity, and diversity. Our dedicated efforts are focused on fostering an inclusive culture that supports every employee, as we firmly believe that innovative ideas flourish within diverse teams. We are committed to upholding workplace accessibility principles for individuals with disabilities, considering the unique aspects of our workplace and production activities. Diversity is viewed as a catalyst for teamwork, knowledge sharing, and performance, empowering us to deliver value and meet the evolving needs of our stakeholders.

**Gender and age diversity of employees and Board of Directors at **HAAS** Financial Services have been highlighted in the table below:**

### Diversity of governance bodies and employees

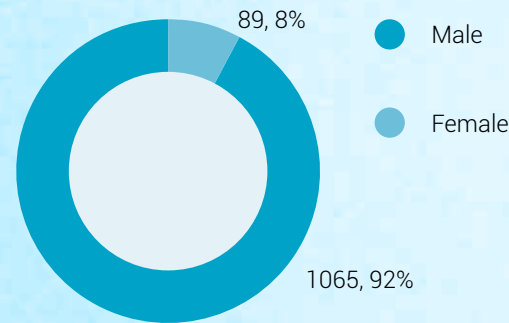
**a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories:**

	Male	Female	Total
i. Gender;	5	2	7
ii. Age group:	under 30 years old	30-50 years old	over 50 years old
	-	-	7 (100%)

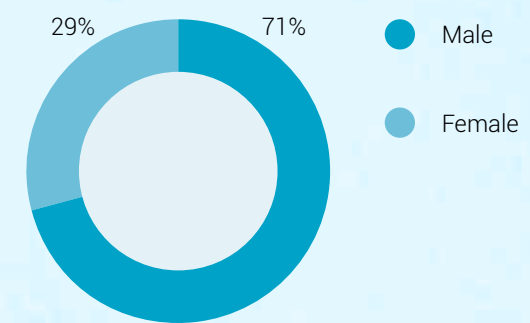
**b. Percentage of employees per employee category in each of the following diversity categories:**

	Male	Female	Total
i. Gender;	1065	89	1154
ii. Age group:	under 30 years old	30-50 years old	over 50 years old
	298 (26%)	806 (70%)	50 (4%)

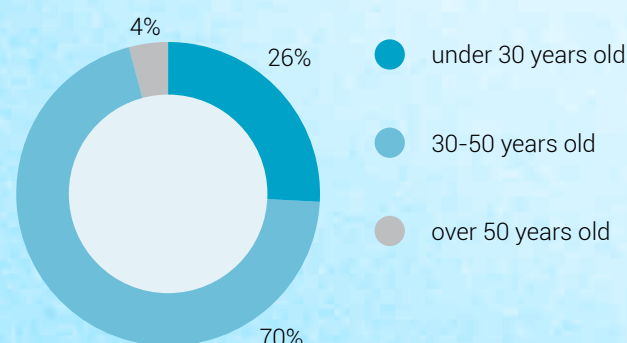
**Employee Gender Diversity**



**Board Diversity**











**Employee Age Diversity**



The ratio of basic salary and overall remuneration between women and men in each employee category is consistently maintained at 1:1. This reflects a commitment to gender equality, ensuring fairness in compensation across various roles within the organization. The equal ratio underscores the company's dedication to fostering a workplace environment where all employees, regardless of gender, receive equitable pay for their contributions. This practice not only aligns with principles of fairness and inclusivity but also contributes to creating a work culture that values diversity and promotes gender balance.

## Digitization

(Non GRI) - Material Topic

	Digital Integration	Efficient IT management with an in-house system and dedicated team
	API Enhancement	Strategic use of APIs for seamless digital transactions
	Financial Digitization	Advancing financial services for transparency and speed
	Streamlined Processes	Integration of multiple APIs for authenticated data and competitiveness
	IT System Upgrade	Ongoing enhancements for improved credit screening using AI
	Progress Update	Targeting 80% completion in digital initiatives by March 2025
	In-House Team	Dedicated team for software development and process implementation
	External Tech Adoption	Utilizing external technology (SAAS) for cutting-edge solutions

AAAS recognizes the need to align with market practices in the dynamic landscape of digitization. By seamlessly integrating digital solutions and leveraging an in-house loan management system supported by a dedicated IT team, the company efficiently manages its IT requirements and ensures secure data storage. At the forefront of its digital transformation, AAAS strategically incorporates various Application Programming Interfaces (APIs) into its robust IT system. These APIs play a crucial role in enabling smooth digital transactions and processes, enhancing customer convenience and operational efficiency.

The company has made strides in digitizing its financial services to provide transparent, faster, and timely services to customers. As customer awareness and adoption of digital platforms continue to increase, digital financial services have become the preferred mode of service delivery. This shift to digitization has not only increased customer satisfaction but also expanded the company's reach and improved service efficiency.

To achieve these goals, the company has implemented various integration steps, including the incorporation of multiple APIs such as bank statements, GST data, and CIBIL Data. This integration has allowed for seamless process in many products and the utilization of account aggregators for bank statement data. As a result, the company has witnessed several positive

outcomes, including authenticated data collection, accelerated processes with reduced turnaround times (TAT), and heightened competitiveness.

In the pursuit of continuous improvement, the company is currently upgrading its IT systems for enhanced credit screening and offerings. As the next step, they plan to leverage artificial intelligence (AI) and a Business Rule Engine (BRE) to leverage various data sources for data crunching and faster credit screening. This integration of AI and BRE into the IT system is expected to further enhance the efficiency and effectiveness of credit analysis.

With around 30% completion of its digital initiatives, the company aims to achieve 80% completion by March 2025. It is important to note that while technology serves as an enabler for better credit analysis and offerings, manual human efforts will continue to play a crucial role in ensuring seamless operations and personalized customer experiences.

To support these initiatives, the company has established an in-house team responsible for software development and process implementation. Additionally, they acquire technology from external sources (SAAS) as required, ensuring the availability of cutting-edge solutions to facilitate their digital transformation journey.

## Data Security and Customer Privacy

### (GRI 418) - Material Topic

**HAAS** Financial Services Limited prioritizes data security to safeguard the privacy of customer information.

The company ensures compliance with data privacy protection and security laws while collecting limited information necessary for customer service and improving products. Various security measures are implemented to prevent unauthorized access and maintain the safety of personal data.

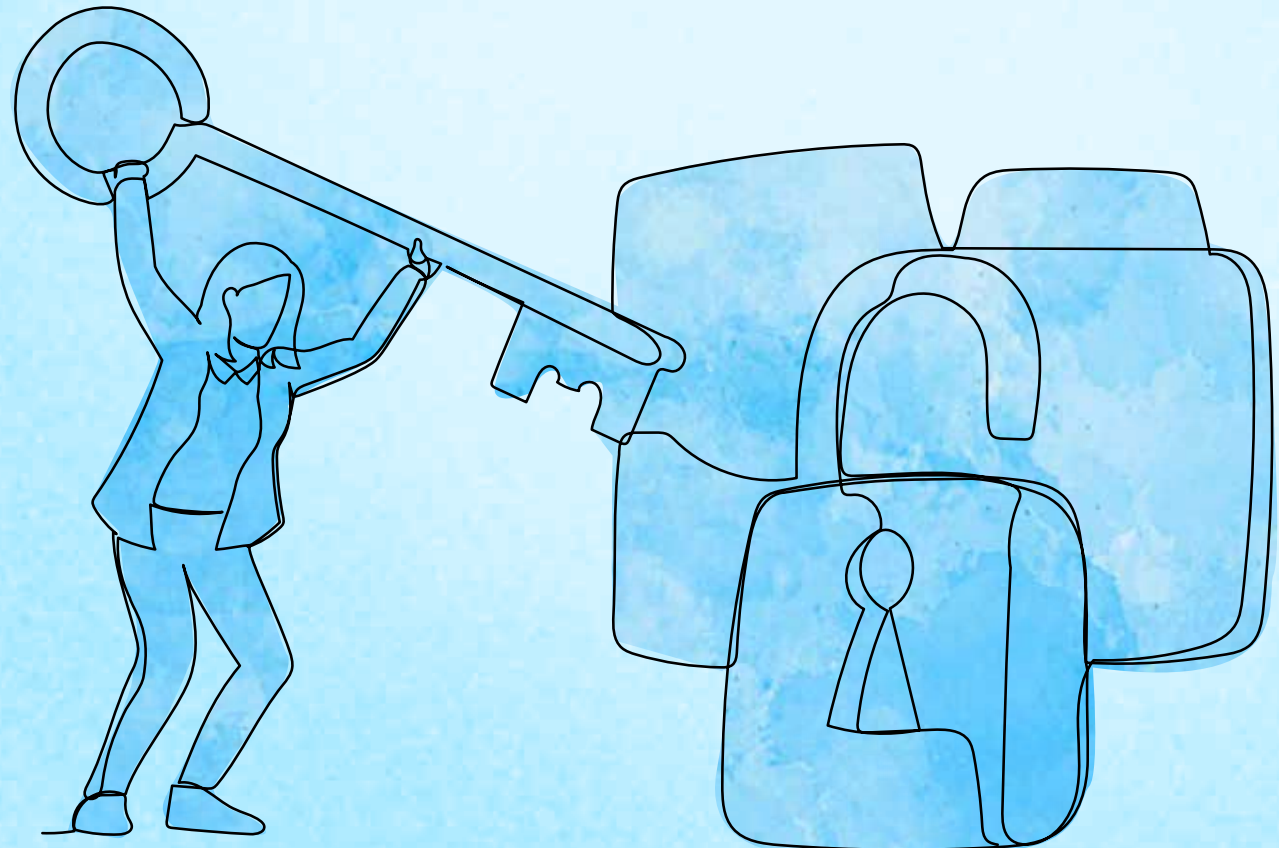
**HAAS** conducts regular IT audits through certified external agencies to assess data protection and identify vulnerabilities. Compliance with RBI and IT ACT guidelines is maintained, with audits conducted by third-party entities.

Data is stored in controlled environments on internal servers, with regular backups taken both internally and on external servers in India. Firewalls and advanced antivirus systems are utilized to mitigate data breaches. Access to third parties is strictly regulated, and confidentiality is maintained.

The internal audit team conducts periodic Drills to test recovery protocols and enhance preparedness for unforeseen events. **HAAS** remains committed to consistently upgrading systems and policies to stay ahead of emerging threats, ensuring data security is maintained throughout the organization.

The organization demonstrates strong data security

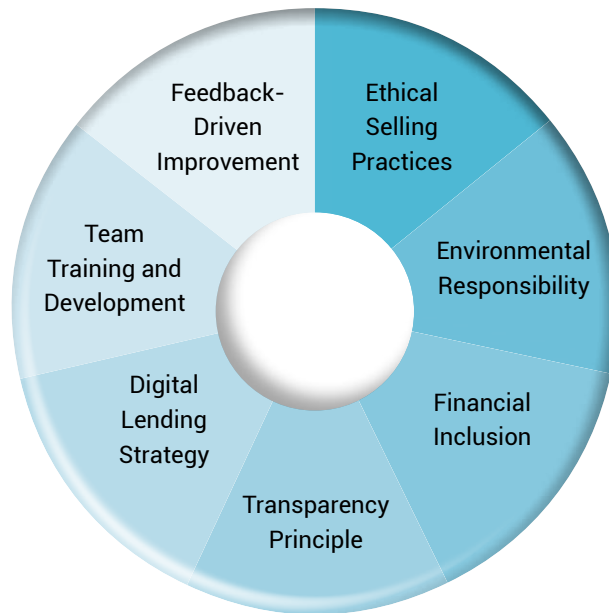
with zero data breaches, leaks, or losses of customer data. There are no substantiated complaints regarding customer privacy breaches from external parties or regulatory bodies. The commitment to safeguarding personally identifiable information (PII) is evident in the absence of any reported incidents.





## Selling Practices

(Non GRI) - Material Topic



At **AAS** Financial Services, we recognize that selling practices are of utmost importance in our role as a loan provider. We strongly believe that ethical and responsible selling practices not only build trust with our customers but also contribute to the overall growth and success of our company. We are committed to maintaining transparency, complying with regulations, and prioritizing the well-being of our customers and stakeholders. We understand that good financial lending products are the backbone of a strong economy, providing access to various parts of India and stimulating economic growth. Therefore, we ensure that our selling practices are aligned with our core values and contribute to the betterment of society.

As part of our commitment to the environment, we go beyond simply offering financial services. We actively finance environmentally responsible assets and promote sustainability in our business segments. In our pursuit of financial inclusion, we prioritize proactive investments in our workforce and foster relationships with external stakeholders. We understand the importance of reaching out to underserved communities and the unbanked population. Through our inclusive selling practices, we aim to provide financial support to those who may have limited access to traditional banking services. By investing in our team and network partners, we ensure that they are equipped with the knowledge and skills necessary to effectively serve our diverse customer base.

Transparency is a fundamental principle that guides our selling practices. We strictly adhere to market conduct regulations and maintain an open and honest approach in all our dealings. Our extensive distribution network enables us to deliver comprehensive services while ensuring that our customers are well-informed about the terms and conditions of our loan products. Through our digital lending strategy and a diverse portfolio of loans, we cater to different retail customer segments, expanding our reach and maintaining a high standard of quality. We recognize that the success of our selling practices lies in the hands of our dedicated team and network partners. Therefore, we prioritize training and provide thorough instructions to ensure that they have the necessary skills and knowledge to serve our customers effectively.

Furthermore, we value the feedback we receive from our

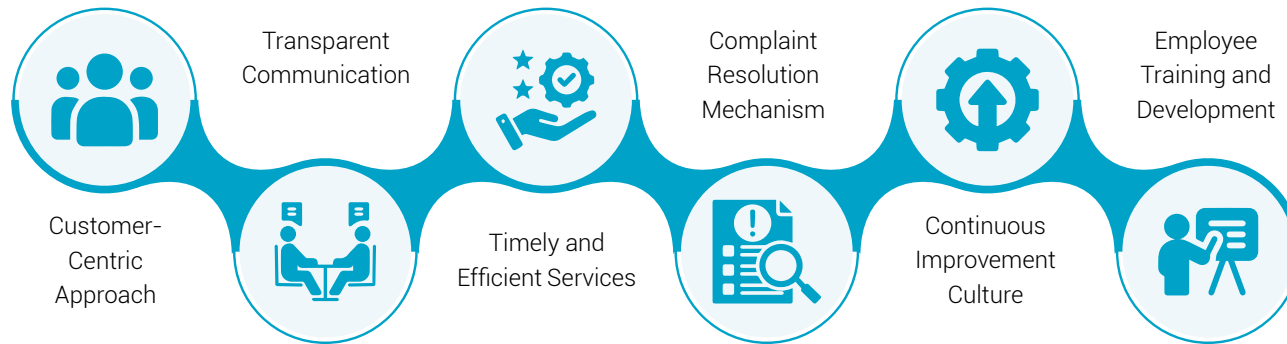
stakeholders, as it allows us to continuously improve our selling practices. We actively listen to our customers, partners, and communities, taking their suggestions and concerns into consideration. This feedback-driven approach helps us enhance our environmental preservation efforts, improve our training programs, and raise awareness among our stakeholders. At **AAS**, selling practices are rooted in integrity, customer-centricity, and sustainable growth. We believe that by adopting responsible selling practices, we not only contribute to the success of our business but also fulfill our commitment to creating a positive impact on society and the environment.

**3.26% of employee pay is tied to product and service sales, emphasizing a performance-based compensation structure that aligns individual efforts with overall business success.**

For FY23 no critical complaints were filed for our product and service practices, leading to zero customer relief, disputes, investigations, or monetary losses in legal proceedings.

## Customer Satisfaction

(Non GRI) - Material Topic



Customer satisfaction is a top priority at **AAAS** Financial Services, driving our customer-centric approach, continuous improvement, and transparent communication to exceed expectations and foster enduring relationships. Through active listening, feedback collection, and leveraging customer data, we continuously improve our products and services.

Transparency and effective communication are foundational to our customer satisfaction strategy. We provide comprehensive information about our loan products, ensuring customers have a clear understanding of their financial commitments. Our dedicated customer support channels are always available to address inquiries and concerns promptly. Timeliness is a priority for us. We streamline our loan processes to provide efficient and prompt services, meeting our customers' financial needs with professionalism.

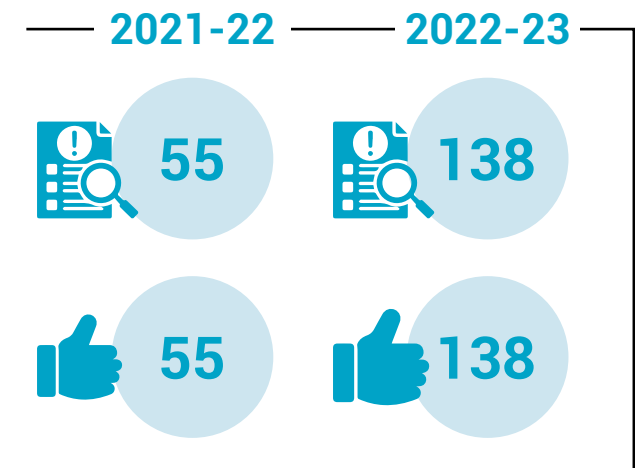
Handling complaints and feedback is crucial to our customer satisfaction efforts. We have robust mechanisms in place to address concerns and resolve

issues promptly. By actively listening to customers, we gain valuable insights that drive ongoing service improvements. Continuous improvement is ingrained in our culture. We proactively implement customer-driven innovations and leverage technology to enhance the customer experience.

Investing in comprehensive training and development programs is a key initiative at **AAAS** Financial Services. By equipping our employees with the necessary tools and resources, we empower them to deliver exceptional customer satisfaction. Through ongoing training, we ensure that our team members are well-prepared to meet and exceed customer expectations, enhancing the overall customer experience.

In conclusion, customer satisfaction remains a fundamental focus at **AAAS**. The company understands its significance in building enduring relationships and contributing to the financial well-being of our customers. With a commitment to transparency, responsiveness, continuous improvement, and a customer-centric

approach, we strive to provide exceptional services that meet the evolving needs of our customers. By consistently delivering on our promises and exceeding expectations, we aim to foster long-term customer loyalty and drive mutual success.



Total number of consumer-initiated complaints

Total number complaint resolved

**100%**  
Complaint Resolved

# Employee Growth and Development

(GRI 404) – Material Topic

HAAS Financial Services Limited is committed to the growth and development of its employees by implementing various programs aimed at upgrading their skills and providing valuable assistance during career transitions. These programs encompass a wide range of areas to enhance employee capabilities and ensure a smooth professional journey.

To foster a professional work environment, HAAS offers training on office work etiquette, enabling employees to develop essential workplace skills and etiquette. Additionally, office attendants receive comprehensive training to excel in their roles and contribute effectively to the organization. Feedback sharing programs are

implemented to encourage open communication and constructive feedback, fostering continuous improvement and personal development.

Time management is prioritized through specialized training, equipping employees with effective techniques to optimize productivity and efficiency. Continued learning opportunities are provided through workshops and training materials, enabling employees to expand their knowledge and stay updated with industry trends and advancements.

In line with supporting career transitions, HAAS provides skill assessment and development programs to assess employees' strengths and areas for improvement,

enabling them to enhance their skill sets and remain adaptable in the evolving professional landscape. Workshops on financial planning are conducted, particularly on Women's Day, to empower female employees in managing their financial well-being. Health and wellness support is offered to prioritize employee well-being, ensuring a holistic approach to their professional and personal lives.

At HAAS Financial Services, employee growth, development, and training are integral to our commitment to nurturing a skilled and engaged workforce. We believe in empowering our employees to reach their full potential, supporting their career progression, and facilitating a seamless transition during retirement or termination of employment.

The table below highlights, average hours of training provided per year per employee:



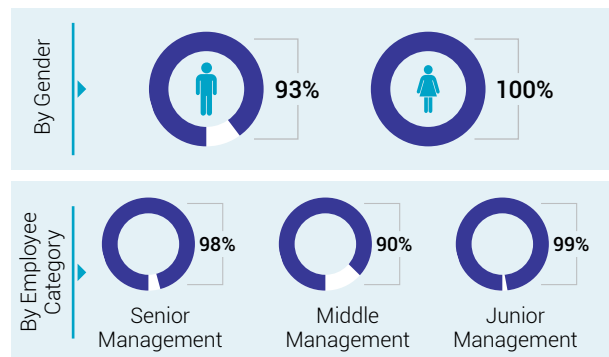
Training obtained by number of employees





At **HALS**, the company places great importance on the growth and development of employees. As part of our commitment to their professional advancement, we have implemented a structured system of regular performance and career development reviews. These reviews provide a platform for employees to receive feedback on their performance, set goals, and discuss their career aspirations with their supervisors. By conducting these reviews on a consistent basis, we ensure that our employees receive ongoing support and guidance to enhance their skills, address any areas of improvement, and align their career paths with organizational objectives. Our goal is to create a culture of continuous learning and development, where employees feel empowered and motivated to achieve their full potential. We believe that by providing regular performance and career development reviews, we not only foster individual growth but also contribute to the overall success of our organization.

#### % of employees who received a regular performance and career development review



## Employee Health and Wellbeing

### (GRI 403-1,2) - Material Topic

Employee well-being is a top priority for our Company, and we strive to create a safe and supportive environment for all our employees. We understand that a healthy and happy workforce is vital for the success of our organization. To ensure the well-being of our employees, we have implemented several initiatives and practices.

Firstly, we prioritize occupational health and safety by regularly identifying work-related hazards and assessing risks. Even though our business operations may not involve direct occupational hazards, we recognize the importance of conducting routine and non-routine hazard identification to maintain a safe workplace. Through internal audits and periodic assessments, we proactively address any potential risks and take necessary measures to mitigate them. In addition, we provide our employees with access to first aid kits at all our locations. This ensures that immediate medical assistance is available in case of any emergencies or injuries. Furthermore, we emphasize the use of helmets for employees who ride as part of their job responsibilities. Through various training programs, we raise awareness about the importance of helmet usage and other safety practices.

Moreover, our Company complies with all applicable laws and regulations regarding safety at the workplace. We strive to minimize the risk of accidents, injuries, and exposure to health hazards by implementing appropriate safety measures. Our commitment to employee well-being also extends to providing accident insurance policies for all employees. This ensures that they are financially protected in the unfortunate event of an accident. To promote a culture of health and well-being, we regularly communicate with our employees through

internal communication channels. We share important alerts, reminders, and educational resources related to health and safety. We also conduct awareness sessions on various aspects of employee well-being, such as the importance of wearing helmets, staying hydrated, staying active, and using the stairs instead of elevators.

Overall, our Company is dedicated to creating a safe, hygienic, and humane workplace environment that prioritizes employee well-being. We firmly believe that by taking care of our employees, we contribute to their overall quality of life, job satisfaction, and productivity. Through our ongoing commitment to employee well-being, we aim to foster a positive work culture and ensure the long-term success and growth of our organization.





## Community Initiatives/Social Responsibility

### (GRI 413) - Material Topic

At **AAAS**, the belief in giving back to society and actively participating in Corporate Social Responsibility (CSR) activities is deeply ingrained. The company is dedicated to long-term initiatives that promote education, sanitization, health, environment, and general welfare to ensure the overall well-being of communities. To oversee these endeavors, a CSR committee has been established, consisting of one Executive Director and two Independent Directors from the company.

As a responsible corporate entity, the Company has

leveraged its resources to support the community, particularly during challenging times. One such initiative is the "**AAAS** Arogya Abhiyan," where the Company distributed BiPAP machines to assist those in need. Additionally, the Company facilitated the families of martyrs during the 75th Independence Day celebrations, known as Azadi Ka Amrit Mahotsav. Furthermore, the Company installed Ultrasound Machines at the Indian Army - Military Hospital in Ahmedabad.



In line with its robust CSR initiatives, the Company recognized the challenges faced by a significant section of the population in meeting their basic food requirements. To address this, the Company organized a food distribution drive in Gujarat, providing raw food packets comprising essential grocery items to needy villages. This initiative aimed to alleviate the hardships faced by vulnerable individuals and support those working tirelessly on the ground with limited resources. By tackling the issue of food scarcity, the Company demonstrated its commitment to social welfare and contributed to the well-being of communities in need.



Education plays a vital role in enhancing the quality of life, especially for underprivileged individuals. Understanding this, the Company identified bright students aspiring to pursue higher studies but facing financial constraints. To help them achieve their dreams, the Company extended financial support. In its commitment to societal development and striving for a 100% literacy rate, the Company actively invests in the education of these students. Beyond sponsoring their fees, the Company provides school bags, stationery, uniforms, sweaters, school shoes, and other necessary provisions. This relieves parents and students from additional costs, allowing them to concentrate on their studies. The Company's management team proactively engages with schools located on the outskirts of Ahmedabad and Gandhinagar to assess the infrastructure provided to students and explore opportunities for further support. Many schools were found to lack basic amenities such as fans, lights, and tables, while students were exposed to harsh heat during government-provided meals. Consequently, infrastructure-related projects were prioritized, with the Company stepping in to provide essential facilities like fans, lights, benches, computers, and constructing play areas with swings. Most importantly, the Company constructed sheds to shield students from heat-related illnesses, ensuring their well-being and comfort.



The "SHIKSHA Protsahan" initiative embodies the ideology of transforming lives through continuous knowledge generation and empowerment. Accordingly, the Company has allocated funds in accordance with its CSR policy and prescribed guidelines.





Another important issue affecting the well-being and empowerment of women and girls in rural areas is menstrual hygiene. Limited access to sanitation facilities, clean water, and affordable menstrual products creates numerous challenges and negative consequences during menstrual cycles. To address this problem, the Company has distributed sanitary napkins to females in nearby villages, promoting their well-being and proper hygiene practices



The Company, in its unwavering commitment to corporate social responsibility, has dedicated significant resources to its CSR projects with the goal of creating a lasting impact on the communities it serves. The “Shiksha Protsahan” project, spanning three years, is geared towards promoting education in rural areas. With a budget of ₹ 33.5 million, the Company aims to provide financial support, educational materials, and infrastructure improvements to underprivileged students.

In addition, the “Arogya Abhiyan” project, lasting one to three years, is devoted to offering essential medical facilities to those in need. With a budget allocation of ₹ 8.37 million, the Company aims to enhance healthcare access and support individuals facing medical challenges.

Furthermore, the grain distribution project, also spanning one to three years, has been allocated a budget of ₹ 0.5 million. This initiative addresses the critical issue of food scarcity by providing essential grocery items to villages in need.

By concentrating on education, healthcare, and fulfilling basic needs, the Company aims to enhance lives, empower individuals, and play a role in advancing society as a responsible corporate entity. Moving forward, our Company is dedicated to amplifying its CSR impact and expenditure in the upcoming years, maintaining a steadfast focus on rural development, health promotion, and sanitation. We have identified several long-term projects geared towards promoting education, sanitation, health, and overall welfare, with the ultimate goal of improving the well-being and quality of life for all community members.



# GRI INDEX

<b>Statement of use</b>	AAAS Financial Services Ltd. has reported the information cited in this GRI content index for the period April 2022- March 2023 with reference to the GRI Standards.
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