



**HAS RURAL HOUSING AND
MORTGAGE FINANCE LIMITED**

8TH ANNUAL REPORT

2014-15

REGISTERED OFFICE

4TH FLOOR, NARAYAN CHAMBERS,
B/H.PATANG HOTEL, ASHRAM ROAD,
AHMEDABAD – 380009.

~~MA~~ RURAL HOUSING & MORTGAGE FINANCE LIMITED

DIRECTORS' REPORT

Corporate Identification No.: U74900GJ2007PLC051383

Registered Office: 4th Floor, Narayan Chambers
B/h. Patang Hotel, Ashram Road,
Ahmedabad - 380 009
Gujarat.

BOARD OF DIRECTORS

Mr. Kamlesh Gandhi	-	Chairman & Managing Director
Mr. Mukesh Gandhi	-	Whole-Time Director
Mr. Bala Bhaskaran	-	Independent Director
Mr. Jagdish Joshipura	-	Independent Director
Mr. Chetan Shah	-	Independent Director

Chief Financial Officer

Mr. Mukesh Gandhi

Auditors

Rajpara Associates
Chartered Accounts
202/B, Shivalik-10, Opp. SBI Zonal Office,
Nr. Snehkunj, S.M. Road, Ambawadi,
Ahmedabad-380 006.

DIRECTORS' REPORT

To,
The Members,
H A S Rural Housing & Mortgage Finance Limited
Ahmedabad.

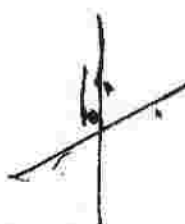
Your Directors have pleasure to present the Eighth Annual Report of your Company together with the Audited Statement of Accounts for the year ended on 31st March, 2015.

The Company's financial performance for the year under review alongwith previous years figures are given hereunder:

SUMMARISED FINANCIAL HIGHLIGHTS:

(Amount in Rs.)

Particulars	March 31, 2015	March 31, 2014
Interest Income	10,87,29,707	6,70,24,919
Income from Operations & Other Sources	95,62,856	70,16,611
Total Income	11,82,92,563	7,40,41,530
Total Expenditure	8,87,20,480	5,49,72,941
Profit before Depreciation and Taxes	2,95,72,083	1,90,68,589
Depreciation and Amortization	95,641	66,364
Profit before Taxes	2,94,76,442	1,90,02,225
Provision for Taxation (including Deferred Tax)	95,67,241	50,52,381
Profit after Taxes	1,99,09,201	1,39,49,844
Profit brought forward from previous year	1,98,42,212	1,09,53,159
Profit available for Appropriation	3,97,15,340	2,49,03,003
Appropriations		
Reserves u/s. 29-C of the NHB Act, 1987 and Special Reserve u/s 36(1) (viii) of Income Tax Act, 1961	62,80,000	42,00,000
Proposed Dividend	10,82,095	7,35,750
Dividend Distribution Tax on Proposed Dividend	2,16,355	1,25,041
Surplus Balance carried to B/S	2,95,00,284	1,98,42,212




BUSINESS PERFORMANCE:

- ◆ The portfolio at the end of the year 2014-15 was Rs.93.48 crores. The Company continues to pursue the path of sustainable development and is confident to gain momentum in the coming years, given the Company's efforts at the ground level, accompanied by the encouraging response and the activity of the developers in the affordable housing space. The market size is too huge for various well managed Housing Finance Institutions to co-exist.
- ◆ The supply in the affordable space has also increased remarkably which further strengthens the eco-system of the sector. The government initiative of housing for all is also the step in the right direction for the development of the sector. The company is committed to deliver quality credit to this sector and is on the mission :
- ◆ To be a very significant provider of efficient financial services in the housing loan segment, thereby being the catalyst in realizing the dreams of the millions of households, especially among the LIG and MIG class in semi urban and rural areas and create value on a very large scale.

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

RURAL INITIATIVE

The rural initiative continues to remain one of the major focuses of the Company. It was felt necessary during the year to increase the rural reach to 1500 villages in the state of Gujarat to be focused upon. The target to reach 1500 villages is segregated in clusters of 150 villages for better execution. The main reason behind the same is the inherent challenges faced in converting the latent potentiality in to business in such areas. However, we firmly believe that once the business cycle is set, regular business may be expected from all the areas of operations. The company follows the business model of serving such villages through dedicated relationship officers who are responsible to offer them customized housing financing solution. Based on the experience of these villages necessary change in the business model will be implemented to explore the latent potential of the segment.

SYSTEMS AND OPERATIONS

The current year also sharpened our learning curve to a considerable extent. The feedback from the customers, relationship officers and the vigilant analysis of the credit team enabled us to frame a well-articulated credit screens which we very firmly believe will be a major lever to serve the targeted segment effectively. The effectiveness of the credit screen is reflected in the quality of the pqrtrfolio, where there are no outstanding in post 60 DPD category. The company is now focusing to improve its turnaround time for disbursing the loans without compromising with the quality of



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credit. Various efforts are undertaken such as training the relationship officers, the branch credit officers, and the credit team at the central processing unit.

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

Various educative programmes organized by NHB (National housing bank) gives us in depth insight of the housing finance activities, process, appraisal techniques and the focus of the government in this sector.

RESOURCES

The Net Owned Fund of the company as on 31st March, 2015 is Rs. 22,77,09,149/-. Number of institutions have shown keen interest in participating in the future debt and the capital requirement of the company. Company is quite optimistic to tie up their financial requirement for the year 2015-16.

NHB COMPLIANCES

MRHMFL continues to comply with the guidelines issued by NHB regarding accounting standards, prudential norms for asset classification, income recognition, provisioning, capital adequacy, concentration of credit, credit rating, 'Know Your Customer'- (KYC), fair practices code and capital market exposures. The National Housing Bank Act, 1987, empowers NHB to levy a penalty on Housing Finance Companies for contravention of the Act or any of its provisions. NHB has not levied any penalty on MRHMFL during the year.

HUMAN RESOURCE

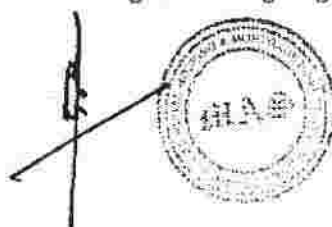
Relations remained cordial with employees at all levels during the year.

STATUTORY AUDITORS:

At the last AGM, M/s. Rajpara Associates, Chartered Accountants, Ahmedabad having their Firm Registration Number 113428W, were appointed as the Statutory Auditors of the Company to hold office from the conclusion of that Meeting to the conclusion of the eighth consecutive Annual General Meeting (subject to ratification of the appointment by the members at every AGM held after that AGM). The Company has also received a letter from them to the effect that their appointment, if ratified, would be within the prescribed limits under Section 139 of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of Section 141 of the Companies Act, 2013.

DIRECTORS

In accordance with the requirement of Companies Act, 2013 and pursuant to the applicable provisions of Articles of Association, Mr. Mukesh Gandhi, Whole-Time Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

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PUBLIC DEPOSITS

The Company has not accepted deposit from public during the year and there was no deposit outstanding on 31st March, 2015.

DIVIDEND

The Board of Directors proposed the final dividend at the rate of 0.60% p.a. for equity shareholders for the year ended on 31st March, 2015. The said dividend will be paid to those shareholders whose names appear on the Register of Members of the Company.

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

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies(Management and Administration) Rules, 2014 is furnished in Annexure A (Form MGT-9) and is attached to this report.

NO. OF BOARD MEETINGS

The Company had 7 Board Meetings during the financial year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- (b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The directors have prepared the annual accounts on a going concern basis.
- (e) The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) The directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

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

The Company has received declarations from Shri. Jagdish Joshipura, Shri Chetan Shah & Shri Bala Bhaskaran that they meet with the criteria of independence as prescribed under sub section (6) of section 149 of the Companies Act, 2013.

NOMINATION AND REMUNERATION COMMITTEE:

The nomenclature of the Remuneration committee was changed to Nomination and Remuneration Committee on 20th February, 2015 pursuant to Section 178 of the Companies Act 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, by way of resolution passed in accordance with the provisions of the Companies Act 2013. The Nomination & Remuneration Committee consists of three independent directors. The role and responsibilities, Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other related matters are in conformity with the requirements of the Companies Act, 2013.

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

There were no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

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

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

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

INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY:

During the year under review, the authorized share capital of the Company has increased from Rs. 17,50,00,000/- divided into 1,75,00,000 equity shares of Rs. 10/- each to Rs. 23,00,00,000/- divided into 2,30,00,000 equity shares of Rs. 10/- each.

INCREASE IN PAID UP SHARE CAPITAL OF THE COMPANY:

During the year under review, the paid up share capital of the Company has increased from Rs. 16,35,00,000/- divided into 1,63,50,000 equity shares of Rs. 10/- each to Rs. 18,03,49,200/- divided

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into 1,80,34,920 equity shares of Rs. 10/- each.

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

Since the Company is not engaged in any manufacturing activities, the particulars relating to Conservation of Energy and Technology Absorption are not applicable.

Also, the Company did not enter into any Foreign Exchange Transaction during the financial year, hence there is nothing to report on Foreign Exchange Earning and Outgo.

RISK MANAGEMENT

The Company was already having risk management Policy and system to identify, evaluate and minimize the Business risks as well as other risks. The Company during the year made its Risk Management policy exhaustive by including mitigants of various types of risks. This policy intends to identify, evaluate, monitor and minimize the identifiable risks in the Organisation.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL (KMP) WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR:

Sr. No.	Name of the KMP or Director	Designation	Date of Appointment	Date of Resignation
1	Mr. Mukesh Gandhi	CFO	19/12/2014	
2	Ms. Nidhi Bhatt	Company Secretary	20/03/2014	11/03/2015

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The Board of Directors at its meeting held on 20th February, 2015 re-constituted the Audit Committee consisting of the following members:

- a) Mr. Mukesh Gandhi (Whole-Time Director & CFO)
- b) Mr. Bala Bhaskaran (Independent Director)
- c) Mr. Jagdish Joshipura (Independent Director)
- d) Mr. Chetan Shah (Independent Director)
- e) Mrs. Darshana Pandya (Chief Operating Officer)

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

The Company has established a vigil mechanism and overseas through the Committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns.



The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of co-employees and the Company.

PARTICULARS OF EMPLOYEES:

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

ACKNOWLEDGEMENTS:

Your Directors sincerely express their deep appreciation to employees at all levels, bankers, customers and shareholders for their sustained support and co-operation and hope that the same will continue in future.

Date: 03.06.2015

Place: Ahmedabad

Signature:



Kamlesh C. Gandhi
(Chairman & Managing Director)



ANNEXURE A TO DIRECTORS' REPORT

MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED

FORM NO. MGT -9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2015

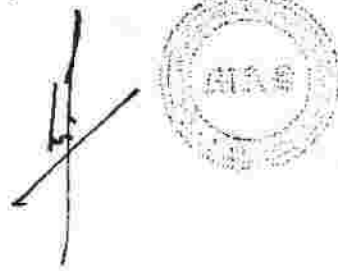
[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.]

I. REGISTRATION AND OTHER DETAILS:

1	CIN	U74900GJ2007PLC051383
2	Registration Date	24/07/2007
3	Name of the Company	Mas Rural Housing & Mortgage Finance Limited
4	Category/Sub-category of the Company	Company limited by shares
5	Address of the Registered office & contact details	4 th Floor, Narayan Chambers, B/h Patang Hotel, Ashram Road, Ahmedabad-380 009. Ph No. - 079-30016500
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Activities of Housing Finance	65922	100.00%




III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
1	Mas Financial Services Limited 6, Narayan Chambers, Ground Floor, B/h Patang Hotel, Ashram Road, Ahmedabad-380 009.	U65910GJ1995P LC026064	Holding	59.61	Section 2(46) of Companies Act, 2013.

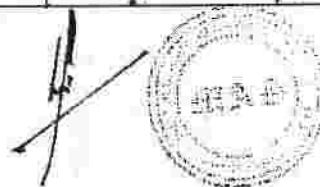
IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-Wise Shareholding

Category of Shareholders	No. of Shares held as on 01/04/2014				No. of Shares held as on 31/03/2015				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	Nil	55,99,700	55,99,700	34.25	-	72,84,620	72,84,620	40.39	6.14
b) Central Govt. Or State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
c) Bodies Corporate	Nil	1,07,50,000	1,07,50,000	65.75	Nil	1,07,50,000	1,07,50,000	59.61	6.14
d) Bank/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
e) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
SUB TOTAL: (A) (1)	Nil	1,63,49,700	1,63,49,700	100	Nil	1,80,34,620	1,80,34,620	100	
(2) Foreign									
a) NRI- Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
b) Other Individuals c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	



d) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
e) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
SUB TOTAL: (A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
TOTAL SHAREHOLDING OF PROMOTER (A)= (A)(1)+(A)(2)	Nil	1,63,49,700	1,63,49,700	100	Nil	1,80,34,620	1,80,34,620	100	
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
b) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
c) Central govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
d) State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
e) Venture Capital Fund	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
g) FII/S	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
SUB TOTAL (B)(1):	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	



(2) Non Institutions									
a) Bodies corporates	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
b) Individuals	Nil	300	300	0	Nil	300	300	0	
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
c) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
SUB TOTAL (B)(2):	Nil	300	300	Nil	Nil	300	300	Nil	
TOTAL PUBLIC SHAREHOLDING (B)= (B)(1)+(B)(2)	Nil	300	300	Nil	Nil	300	300	Nil	
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
GRAND TOTAL (A+B+C)	Nil	1,63,50,000	1,63,50,000	100	Nil	1,80,34,920	1,80,34,920	100	

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ii) Share Holding of Promoters

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	
1	Mukesh C. Gandhi	2194850	13.43	Nil	30,37,310	16.84	Nil	3.41
2	Kamlesh C. Gandhi	16,39,750	10.03	Nil	20,60,980	11.43	Nil	1.4
3	Shweta Kamlesh Gandhi	14,00,100	8.56	Nil	18,21,330	10.09	Nil	1.53
4	Mukesh C. Gandhi (HUF)	3,65,000	2.23	Nil	3,65,000	2.02	Nil	0.21
5	Mas Financial Services Limited	1,07,50,000	65.75	Nil	1,07,50,000	59.61	Nil	6.14

iii) Change In Promoters' Shareholding (Specify, if there is no change)

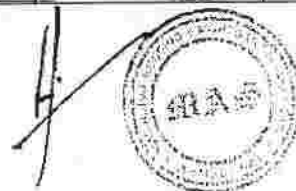
Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	As at 01/04/2014	1,63,49,700	99.99	—	—
	Date wise Increase/Decrease In Promoters Shareholding during the year specifying the reasons for increase /decrease(e.g. Allotment/transfer/bonus/sweat equity etc):	1.) Increase in Promoters Shareholding by allotment of 8,42,460 shares on 30.09.2014 2.) Increase in Promoters Shareholding by allotment of 8,42,460 shares on 11.03.2015.		1,71,92,160 1,80,34,620	99.99 99.99
	As at 31/03/2015	1,80,34,620	99.99	1,80,34,620	99.99

iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters & Holders of GDRS & ADRS)

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Nil	Nil	Nil	Nil
	At the end of the year (or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil

v) Shareholding of Directors & KMP

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors & KMP				
1	Kamlesh Gandhi- Chairman & Managing Director				
	As at 01/04/2014	16,39,750	10.03	-	-
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	1.) Increase in Shareholding by allotment of 2,10,615 shares on 30.09.2014 2.) Increase in Shareholding by allotment of 2,10,615 shares on 11.03.2015		1850365 2060980	10.76 11.43



	As at 31/03/2015	20,60,980	11.43	20,60,980	11.43
2	Mukesh Gandhi- Whole-Time Director & CFO				
	As at 01/04/2014	21,94,850	13.42	—	—
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	1.) Increase in Shareholding by allotment of 4,21,230 shares on 30.09.2014 2.) Increase in Shareholding by allotment of 4,21,230 shares on 11.03.2015		26,16,080 30,37,310	15.22 16.84
	As at 31/03/2015	30,37,310	16.84	30,37,310	16.84
3	Balabhaskaran- Director				
	As at 01/04/2014	100	0.003	—	—
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	—	—	—	—
	As at 31/03/2015	100	0.003	100	0.003
4	Jagdish Joshipuara-Director	—	—	—	—
	As at 01/04/2014	—	—	—	—
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	—	—	—	—
	As at 31/03/2015	—	—	—	—
5	Chetan Shah- Director	—	—	—	—
	As at 01/04/2014	—	—	—	—
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	—	—	—	—
	As at 31/03/2015	—	—	—	—
6	Nidhi Bhatt- Company Secretary	—	—	—	—
	As at 01/04/2014	—	—	—	—

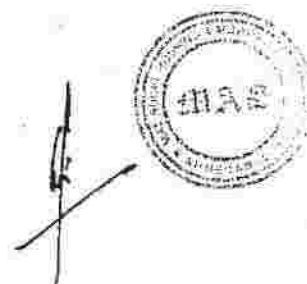


Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
As at 31/03/2015	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (In Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year	464,158,945	Nil	Nil	464,158,945
i) Principal Amount	708,686,201	Nil	Nil	708,686,201
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	5,89,979	Nil	Nil	5,89,979
Total (i+ii+iii)	709,276,180	Nil	Nil	709,276,180



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

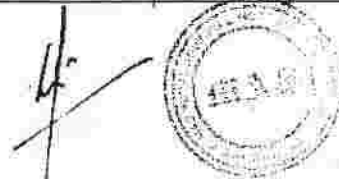
A. Remuneration to Managing Director, Whole time director and/or Manager: (In Rs.)

Sl No.	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		Kamlesh Gandhi MD	Mukesh Gandhi WTD	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961. (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961. (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	19,36,500 Nil Nil	19,36,500 Nil Nil	38,73,000 Nil Nil
2	Stock option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others (specify)	Nil Nil	Nil Nil	Nil Nil
5	Others, please specify (Electricity Charges Reimbursement)	Nil	Nil	Nil
	Total A	19,36,500	19,36,500	38,73,000
	*Ceiling as per the Act			42,00,000

*Note: Remuneration of directors exceeds the limits mentioned in section 197 of the Companies Act, 2013. however, it is within the limits specified in Part II of Schedule V to Companies Act, 2013.

B. Remuneration to other directors: (In Rs.)

Sl.No.	Particulars of Remuneration	Name of the Directors			Total Amount
		Balabhaskaran	Jagdish Joshipura	Chetan Shah	
1	Independent Directors				
1	(a) Fee for attending board committee meetings	1,08,000	90,000	72,000	2,70,000
1	(b) Commission	Nil	Nil	Nil	Nil
1	(c) Others, please specify.	Nil	Nil	Nil	Nil
	Total (1)	1,08,000	90,000	72,000	2,70,000



2	Other Non Executive Directors				
	(a) Fee for attending board committee meetings	Nil	Nil	Nil	Nil
	(b) Commission	Nil	Nil	Nil	Nil
	(c) Others, please specify.	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	1,08,000	90,000	72,000	2,70,000
	Total Managerial Remuneration	N.A	N.A	N.A	N.A
	* Overall Ceiling as per the Act.	N.A	N.A	N.A	N.A

* Note: As there is no managerial remuneration paid to the Non-Executive Directors/Independent Directors other than sitting fees to the Independent Directors and hence, the Ceiling limit shall not be applicable in our Company.

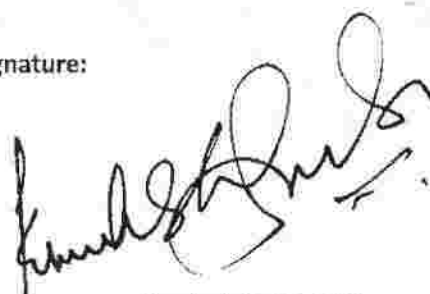
C. Remuneration To Key Managerial Personnel other than MD/Manager/WTD (In Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	Total
		Company Secretary	
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	2,25,327	2,25,327
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission - as % of profit - others (specify)	Nil Nil	Nil Nil
5	Others, please specify	Nil	Nil
	Total	2,25,327	2,25,327

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NONE

Date: 03.06.2015
Place: Ahmedabad

Signature:



Kamlesh C. Gandhi
(Chairman & Managing Director)



ANNEXURE B TO DIRECTORS' REPORT

MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED

FORM NO. AOC -2

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

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

1. Details of Contracts or Arrangements or Transactions at Arms length basis for the year ended 31st March, 2015.

Sl No.	Particulars	Details
a	Name(s) of the related party & nature of relationship	Mas Financial Services Limited
b	Nature of contracts/arrangements/transaction	Availing of Services
c	Duration of the contracts/arrangements/transaction	One Year
d	Salient terms of the contracts or arrangements or transaction including the value, if any	MFSL agrees to provide MRHMFL within the premises the amenities, services, facilities-Usage of commercial premises of MFSL, furnitures & fixtures including computers, telephone lines, networks, use of water and water supply, and other necessary amenities for carrying on business activities smoothly.
e	Justification for entering into such contracts or arrangements or transactions.	MRHMFL is in requirement of the premises, assets and infrastructure which is available with MFSL. So, to fully utilise the premises, MRHMFL has requested MFSL to provide several amenities, services, facilities-Usage of commercial premises for carrying on



		business smoothly.
f	Date of approval by the Board	23.07.2014
g	Amount paid as advances, if any	No such amount was paid as advances.
h	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	23.07.2014

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

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

Date: 03.06.2015
Place: Ahmedabad

Signature:



Kamlesh C. Gandhi
(Chairman & Managing Director)



Independent Auditors' Report

To
The Members of
MAS Rural Housing and Mortgage Finance Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the annexed Balance sheet of **MAS Rural Housing and Mortgage Finance Limited**, which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Auditor's Responsibility

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

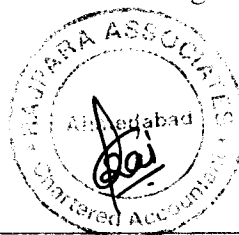
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;



- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to our best of our information and according to the explanations given to us:



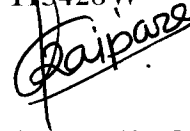
RAJPARA ASSOCIATES

Chartered Accountant

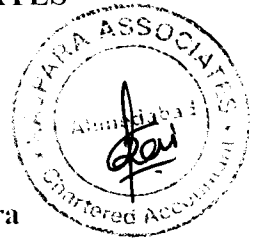
- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required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

Place : Ahmedabad
Date : 03-06-2015

For RAJPARA ASSOCIATES
Chartered Accountants
FRN 113428W



Chandramaulin J. Rajpara
M. No. 046922
Partner



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

(i) In respect of its fixed assets:

- (a) The company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) The fixed assets were physically verified during the year by the management in accordance with a regular program of verification which, in our opinion, is reasonable have regard to the size of the company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (ii) The company being a Non-banking Financial Company has no inventory. Accordingly the provisions of clauses 3(ii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly the provisions of clauses 3(iii) (a) and (b) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regards to purchases of fixed assets and the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system and Company routine affairs.
- (v) According to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed thereunder
- (vi) In respect of the activities of the Company, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- (vii) According to information and explanations given to us, in respect of statutory dues:
 - (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it as on balance sheet.



RAJPARA ASSOCIATES

Chartered Accountant

- (b) According to the records of the company, there are no disputed statutory dues for income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess.
- (c) According to the records of the company, no amount is lying with the company which is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (viii) The company neither has any accumulated losses nor has incurred any cash losses during the financial year covered by our audit and the immediate preceding financial year.
- (ix) The company has not defaulted in repayment of dues to financial institution, or a bank.
- (x) During the year, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) In our opinion and according to information and explanations given to us, term loans have been applied for the purposes for which they were obtained.
- (xii) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

Place : Ahmedabad
Date : 03-06-2015

For RAJPARA ASSOCIATES
Chartered Accountants
FRN 113428W

Chandramaulin J. Rajpara
M. No. 046922
Partner



MAS RURAL HOUSING AND MORTGAGE FINANCE LIMITED

BALANCE SHEET AS AT 31ST MARCH 2015

	Notes	As at 31st March 2015 Rupees	As at 31st March 2014 Rupees
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	180,349,200	163,500,000
Reserves and Surplus	4	47,359,949	28,271,077
		227,709,149	191,771,077
Non-current liabilities			
Deferred Tax Liability	5	2,965,064	-
Long-term borrowings	6	509,414,908	402,170,548
Long-term provisions	7	4,625,958	3,157,751
		517,005,930	405,328,299
Current liabilities			
Short-term borrowings	8	19,949,234	-
Trade payables		517,809	225,533
Other current liabilities	9	181,325,748	63,188,657
Short-term provisions	10	2,285,083	1,860,495
		204,077,874	65,274,685
TOTAL		948,792,953	662,374,062
ASSETS			
Non-current assets			
Fixed assets	11		
Tangible assets		611,006	303,885
Intangible assets		-	-
		611,006	303,885
Deferred Tax Asset	5	-	1,081,456
		-	1,081,456
Long-term loans and advances	12	743,774,648	558,880,706
		743,774,648	558,880,706
Current assets			
Cash and Bank Balances	13	3,438,596	7,058,780
Short-term loans and advances	12	194,282,882	91,297,276
Other current assets	14	6,685,821	3,751,958
		204,407,299	102,108,014
TOTAL		948,792,953	662,374,062
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Rajpara Associates
Chartered Accountants
Firm's Registration Number: 113428W

Chandramaulin Rajpara
Partner
Membership No.046922



VR
Vrunda Patel
(Company Secretary)

For and on behalf of the Board of Directors

Kamlesh C. Gandhi

Kamlesh C. Gandhi
(Chairman & Managing Director)

Mukesh C. Gandhi

Mukesh C. Gandhi
Whole Time Director &
Chief Financial Officer

Place : Ahmedabad
Date : 03-06-2015

Place : Ahmedabad
Date : 03-06-2015

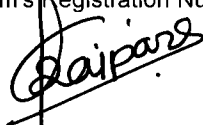
MAS RURAL HOUSING AND MORTGAGE FINANCE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

	Notes	Year ended 31st March 2015 Rupees	Year ended 31st March 2014 Rupees
INCOME			
Revenue from Operations	15	117,560,016	73,811,012
Other Income	16	732,547	230,518
Total Revenue		118,292,563	74,041,530
EXPENDITURE			
Employee Benefits Expense	17	17,244,609	13,398,137
Finance Costs	18	62,810,536	35,238,844
Depreciation and Amortisation Expenses	19	95,641	66,364
Provisions	20	1,468,207	1,051,719
Other Expenses	21	7,197,128	5,284,241
Total Expenses		88,816,121	55,039,305
Profit Before Tax		29,476,442	19,002,225
Tax Expense:			
Current Tax		8,140,000	5,500,000
Deferred Tax		1,427,241	(447,619)
Profit for the year		19,909,201	13,949,844
Earnings per equity share (of face value Rs. 10 each):	22		
Basic		1.18	0.94
Diluted		1.18	0.94
See accompanying notes forming part of the financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

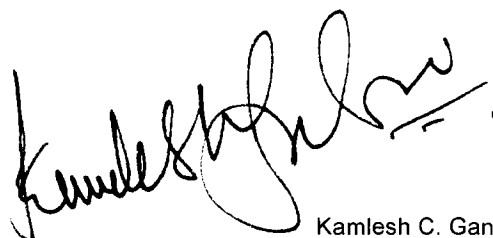
 For Rajpara Associates
Chartered Accountants
Firm's Registration Number:113428W



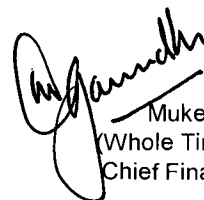
 Chandramaulin Rajpara
Partner
Membership No.046922



 Vrunda Patel
(Company Secretary)



 Kamlesh C. Gandhi
(Chairman & Managing Director)



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

 Place : Ahmedabad
Date : 03-06-2015

 Place : Ahmedabad
Date : 03-06-2015

MAS RURAL HOUSING AND MORTGAGE FINANCE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

	Year ended 31st March 2015		Year ended 31st March 2014	
	Rupees		Rupees	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		29,476,442		19,002,225
Adjustments for :				
Depreciation & Amortisation	95,641		66,364	
Finance Costs	62,810,536		35,238,844	
Contingent Provision against Standard Assets	1,468,207		1,051,719	
Interest Income from Bank Deposits	(713,505)		(34,161)	
Dividend Income	-	63,660,879	(103,357)	36,219,409
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		93,137,321		55,221,634
Changes in Working Capital:				
(Increase) / Decrease in Loans & Advances	(287,879,548)		(242,922,758)	
(Increase) / Decrease in Other Assets	(2,722,082)		(1,245,126)	
Increase / (Decrease) in Trade Payables	292,275		43,007	
Increase / (Decrease) in Short-term Provisions	201,448		79,619	
Increase / (Decrease) in Other Current Liabilities	803,429	(289,304,478)	691,355	(243,353,903)
CASH GENERATED FROM / (USED IN) OPERATIONS		(196,167,157)		(188,132,269)
Finance Costs	(62,810,536)		(35,238,844)	
Income Tax Paid	(8,566,300)	(71,376,836)	(5,356,898)	(40,595,742)
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES [A]		(267,543,993)		(228,728,011)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets	(456,162)		-	
Interest Income from Bank Deposits	713,505		34,161	
Dividend Income	-		103,357	
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES [B]		257,343		137,518
C. CASH FLOW FROM FINANCING ACTIVITIES				
Dividends paid including Dividend Distribution Tax	(860,791)		-	
Proceeds from Issue of Shares	20,000,000		20,000,000	
Net Increase in Working Capital Borrowings	19,949,234		-	
Increase/(Decrease) in Long Term Borrowings	224,578,022		214,480,320	
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES [C]		263,666,465		234,480,320
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(3,620,185)		5,889,827
Cash and Cash Equivalents at the beginning of the year		7,058,780		1,168,953
Cash and Cash Equivalents at the end of the year		3,438,596		7,058,780



MAS RURAL HOUSING AND MORTGAGE FINANCE LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015****Notes:**

1 Cash and cash equivalents at the end of the year comprises:

- (a) Cash on Hand
- (b) Balances with banks
In Current Accounts

Year ended 31st March 2015 Rupees	Year ended 31st March 2014 Rupees
1,546,000	557,535
1,892,596	6,501,245
3,438,596	7,058,780

2 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

3 Previous year's figures have been regrouped / reclassified wherever necessary.

See accompanying notes forming part of the financial statements

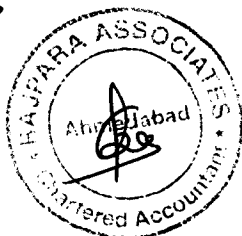
In terms of our report attached

For Rajpara Associates
Chartered Accountants

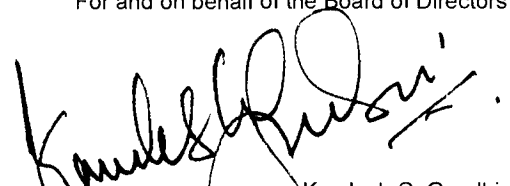
Firm's Registration Number: 113428W

Chandramaulin Rajpara
Partner

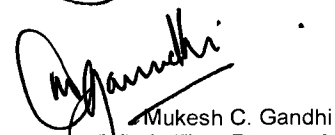
Membership No. 046922



For and on behalf of the Board of Directors


Kamlesh C. Gandhi
(Chairman & Managing Director)


Vrunda Patel
(Company Secretary)


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

Place : Ahmedabad

Date : 03-06-2015

Place : Ahmedabad

Date : 03-06-2015

MAS RURAL HOUSING AND MORTGAGE FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

	As at 31st March 2015 Rupees	As at 31st March 2014 Rupees
Note 3. Share Capital		
Authorized 23,000,000 Equity Shares of Rs. 10/- each. (Previous Year 17,500,000 share of Rs 10/- each)	230,000,000	175,000,000
	230,000,000	175,000,000
Issued, Subscribed and Fully Paid-Up: 18,034,920 Equity Shares of Rs.10 each fully paid-up. (Previous Year 16,350,000 share of Rs 10/- each)	180,349,200	163,500,000
	180,349,200	163,500,000

3.1 Details of Shares held by Holding Company, Subsidiary or Associates:

Particulars	As at 31st March 2015		As at 31st March 2014	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares held by: Mas Financial Services Ltd. - Holding Company	10,750,000	107,500,000	10,750,000	107,500,000
	10,750,000	107,500,000	10,750,000	107,500,000

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

Particulars	As at 31st March 2015		As at 31st March 2014	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Outstanding at the beginning of the period	16,350,000	163,500,000	14,350,000	143,500,000
Add :Issued during the period	1,684,920	16,849,200	2,000,000	20,000,000
Outstanding at the end of the period	18,034,920	180,349,200	16,350,000	163,500,000

Equity Shares issued during the year rank pari passu with existing equity share capital of the company for voting rights & dividends.

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

Class of shares / Name of shareholder	As at 31st March 2015		As at 31st March 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity Shares				
MAS Financial Services Limited (Holding Co.)	10,750,000	59.61%	10,750,000	65.75%
Mukesh C. Gandhi	3,037,310	16.84%	2,194,850	13.42%
Kamlesh C. Gandhi	2,060,980	11.43%	1,639,750	10.03%
Sweta K. Gandhi	1,821,330	10.10%	1,400,100	8.56%

3.4 Proposed Dividend

Particulars	As at 31st March 2015	As at 31st March 2014
The Final Dividend Proposed for the year is as follows:		
On equity Shares of Rs.10 each		
Dividend per equity Share (Rs.)	0.060	0.045
Dividend %	0.60%	0.45%



MAS RURAL HOUSING AND MORTGAGE FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

	As at 31st March 2015 Rupees	As at 31st March 2014 Rupees
Note 4. Reserves and Surplus		
Securities Premium Reserve		
Opening Balance	-	-
Additions during the year	3,150,800	-
Closing Balance	3,150,800	-
Reserve fund u/s. 29-C of NHB Act,1987:		
Opening Balance		
a. Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	302,481	302,481
b. Amount of Special Reserve u/s 36(i)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve u/s 29C of The NHB Act, 1987	8,126,384	3,926,384
c. Total	8,428,865	4,228,865
Addition / Appropriation / Withdrawal during the year		
Add:		
a. Amount transferred u/s 29C of the National Housing Bank Act, 1987	-	-
b. Amount of Special Reserve u/s 36(i)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve u/s 29C of The NHB Act, 1987	6,280,000	4,200,000
Less:		
a. Amount appropriated u/s 29C of the National Housing Bank Act, 1987	-	-
b. Amount withdrawn from Special Reserve u/s 36(i)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve u/s 29C of The NHB Act, 1987	-	-
Closing Balance		
a. Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	302,481	302,481
b. Amount of Special Reserve u/s 36(i)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve u/s 29C of The NHB Act, 1987	14,406,384	8,126,384
c. Total	14,708,865	8,428,865
Surplus in Statement of Profit and Loss		
Opening Balance	19,842,212	10,953,159
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer Note 11)	(36,074)	-
Add: Profit for the year	19,909,201	13,949,844
	39,715,340	24,903,003
Less : Appropriations		
Deferred Tax Liability on Opening Balance of Special Reserve (Refer Note 4.2 below)	2,636,605	-
Reserve u/s.29-C of NHB Act.1987 & Special Reserve U/s 36(1)(viii) of Income Tax Act,1961	6,280,000	4,200,000
Proposed Dividend on Equity Shares	1,082,095	735,750
Dividend Distribution Tax on Proposed Dividend	216,355	125,041
Total Appropriations	10,215,055	5,060,791
Net Surplus in Statement of Profit and Loss	29,500,284	19,842,212
Total Reserves and Surplus	47,359,949	28,271,077

Note 4.1 Special Reserve has been created in terms of Section 36(1) (viii) of the income Tax Act,1961 out of the distributable profits of the company. As per Section 29C of NHB Act, 1987, the company is required to transfer at least 20% of its net profits prior to distribution of dividend every year to a reserve. For this purpose any Special Reserve created by the company in terms of Section 36(1) (viii) of the income Tax Act, 1961 is considered an eligible transfer.

Note 4.2 As per NHB Circular No.65/2014-15 dated 22.08.14, Deferred tax Liability is created on Opening balance of Special Reserve u/s. 36(1)(viii) of Income Tax Act and adjusted to opening balance of Profit & Loss a/c. The deferred tax liability on current year transfer to special reserve has been appropriated to Profit & Loss account.



MAS RURAL HOUSING AND MORTGAGE FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

	As at 31st March 2015 Rupees	As at 31st March 2014 Rupees
Note 5. Deferred Tax Asset		
Tax effect of items constituting Deferred Tax Liability		
1. Difference between book depreciation and depreciation under Income-tax Act, 1961	(42,984)	(58,575)
2. Transfer to Special Reserves	(2,037,546)	-
Total Deferred Tax Assets	(2,080,530)	(58,575)
Tax effect of items constituting Deferred Tax Assets		
1. Contingent Provision for Standard Assets	1,500,892	1,024,532
2. Provision for Leave Encashment	144,112	115,499
3. Expenses eligible for deduction under section 35D of the Income-tax Act, 1961	107,069	-
Total Deferred Tax Assets	1,752,072	1,140,032
Deferred Tax (Liability) / Asset	(328,458)	1,081,456
Creation of Deferred tax Liability on Opening balance of Special Reserve u/s. 36(1)(viii) of Income Tax Act, as per NHB Circular No.65/2014-15 (Refer Note 4.2)		
Opening Balance of Special Reserves	8,126,384	-
Deferred Tax Liability @ 32.445% to be adjusted directly to Reserves & Surplus	(2,636,605)	-
Total Deferred Tax (Liability) / Asset	(2,965,064)	1,081,456

	Non Current		Current	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
Note 6. Long Term Borrowings				
Term Loans				
(Refer Note No. 6.1)				
Secured				
i. From National Housing Bank	55,635,000	33,599,000	5,334,000	3,417,000
ii. From Banks	453,779,908	368,571,548	173,988,059	58,571,397
	509,414,908	402,170,548	179,322,059	61,988,397

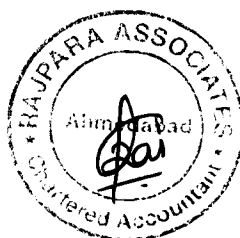
	Current	
	As at 31st March 2015	As at 31st March 2014
Note 7. Long-term Provisions		
Contingent Provision against Standard Assets	4,625,958	3,157,751
	4,625,958	3,157,751

The company has complied with the norms prescribed under Housing Finance Companies (NHB) Directions, 2001 as amended on 6th September, 2013 for recognizing Provision on Standard Assets in preparation of accounts. Pursuant to such norms, loan portfolio was classified into housing and non-housing loans and a provision of 0.4% on total portfolio of housing loans, 1% on Non Housing loans (including Project Finance for Non-Housing Projects) & 0.75% on Project Finance for Housing Projects (all Standard Assets) has been provided for.



MAS RURAL HOUSING AND MORTGAGE FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

Note 7.1 Provision for Standard Asset	As at 31st March 2015	As at 31st March 2014
	Housing	
As on March 31	725,286,229	512,551,410
Debtors	483,489	173,891
Total	725,769,718	512,725,301
Rate of Provisioning	0.40%	0.40%
Provision	2,903,079	2,050,901
	Non Housing	
As on March 31	47,775,738	31,546,949
Debtors	16,183	35,821
Total	47,791,921	31,582,770
Rate of Provisioning	1.00%	1.00%
Provision	477,919	315,828
	Project Funding for Housing	
As on March 31	155,779,487	105,469,573
Debtors	2,215,185	-
Total	157,994,672	105,469,573
Rate of Provisioning	0.75%	0.75%
Provision	1,184,960	791,022
	Project Funding for Non-Housing	
As on March 31	6,000,000	-
Debtors	-	-
Total	6,000,000	-
Rate of Provisioning	1.00%	1.00%
Provision	60,000	-
Total Provision for Standard Assets	4,625,958	3,157,751
Note: All the assets of the company qualify as a standard asset as per the guidelines issued by the authorities. As on 31.03.2015 the company is not having any sub-standard, doubtful or Loss assets.		
	As at 31st March 2015 Rupees	As at 31st March 2014 Rupees
Note 8. Short-term borrowings		
Secured		
Loans repayable on demand:		
From Banks:		
Cash Credit	19,949,234	-
	19,949,234	-
8.1 Cash Credit from Bank is secured by exclusive hypothecation of book debts created out of this facility and it is also guaranteed by personal guarantee of directors.		
Note 9. Other Current Liabilities		
Current Maturities of long-term debt (Refer Note Nos. 6 & 6.1)	179,322,059	61,988,397
Interest accrued but not due on borrowings	589,979	-
Other Payables:		
Statutory remittances (Contributions to PF and ESIC, Service Tax, etc.)	429,871	387,930
Advance payments received	983,839	812,330
	181,325,748	63,188,657
Note 10. Short-term Provisions		
Provision for Employee Benefits	986,633	785,185
Provision for Tax (net of Advance Tax)	-	211,519
Provision for proposed equity dividend	1,082,095	735,750
Provision for dividend distribution tax on proposed equity dividend	216,355	125,041
	2,285,083	1,860,495

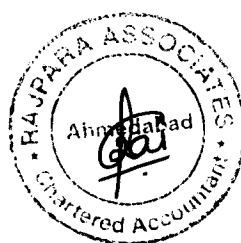


6.1 Details of terms of redemption/repayment and security provided in respect of long-term borrowings:

	Amount Non Current	Amount Current	Terms of Redemption/ Repayment	Security
Term Loans from Banks				
Term Loan - I	34,821,576	14,285,682	Repayable in 28 Quarterly installments from 24/03/2011. Rate of interest: Base Rate+Spread Maturity Period: > 5 year	Loan is secured by Hypothecation on receivables, Negative lien on the assets of the company excluding specific immovable properties mortgage in favour of Debenture Trustee against NCDs and SLR Deposits. Corporate Guarantee of MAS Financial Services Ltd. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - II	237,291,664	58,333,336	Repayable in 24 Quarterly installments from 28/02/2014. Rate of interest: BR+7.30%+TP0.50%-7.25% Maturity Period: > 5 year	Loan is secured by Hypothecation on receivables. An irrevocable Power of Attorney in banks favour authorizing bank to recover monies directly from the ultimate borrowers if need arises and to file suit in the name of MRHMFL for recovery
Term Loan - III	11,794,000	2,238,000	Repayable in 27 Quarterly installments from 01/07/2013. Rate of interest: 0.16Cr: 6.75% 1.26Cr: 7.25% 0.19Cr: 7.50% 0.39Cr: 7.75% Maturity Period: > 5 year	A first exclusive mortgage and/or a first exclusive charge by way of hypothecation of such of the book debts.
Term Loan - IV	75,000,002	14,285,714	Repayment in 28 Quarterly Installment from 30/04/2014 Rate of interest: BBR+50bps p.a. Maturity Period: >5 Year	Loan is secured by Hypothecation on receivables, Negative lien on the assets of the company excluding specific immovable properties mortgage in favour of Debenture Trustee against NCDs and SLR Deposits. Corporate Guarantee of MAS Financial Services Ltd. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - V	43,841,000	3,096,000	Repayment in Quarterly Installment for 13 Years from 30/06/2014 Rate of interest: 10.55% P.A. Maturity Period: >5 Year	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts. The total assets coverage available would be to the extent 120% of the amount refinanced.
Term Loan - VI	-	78,749,991	Repayment in 4 Quarterly Installment within 12 months from 07/11/2014. Rate of interest: 11.35% P.A. Maturity Period:	First & Exclusive Hypothecation of Specific Receivables worth 1.11 times the term loan amount which are not more than 30 days overdue.
Term Loan - VII	59,583,333	5,416,668	Repayment in 24 Quarterly Installment from 19/12/2015. Rate of interest: Base rate + 1.00% P.A. Maturity Period: >5 Year	First & Exclusive Charge by way of Hypothecation of such of the book debts, which are financed to be financed by the company out of the bank finance.



	Amount Non Current	Amount Current	Terms of Redemption/ Repayment	Security
Term Loan - VIII	4,583,333	416,668	Repayment in 24 Quarterly Installment from 19/12/2015. Rate of interest: Base rate + 0.75% P.A. Maturity Period: >5 Year	First & Exclusive Charge by way of Hypothecation of such of the book debts, which are financed to be financed by the company out of the bank finance. Company to maintain 1.053 time security cover of the outstanding amount of the term loan on a continuous basis during the tenure of TL.
Term Loan - VIII	17,500,000	2,500,000	Repayment in 8 Quarterly Installment from 12/02/2016. Rate of interest: Base rate + 1.5% P.A. Maturity Period: <5 Year	Hypothecation of the Receivables arising out of onward lending of Rupee Term loan extended by the Bank.
Term Loan - IX	25,000,000	-	Repayment in 20 Quarterly Installment within 12 months from 30/12/2015. Rate of interest: Base rate + 0.25% P.A. Maturity Period:	Hypothecation of the Receivables arising out of onward lending of Rupee Term loan extended by the Bank.
Total Term Loans from Banks	509,414,908	179,322,059		



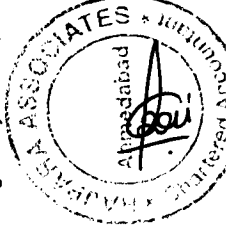
MAS RURAL HOUSING AND MORTGAGE FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

Note 11. Fixed Assets

NATURE OF ASSETS	GROSS BLOCK (AT COST)					DEPRECIATION				NET BLOCK	
	As at 31st March 2014	Additions during the year	Deductions during the year	As at 31st March 2015	As at 31st March 2014	Transition adjustment recorded against Surplus balance in Statement of Profit and Loss	For the year (refer note below)	As at 31st March 2015	As at 31st March 2015	As at 31st March 2015	As at 31st March 2014
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Tangible assets											
Computer	354,015	298,800	-	652,815	203,834	52,359	64,232	320,425	332,390	150,181	
Franking Machine	189,000	-	-	189,000	35,296	-	13,887	49,183	139,817	153,704	
Furniture & Fixture	-	25,987	-	25,987	-	-	459	459	25,528	-	
Office Equipments	-	131,375	-	131,375	-	1,041	17,063	18,104	113,271	-	
Total	543,015	456,162	-	999,177	239,130	53,400	95,641	388,171	611,006	303,885	303,885
Previous Year	543,015	-	-	543,015	172,766	-	66,364	239,130	303,885	370,249	

Note :

During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 ("the Act"), the Company has adopted the useful lives of fixed assets as specified in Schedule II of the Act, w.e.f. 1st April, 2014. Accordingly, the unamortised carrying value of the assets as on that date is being depreciated over their revised remaining useful lives. Pursuant to the transitional provisions prescribed in Schedule II to the Act, the Company has fully depreciated the carrying value of assets, where the remaining useful life of the asset was determined to be Nil as on 1st April, 2014, and has adjusted an amount of Rs. 36,074 (net of deferred tax) against the opening balance of surplus in the Statement of Profit and Loss under Reserves and Surplus. Had the Company continued to follow the earlier useful lives, the depreciation expense for the year would have been lower by Rs. 21,588; profit for the year would have been higher by Rs. 21,588 and the net block of fixed assets would have been higher by Rs. 74,988.



MAS RURAL HOUSING AND MORTGAGE FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

	Non Current		Current	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
Note 12. Loans and advances				
(A) Loans to Customers				
Housing Loan	683,873,616	489,835,926	41,412,613	22,715,484
Non Housing Loan	38,711,242	28,661,607	9,064,496	2,885,342
Project Funding for Housing	18,603,802	40,383,173	137,175,686	65,086,400
Project Funding for Non-Housing	2,585,988	-	3,414,012	-
Installment & Other Dues from Borrower's	-	-	2,714,607	209,712
	743,774,648	558,880,706	193,781,414	90,896,938
Of the above:				
Considered Good	743,774,648	558,880,706	193,781,414	90,896,938
Considered Doubtful	-	-	-	-
Total Loans to Customers (A)	743,774,648	558,880,706	193,781,414	90,896,938
Notes:				
# Loans granted by the Company are secured or partly secured by Equitable mortgage of property and / or Pledge of shares, other Securities, assignments of Life Insurance policies and/or Hypothecation of assets and /or Bank guarantees, Company guarantees or Personal guarantees and /or Undertaking to create a security.				
## The Company has advanced housing Loan to two of its officers and amount of total principal outstanding as on				
March 31 is as follows:				
	Non Current		Current	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
Loans to Staff	4,104,848	4,263,688	158,840	142,395
	4,104,848	4,263,688	158,840	142,395
(B) Other Loans and Advances				
(i) Security deposits				
Unsecured, considered good	-	-	297,000	100,000
(ii) Prepaid expenses	-	-	-	177,466
(iii) Advances recoverable in cash or kind				
Unsecured, considered good	-	-	204,468	122,872
Total Other Loans and Advances (B)	-	-	501,468	400,338
Total Loans and Advances (A) + (B)	743,774,648	558,880,706	194,282,882	91,297,276



MAS RURAL HOUSING AND MORTGAGE FINANCE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

	Non Current		Current	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
Note 13. Cash and Bank Balances				
Cash and Cash Equivalents				
Cash on Hand	-	-	1,546,000	557,535
Balances with Banks:				
In Current Accounts	-	-	1,892,596	6,501,245
Total:	-	-	3,438,596	7,058,780
Note 14. Other Current Assets				
Interest Accrued On Term Loans			6,238,463	3,706,198
Others				
Income Receivable			235,577	45,760
Advance Tax (Net of Provisions)			211,781	-
			6,685,821	3,751,958



MAS RURAL HOUSING AND MORTGAGE FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

	Year ended 31st March 2015 Rupees	Year ended 31st March 2014 Rupees
Note 15. Revenue from operations		
Income from Financing Activity		
i) Interest Income		
Housing Loan	77,254,698	52,167,203
Non Housing Loan	6,044,682	3,641,628
Project Funding for Housing	25,412,591	11,216,088
Project Funding for Non-Housing	17,736	-
ii) Other Operating Revenue		
Service Charges, OBC Charges, etc.	8,830,309	6,786,093
	117,560,016	73,811,012
Note 16. Other Income		
Interest Income:		
On Bank Deposits	713,505	34,161
Dividend Income:	-	103,357
Other Non Operating Income:		
Miscellaneous Income	19,042	93,000
	732,547	230,518
Note 17. Employee Benefits Expense		
Salaries, Bonus and Allowances	10,867,191	9,234,019
Contributions to Provident & Other Funds	408,240	436,114
Staff Welfare Expenses	42,195	29,269
Commission	5,766,818	3,486,259
Provision for Leave Encashment	88,187	170,962
Training Expense	71,978	41,514
	17,244,609	13,398,137
Note 18. Finance Costs		
Interest:		
On Bank Borrowings	60,940,484	32,526,037
On Others	-	864,768
	60,940,484	33,390,805
Other Borrowing Costs	1,870,051	1,848,039
	62,810,536	35,238,844



MAS RURAL HOUSING AND MORTGAGE FINANCE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

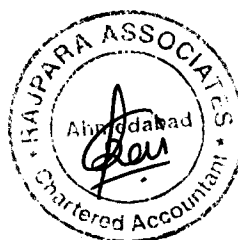
	Year ended 31st March 2015 Rupees	Year ended 31st March 2014 Rupees
Note 19. Depreciation and Amortisation		
Depreciation on tangible assets	95,641	66,364
	95,641	66,364
Note 20. Provisions		
Contingent Provision against Standard Assets	1,468,207	1,051,719
	1,468,207	1,051,719
Note 21. Other Expenses		
Rent	1,237,026	750,000
Service Tax	257,523	168,642
Stationery & Printing	241,592	133,673
Telephone	68,854	7,946
Postage & Courier	125,001	108,424
Insurance	280,384	142,218
Conveyance	759,917	569,673
Travelling	385,050	396,385
Repairs & Maintenance	89,319	48,436
Professional Fees (Refer Note 21.1 below)	2,433,318	1,848,550
Director's Sitting Fees	300,000	225,000
ROC Expenses	462,797	185,150
Advertisement Expenses	365,207	600,476
Sales Promotion Expenses	38,052	59,061
Miscellaneous Expenses	153,088	40,607
	7,197,128	5,284,241
Note 21.1		
Professional fee includes Payment to Statutory Auditors		
As Auditors:		
Statutory Audit Fees	85,000	75,000
Other Services	67,500	65,000
	152,500	140,000



MAS RURAL HOUSING AND MORTGAGE FINANCE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

	Year ended 31st March 2015 Rupees	Year ended 31st March 2014 Rupees
Note 22. Earnings Per Share		
Computation of Profit (Numerator)		
Net Profit for the year attributable to Equity Shareholders	19,909,201	13,949,844
Computation of Weighted Average Number of Shares (Denominator)	Nos.	Nos.
Weighted average number of Equity Shares of Rs. 10 each used for calculation of basic Earnings per Share *	16,820,854	14,909,726
Basic Earnings per Share of face value of Rs. 10 each (in Rs.)	1.18	0.94
Diluted Earnings per Share of face value of Rs. 10 each (in Rs.)	1.18	0.94
 * The Weighted Average Number of Shares as has been computed as under:	No. of Shares	Days
Subscription of Equity Shares at the start of the year	16,350,000	365
Further allotment of Shares on 30.09.2014	842,460	183
Further allotment of Shares on 11.03.2015	842,460	21
 Weighted Average:		
FY 14-15: $(16350000 \times 365/365) + (842460 \times 183/365) + (842460 \times 21/365) = 16820854$		
Shares		
FY 13-14: $(14350000 \times 365/365) + (700000 \times 199/365) + (700000 \times 92/365) + (600000 \times 1/365) = 14909726$		
Shares		



MAS RURAL HOUSING AND MORTGAGE FINANCE LIMITED

Note-1 CORPORATE INFORMATION

MAS Rural Housing & Mortgage Finance Limited is a public company incorporated under the provisions of Companies Act, 1956. It is registered as a Non Deposit taking Housing Finance Company with the National Housing Bank. The Company provides housing loans, commercial loans and project loans for real estate projects to customers especially in the segment of Affordable Housing in Rural & Urban areas. The activities of the company are spread all over Gujarat, Maharashtra, Madhya Pradesh & Rajasthan.

Note-2 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

1. SIGNIFICANT ACCOUNTING POLICIES :

A. BASIS OF ACCOUNTING

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable, and guidelines issued by the National Housing Bank. The financial statements have been prepared on accrual basis under the historical cost convention. Further, the Company follows the prudential norms for income recognition and provisioning as prescribed by the National Housing Bank. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

B. USE OF ESTIMATES

The preparation of Financial Statements requires the management to make estimates and assumption in the reported amounts of assets and liabilities (including current liabilities) as of the financial statement and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statement as prudent and reasonable. Future result could differ from these estimates.

C. FIXED ASSETS

Fixed Assets are capitalized at cost inclusive of legal and / or installation expenses.

D. DEPRECIATION/ AMORTISATION

Depreciation on tangible fixed assets is provided as per Straight Line Method, over the useful life of the assets specified in Schedule II to the Companies Act, 2013.

Assets costing less than Rs.5000 are fully depreciated in the year of acquisition.

E. INFLATION

Assets and liabilities are recorded at historical cost to the company. These costs are not adjusted to reflect the changing value in the purchasing power of money.

F. INTEREST ON LOANS AND OTHER OPERATING INCOME

Repayment of housing loans is by way of Equated Monthly Installments (EMI) comprising Principal and Interest. Interest on loans is computed either on an annual rest or on a monthly rest basis. EMIs commence once the entire loan is disbursed. Pending commencements of EMIs, Pre EMI Interest is payable every month. Service Charges, Processing Fees, OBC Charges, Admin Fees and documentation charges are booked at the commencement of the loan agreement.

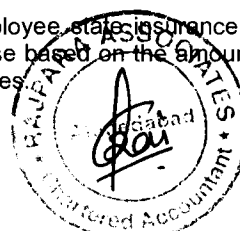
G. INCOME FROM INVESTMENTS

Income from investment is accounted on an accrual basis.

H. EMPLOYEE BENEFITS

Defined contribution plans

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



Defined benefit plans

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

Short-term employee benefits

The undiscounted amounts of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. The amount includes liability on account of accumulated leave balances of employees which is provided for on actual basis when employees render the services that increase their entitlement of future compensated absences.

I. EARNINGS PER SHARE

Basic earnings per share is computed by dividing the profit / loss after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for the effects dividend, interest and other charges relating to the dilutive potential equity shares.

J. TAXES ON INCOME

The accounting treatment for the Income Tax in respect of the Company's income is based on the Accounting Standard on "Accounting for Taxes on Income" (AS – 22) notified by the Companies (Accounting Standards) Rules, 2006. The provision made for Income Tax in accounts comprises both, the current tax and deferred tax.

Deferred Tax is recognized for all timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or subsequently enacted as on the Balance Sheet date. The carrying amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out.

K. CASH FLOW STATEMENT

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

L. LEASES

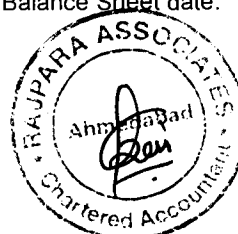
Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

M. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognised when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation.

The Company collects processing fees from applicants of housing/mortgage finance. Those applications, as on Balance Sheet date, which may not have been approved and are subsequently rejected, are eligible for refund of such processing fees. The Company, as a policy, books the amount when received towards processing fees as income and treats the same as expenditure on refund of such processing fees. As per management representation, figure of such refund due to applicants cannot be ascertained since the approval/rejection of these cases cannot be ascertained as on the Balance Sheet date.

Contingent assets are not recognised in the financial statements.



MAS RURAL HOUSING AND MORTGAGE FINANCE LIMITED

Notes Forming Part of the Financial Statements:

23. Additional Information to the Financial Statements:

- A. As per regulations of Housing Finance Companies (NHB) Directions, 2010, on Asset Classification all the assets are Standard Assets. There are no cases which are overdue for more than 90 days.
- B. Expenditure in Foreign Currency – Nil
- C. Earning in Foreign Currency – Nil
- D. Disclosure as required in terms of Paragraph 5 of National Housing Bank Circular No. NHB/ND/DRS/Pol-No. 35/2010-11 dated October 11, 2010 are given in Annexure A forming part of these Financial Statements.

24. Disclosures for operating leases under Accounting Standard 19 – “Accounting for Leases” prescribed by Companies (Accounting Standards) Rules, 2006

The Company has entered into leave & license agreements for taking office premises along with furniture & fixtures as applicable and godown premises on rental basis for a period ranging from 11 to 72 months. The specified disclosure in respect of these agreements is given below:

	Year Ended 31-03-2015 Rupees	Year Ended 31-03-2014 Rupees
1. Lease payments recognised in the Statement of Profit and Loss	1,237,026	750,000
Note:- <ul style="list-style-type: none">i. The company has given refundable, interest free security deposits under certain agreements.ii. Certain agreements contain a provision for their renewal.		

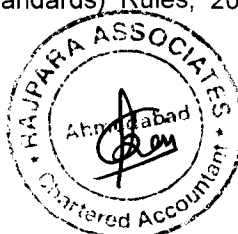
25. In accordance with Accounting Standard (AS) - 13 "Accounting for Investments", Company has made following investments:

Sr. No.	Name of The Bank / Company	Purchase Cost (Rs.)	Sale Proceeds (Rs.)
1	FD With State Bank of India	149,875,000/-	150,588,505/-

The company has earned Interest on FD Rs.713,515/- (Previous Year Rs. 34,161/-) which is classified as "Other Income". The investments are matured / liquidated before the end of the financial year and none of them are long term investments by the company.

26. Employee Benefits

Disclosures as required as per Accounting Standard AS-15 (revised) – “Employee Benefits” prescribed by Companies (Accounting Standards) Rules, 2006 in respect of Gratuity are as under:



26.1 Defined Contribution Plan

The company has recognized the following amount in the statement of profit & loss account which are included under contribution to Provident fund and other fund:

Particulars	2014-15	2013-14
Employer's Contribution to P.F.	2,96,924/-	2,31,680/-
Employer's Contribution to E.D.L.I.C	12,375/-	9,658/-
Employer's Contribution to E.S.I.C.	55,310/-	80,871/-
P.F. Administrative expense	26,836/-	21,440/-

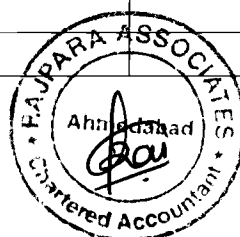
26.2 Defined Benefit Plans

A. Leave Encashment: Company has made provisions for leave encashment as per (AS) - 15 'Employee Benefits' to the amount of Rs.88,187/- (Previous year – Rs.1,70,962/-)

26.3 Contribution to Gratuity Fund

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

		As at/ For the year ended 31 st March 2015 Rupees	As at/ For the year ended 31 st March 2014 Rupees
A	Net liability recognised in the Balance Sheet as at 31st March		
	Present value of funded obligation	72,666	55,721
	Fair value of plan assets	204,476	155,233
	Present value of unfunded obligation	-	-
	Net liability	(131,810)	(99,512)
B	Expense recognised in the profit and loss account for the year		
	Current service cost	28,971	26,555
	Interest on obligation	5,063	-
	Expected return on plan assets	(16,124)	-
	Net actuarial losses (gains) recognised in the year	(15,457)	(196)
	Expenses deducted from the fund	5,940	-
	Prior Year Charge	-	29,166
	Total Charge to Profit & Loss	8,393	55,525
C	Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:		
	Opening defined benefit obligation	55,721	-
	Service Cost	28,971	26,555
	Interest Cost	5,063	-
	Actuarial losses /(gains)	(17,089)	-
	Prior Year Charge	-	29,166
	Benefits paid	-	-
	Closing defined benefit obligation	72,666	55,721



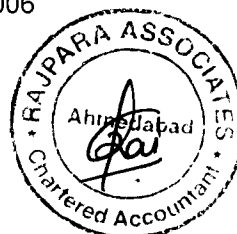
D	Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof:		
	Opening fair value of plan assets	155,233	-
	Expenses deducted from the fund	(5,940)	-
	Expected return	16,124	-
	Actuarial gains / (losses)	(1,632)	196
	Contributions by Employer	40,690	155,037
	Benefits paid	-	-
	Closing balance of fair value of plan assets	204,476	155,233
E	Major categories of plan assets as a percentage of total plan assets:		
	Qualifying insurance policy with LIC	100%	100%
F	Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):		
	Discount rate	7.80%	9.10%
	Expected return on plan assets	8.70%	9.00%
	Annual increase in salary costs*	5.00%	5.00%
	Notes:		
1	Defined Contribution Plans	Year ended 31st March, 2015 Rupees	Year ended 31st March, 2014 Rupees
	Amount recognized as an expense and included in Note 17 of Statement of Profit & Loss.	8,393	55,525
2	Employee Benefit disclosure :		
		As at 31-03-2015 Rupees	As at 31-03-2014 Rupees
	Present value of the defined benefit obligation	72,666	55,721
	Fair value of the plan assets	204,476	155,233
	Deficit/(Surplus) in the plan	131,810	99,512
	Experience adjustments on plan liabilities	(30,847)	-
	Experience adjustments on plan assets	1,632	(196)
	Net Actuarial Loss/(Gain) for the year	(15,457)	(196)

27. Segment Reporting

The Company is engaged primarily in the business of Financing and accordingly there are no separate reportable segments as per Accounting Standard 17 – “Segment Reporting” prescribed by Companies (Accounting Standards) Rules, 2006

28. Related Party Disclosures

Related party disclosures as required by Accounting Standard 18, “Related Party Disclosures”, prescribed by Companies (Accounting Standards) Rules, 2006



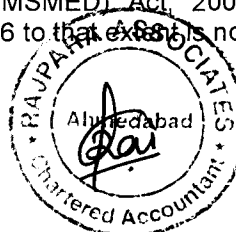
List of related parties and relationships:

Holding Company	: MAS Financial Services Limited
Key Management Personnel	: Mr. Kamlesh C. Gandhi (Managing Director) Mr. Mukesh C. Gandhi (Whole-time Director) Ms. Vrunda Patel (Company Secretary)
Relative of Key Management Personnel	: Mrs. Shweta K. Gandhi
Enterprise over which Key Management Personnel has significant influence	: Mukesh C. Gandhi (HUF)

Related party transactions:

Sr. No.	Nature of transactions	Year ended 31 st March 2015 Rupees	Year ended 31 st March 2014 Rupees
1	Interest Paid on Inter-Corporate Deposit:		
	MAS Financial Services Limited	-	864,768
2	Rent Paid:		
	MAS Financial Services Limited	1,068,333	750,000
3	Inter-Corporate Deposit received from:		
	MAS Financial Services Limited	-	71,000,000
4	Inter-Corporate Deposit repaid to:		
	MAS Financial Services Limited	-	73,000,000
5	Expenditure reimbursed to:		
	MAS Financial Services Limited	10,553,149	7,690,782
6	Remuneration paid:		
	Mr. Kamlesh C. Gandhi	19,36,500	1,929,354
	Mr. Mukesh C. Gandhi	19,36,500	1,929,854
7	Purchase of Equity shares:		
	Mr. Kamlesh C. Gandhi	5,000,000	6,750,000
	Mr. Mukesh C. Gandhi	10,000,000	10,000,000
	Mrs. Shweta K. Gandhi	5,000,000	3,250,000
8	Total Guarantee received:		
	MAS Financial Services Limited	820,000,000	670,000,000
9	Guarantee outstanding as at year end:		
	MAS Financial Services Limited	539,986,974	464,158,945
10	Dividend Paid		
	MAS Financial Services Limited	4,83,750	-
	Mr. Kamlesh C. Gandhi	73,789	-
	Mr. Mukesh C. Gandhi	98,768	-
	Mrs. Shweta K. Gandhi	63,005	-
	Mukesh C. Gandhi (HUF)	16,425	-

29. In the opinion of the Board, the assets of the company have a value on realization in the ordinary course of business at least equal to the amount at which they stated, net of contingency provisions.
30. The Company has not received any intimation from vendors regarding their status under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. In view of this, information required under section 22 of MSMED Act, 2006 to the extent is not given.



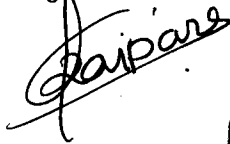
31. Balances of trade payables and loans and advances are subject to confirmation. Adjustments, if any required, will be made on settlement of the account of the parties.

32. Previous Year's Figures

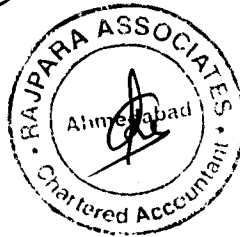
Previous year figures have been regrouped / reclassified to conform to the current year's classification.

In terms of our report attached

For Rajpara Associates
Chartered Accountants
Firm's Registration Number: 113428W



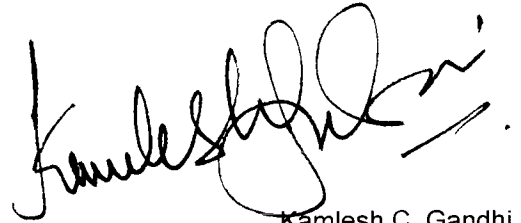
Chandramaulin Rajpara
Partner
Membership No. 046922



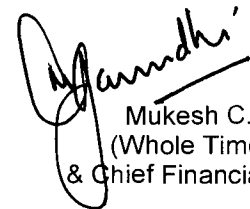
Vrunda Patel
(Company Secretary)

Place: Ahmedabad.
Date : 03-06-2015

For and on behalf of Board of Directors



Kamlesh C. Gandhi
(Chairman & Managing Director)



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

Place: Ahmedabad
Date : 03-06-2015

ANNEXURE A: (FORMING PART OF THE FINANCIAL STATEMENTS)

Disclosure as required in terms of Paragraph 5 of National Housing Bank Circular No.NHB/ND/DRS/Pol-No. 35/2010-11 dated October 11, 2010.

I Capital to Risk Assets Ratio as on 31st March, 2015,

Sr. No.	Item	Current Year	Previous Year
1	CRAR (%)	40.98%	49.83%
2	CRAR – Tier I Capital (%)	40.17%	49.02%
3	CRAR – Tier II Capital (%)	0.82%	0.81%

II Exposure to Real Estate Sector:

			(Rs. In Crores)	
Category			Current Year	Previous Year
a)	Direct Exposures			
	(i)	Residential Mortgages –		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs.15 lakh may be shown separately)		
		-Individual Housing Loan up to Rs. 15 Lakh	65.27	46.32
		-Individual Housing Loan more than Rs. 15 Lakh	7.30	5.43
	(ii)	Commercial Real Estate –		
		Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) Limits;		
		-Individual Commercial Loan up to Rs. 15 Lakh	3.38	2.36
		-Individual Commercial Loan more than Rs. 15 Lakh	1.41	1.00
		-Builders	16.40	10.10
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures –		
		A Residential	Nil	Nil
		B Commercial Real Estate	Nil	Nil
b)	Indirect Exposures			
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		Nil	Nil



III Asset Liability Management

As at 31st March 2015:

(Rs. In Crores)

	1 day To 15- days	16 days To 30- 31 days	Over one month to 2 month	Over 2 month up to 3 month	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 Years	Over 10 years	Total
Liabilities												
Borrowings from banks	1.38	0.54	1.95	1.57	5.60	6.91	23.89	19.77	5.38	1.24	0.67	68.89
Market Borrowings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Assets												
Advances	2.01	0.63	1.46	1.36	4.78	8.86	10.63	10.17	11.56	18.21	23.80	93.48
Investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

As at 31st March 2014:

(Rs. In Crores)

	1 day To 15- days	16 days To 30- 31 days	Over one month to 2 month	Over 2 month up to 3 month	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 Years	Over 10 years	Total
Liabilities												
Borrowings from banks	0.00	0.32	0.70	0.11	1.24	3.83	15.63	14.82	7.83	1.47	0.47	46.42
Market Borrowings	0.00	0.00	0.00	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.20
Assets												
Advances	0.47	0.15	0.59	0.54	2.39	4.93	10.09	7.25	8.12	12.30	18.13	64.96
Investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

