



**MAHARASHTRA RURAL HOUSING AND
MORTGAGE FINANCE LIMITED**

10TH Annual Report

2016-17

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

RAJ 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
Mrs. Darshana Pandya	-	Director
Mr. Bala Bhaskaran	-	Director
Mr. Chetan Shah	-	Director
Mr. Subir Nag	-	Director

Chief Financial Officer:

Mr. Mukesh Gandhi

Company Secretary:

Ms. Vrunda Patel

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,
RAS Rural Housing & Mortgage Finance Limited
Ahmedabad.

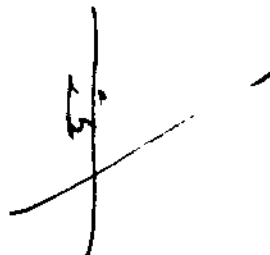
Your Directors have pleasure to present the Tenth Annual Report of your Company together with the Audited Statement of Accounts for the year ended on 31st March, 2017.

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

SUMMARISED FINANCIAL HIGHLIGHTS:

(Amount in Rs.)

Particulars	March 31, 2017	March 31, 2016
Interest Income	21,62,66,959	14,40,81,072
Income from Operations & Other Sources	1,67,81,835	1,32,36,487
Total Income	23,30,48,794	15,73,17,559
Total Expenditure	19,97,20,984	13,29,44,090
Profit before Depreciation and Taxes	3,33,27,810	2,43,73,469
Depreciation and Amortization	41,53,889	22,24,528
Profit before Taxes	2,91,73,921	2,21,48,941
Provision for Taxation (including Deferred Tax)	97,04,451	73,27,433
Profit after Taxes	1,94,69,470	1,48,21,508
Profit brought forward from previous year	3,76,60,631	2,95,00,284
Profit available for Appropriation	5,71,30,101	4,43,21,792
Appropriations		
Reserves u/s. 29-C of the NHB Act, 1987 and Special Reserve u/s 36(1) (viii) of Income Tax Act, 1961	65,20,000	45,70,000
Proposed Dividend (including Interim dividend)	-	17,45,461
Dividend Distribution Tax on Proposed Dividend	-	3,45,700
Surplus Balance carried to B/S	5,06,10,101	3,76,60,631



BUSINESS PERFORMANCE:

The portfolio at the end of the year 2016-17 was Rs.176.43 crores, approx. 31.51% increase as compared to the last year. As we are aware, that the current year had far reaching impact due to demonetization. It impacted the financial services industry, majorly on two very vital parameters, viz. disbursement and the quality of the portfolio. The company could achieve the growth of 31.51%, which was lower than anticipated. The quality of the portfolio remained robust during the period. It is worth mentioning that the same was achieved despite of the impact due to demonetization.

The Company continues to pursue the path of sustainable development and continues to remain 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 company's initiative to fund the affordable housing projects is expected to yield desired results in building up the quality portfolio. Numbers of new housing finance companies have entered the arena this year also; however the market size is too huge as the supply in the affordable housing space is increasing remarkably which creates an opportunity for various well managed Housing Finance Institutions to co-exist.

The government initiative of housing for all accompanied by providing subsidy 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 :

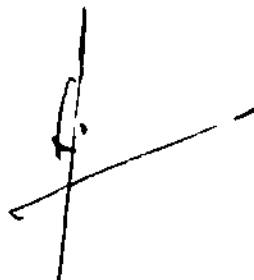
"To be a very significant provider of efficient financial services in the housing loan segment, thereby being the catalyst in realizing the dreams of the millions of households, especially among the LIG and MIG class in semi urban and rural areas and create value on a very large scale."

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 perseverance and patience. The key positive of the same is building up of quality assets.

RURAL INITIATIVE

The rural initiative continues to remain one of the major focuses of the Company. The company believes and practices the policy of adapting to the ground level realities as fast as possible. Based on this understanding, it was felt necessary during the year to consolidate the rural branches to 31 in order to serve the targeted 100 villages. Rural housing finance is undoubtedly a huge market, characterized by number of challenges ranging from financial literacy to acceptable titles of the property. However we are confident of finding sustainable solutions to each of the challenges, we face during our journey.

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



SYSTEMS AND OPERATIONS

The current year also sharpened our learning curve to a considerable extent. The feedback from the customers, relationship officers and the vigilant analysis of the credit team enabled us to frame a well-articulated credit screens which we very firmly believe will be a major lever to serve the targeted segment effectively. The effectiveness of the credit screen is reflected in the quality of the portfolio, where outstanding in post 90 DPD category is 0.40%. The company is now focusing to improve its turnaround time for disbursing the loans without compromising with the quality of credit. Various efforts are undertaken such as training the relationship officers, the branch credit officers, and the credit team at the central processing unit.

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

Various educative 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, 2017 is Rs. 25.51 crores. 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 2017-18.

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

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

STATUTORY AUDITORS

The Board recommends to appoint M/s. Rajpara Associates, Chartered Accountants, Ahmedabad having their Firm Registration Number 113428W, as Statutory Auditors of the Company at the ensuing Annual General Meeting of the Company until the conclusion of fifteenth Annual General Meeting, subject to ratification by members at every Annual General Meeting. The members are requested to consider their appointment.

DIRECTORS

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

During the year under review, Mrs. Darshana Pandya has been appointed as an Additional Director with effect from 14th December, 2016. Board proposes to appoint her at the ensuing Annual General Meeting as director of the Company liable to retire by rotation.



PUBLIC DEPOSITS

The Company has not accepted deposit from public during the year and there was no public deposit outstanding on 31st March, 2017.

DIVIDEND

Your Directors recommend a final dividend at a fixed rate of 8% p.a. to the preference shareholders amounting to Rs. 31,16,712/- and a final dividend at the rate of 0.5% to the equity shareholders amounting to Rs. 9,01,746/- for the financial year ended on 31st March, 2017.

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 4 Board Meetings during the financial year under review.

Sr No.	Date of Meeting	Total Number of Directors as on the date of Meeting	Number of Directors attended
1	20.04.2016	6	6
2	19.08.2016	6	6
3	14.12.2016	5	5
4	07.03.2017	6	6

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- 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.
- 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.
- The directors have prepared the annual accounts on a going concern basis.
- 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.
- The directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.



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

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

NOMINATION AND REMUNERATION COMMITTEE:

The Company constituted its Remuneration Committee on 6th October, 2011 and 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 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 by way of resolution passed in accordance with, provisions of the Companies Act, 2013.

During the year under review the Board of Directors at its meeting held on 14th December, 2016 reconstituted Nomination and Remuneration Committee consisting of the following members:

Sr. No.	Name	Nature of Directorship	Designation in Committee
1.	Prof. Bala Bhaskaran	Independent - Non Executive Director	Chairman
2.	Mr. Chetan Shah	Independent - Non Executive Director	Member
3.	Mr. Subir Nag	Independent - Non Executive Director	Member

Mr. Subir Nag has been appointed as member of the committee with effect from 14th December, 2016.

Mr. Jagdish Joshipura ceased to be the member of the committee with effect from 12th November, 2016.

The composition of committee inter alia meets with the requirement of section 178 of the Companies Act, 2013.

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. 25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 2,30,00,000 (Two Crore Thirty Lacs) equity shares of Rs. 10/- each and 20,00,000 (Twenty Lacs) preference shares of Rs. 10/-each. to Rs. 30,00,00,000/- (Rupees Thirty Crores Only) divided into 2,30,00,000 (Two Crore Thirty Lacs) equity shares of Rs. 10/- each and 70,00,000 (Seventy Lacs) preference 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. 20,03,49,200/- (Rupees Twenty Crores Three Lacs Forty Nine Thousand Two Hundred Only) divided into 1,80,34,920 (One Crore Eighty Lacs Thirty Four Thousand Nine Hundred Twenty) equity shares of Rs. 10/- each and 20,00,000 (Twenty Lacs) 8% optionally convertible preference shares of Rs. 10/- each to Rs. 22,03,49,200/- (Rupees Twenty Two Crores Three Lacs Forty Nine Thousand Two Hundred Only) divided into 1,80,34,920 (One Crore Eighty Lacs Thirty Four Thousand Nine Hundred Twenty) equity shares of Rs. 10/- each and 40,00,000 (Forty Lacs) 8% optionally convertible preference shares of Rs. 10/- each.

CHANGE IN NATURE OF BUSINESS

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

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

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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



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

Sr. No.	Name of the KMP or Director	Designation	Date Appointment	Date of Cessation
1	Mrs. Darshana Pandya	Additional Director	14/12/2016	-
2	Mr. Jagdish Joshipura	Director	-	12/11/2016

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The Board of Directors at its meeting held on 14th December, 2016 re-constituted the Audit Committee consisting of the following members:

Sr. No.	Name	Nature of Directorship	Designation in Committee
1.	Prof. Bala Bhaskaran	Independent - Non Executive Director	Chairman
2.	Mr. Chetan Shah	Independent - Non Executive Director	Member
3.	Mr. Mukesh Gandhi	Whole-Time Director & CFO	Member

Mr. Jagdish Joshipura ceased to be the member of the committee with effect from 12th November, 2016.

Mrs. Darshana Pandya ceased to be the member of the committee with effect from 14th December, 2016.

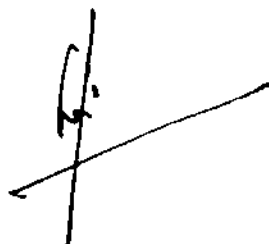
The composition of committee inter alia meets with the requirement of section 177 of the Companies Act, 2013.

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

The Company has established a vigil mechanism and overseas through the Committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of co employees and the Company.

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.

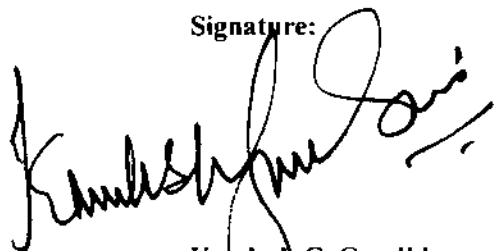


ACKNOWLEDGEMENTS

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: 10.05.2017
Place: Ahmedabad

Signature:

A handwritten signature in black ink, appearing to read 'Kamlesh C. Gandhi', written in a cursive style.

Kamlesh C. Gandhi
(Chairman & Managing Director)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- **Industry Structure and Developments:**

The Indian economy continued to grow at a rate of 7.1% during the year 2016-17. Fiscal deficit and current account deficit as a percentage of GDP improved. According to the Asian Development Bank (ADB), the India's growth rate will improve to 7.4 per cent during 2017-18 and go up further to 7.6 per cent in the next fiscal, remaining ahead of China.

The growth rate of 7.1 per cent during 2016-17 was notwithstanding the fears that demonetisation of high-value currency notes of Rs 500/1,000 in November last year would adversely impact the economic growth.

India also witnessed the passage of the Goods and Service Tax (GST) Bill during the year which altered outlook for the economy.

As the banks have started linking loan rates to the marginal cost-based lending rate or MCLR, Home loan rates will now be more sensitive to changes in policy rates. This is a welcome move for borrowers as the benchmark lending rate will now be linked to incremental deposit rates, which means banks will have to fix their lending rates on the basis of their current cost of funds.

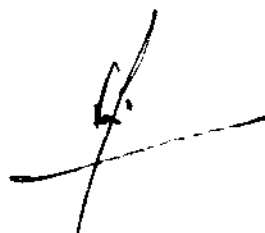
- **Real Estate Industry**

The real estate industry's growth is linked to developments in the retail, hospitality and entertainment (hotels, resorts, cinema theatres) industries, economic services (hospitals, schools) and information technology (IT)- enabled services. It is slated to grow at 30% over the next decade. The real estate industry's dynamics reflect consumers' expectations of higher quality with India's increasing integration with the global economy.

To regulate the real estate sector, the government has come up with Real Estate (Regulation and Development) Act, 2016 (RERA) which is expected to help buyers by protecting their interest and ensure timely delivery of projects.

Budget 2017 has meaningfully enhanced the scope of 'affordable housing' and 'PMAY' for buyers, lenders and developers to include mass-market mid-income affordable housing. The schemes like PMAY - 'Housing for all' is expected to boost the real estate sector.

After the success of CLSS for the EWS/LIG segments announced last year, the Government has announced the second phase of CLSS for the MIG segment for families in the income segment of upto Rs. 18 lacs p.a. for one year period upto December, 2017.



- **Market Scenerio**

The demand for housing is increasingly being made by individuals and households given increasing level of income and prosperity. House prices are an important determinant of household sector's gross and net wealth and thereby of consumption and savings. With the government's initiatives under PMAY, the effective cost of housing has been reduced.

National Housing Bank (NHB) has been playing an important role in regulating and supervising the housing finance companies. NHB also extends refinance in respect of the loans extended by the Housing Finance Companies under its various schemes. The schemes mainly focus on lower income segments still not having full access to the institutionalized housing finance market at subsidized rates which has also helped the portfolio growth of small HFCs focused on faster growing segments like affordable housing finance and self-employed borrower segments.

Overview

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

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

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

- **Loan Products**

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



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

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

- **Marketing Efforts**

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

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

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

- **Disbursements**

MRHMFL disbursed Rs. 82.38 Crores during the year as against Rs. 68.30 Crores in the previous year. MRHMFL disbursed loans of Rs. 36.04 Crore (previous year Rs. 27.25 Crores) for home purchase and renovation and registered a growth of 32.26% in retail home segment. The total disbursements as at March 31, 2017 stood at Rs. 82.38 Crores and registered a growth of 20.61%.

MRHMFL disbursed home loans to 628 families (previous year 527 families) and the average home loan to individuals was maintained at Rs. 0.06 Crores.

MRHMFL disbursed loans of Rs. 2.74 Crores (previous year Rs. 2.96 Crores) for purchase of Non Residential Property/Commercial Property and Rs. 43.60 Crores (previous year Rs. 38.08 Crores) to developers.

- **Loans**

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



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

During the year, MRHMFL's total outstanding loans increased to Rs. 176.43 Crores from Rs. 134.151 Crores and registered a growth of 31.52%.

MRHMFL's total outstanding home loans to individuals of Rs. 112.36 crores constitute 63.69% of the total outstanding loans. Loans to individuals for non-residential premises (NRP) of Rs. 7.61 Crores constituted 4.31% of the total outstanding loans. The outstanding loans to developers of Rs. 56.46 Crore constituted 32% of the total outstanding loans.

- **Provision for Standard Assets, NPAs and Contingencies**

As per the prudential norms prescribed by NHB for Standard Loan Assets, HFCs are required to carry a provision of 0.40% on individual Home Loans, 1% on individual NRP/Commercial Loans, 0.75% on developer loans for residential projects and 1% on developers loan for commercial projects.

Accordingly, MRHMFL has made a provision of Rs. 0.95 Crore towards Standard Loan Assets comprising individual home loans, individual NRP/Commercial Loans and developer loans aggregating to Rs. 172.23 Crore. MRHMFL carries a provision of Rs. 0.001 Crores towards standard assets in respect of instalments due from borrowers of Rs.0.22 Crores.

As per the prudential norms of NHB, MRHMFL has identified Non Performing Assets (NPAs) and made required provisions on such NPAs besides not recognising income in respect of such NPAs. An asset is NPA if the interest or principal instalment is overdue for 90 days.


MRHMFL's NPAs as at March 31, 2017 were Rs. 0.72 Crores on which MRHMFL has made a provision of Rs. 0.13 Crores as per NHB norms. MRHMFL therefore carries a total provision of Rs. 1.08 Crores on its total assets including standard assets and non-performing loans.

- **NHB Guidelines and Prudential Norms**

MRHMFL has complied with the guidelines issued by NHB regarding accounting guidelines, prudential norms for asset classification, income recognition, provisioning, capital adequacy, concentration of credit, credit rating, Know Your Customer(KYC) guidelines and Anti Money Laundering (AML) Standards, Fair Practices Code, grievance redressal mechanism, recovery of dues.

MRHMFL's total borrowings as at March 31, 2017 of Rs. 146.91 Crores were within the permissible limit of NHB Directions.

MRHMFL's CAR as at March 31, 2017 was 34.04% as against NHB's prescribed limit of 12%. The Capital Adequacy on account of Tier I Capital was 28.51% while the Capital Adequacy on account of the Tier II Capital was 5.53%.



- **Risk Management**

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

Asset Liability Management Committee [ALCO]

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

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

Credit Risk Management

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

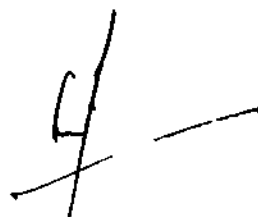
The company has recognised following risk mitigants:

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

Operational Risk

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

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



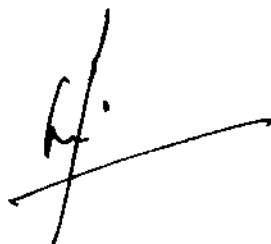
The company has recognised following risk mitigants:

- **Task Segregation:** Effective segregation of tasks and duties reduces internal theft and risks related to fraud. This prevents one individual from taking advantage of the numerous aspects of transactions and business processes or practices.
- **Curtailing complexities in business processes:** Reducing complexity in different business processes radically mitigates operational risks. Curtailing manual activities and the number of people and exceptions that rise during the implementation of business processes is important.
- **Reinforcing organizational ethics:** Creating a strong ethical compass within the organization is highly effective in mitigating operational risks management. Organizational ethics can be reinforced by combining personal values and principles of the workforce with the ideology of the organization.
- **The right people for the right job:** Having the right people in the right jobs can reduce issues pertaining to business process execution and skill and technology usage. This also results in appropriate workforce utilization, adherence to timelines, enhanced quality, and fewer errors and process breakdowns.
- **Monitoring and evaluations at regular intervals:** Business processes are more effective with well-designed performance indicators in place. Key Performance Indicators (KPIs) are critical for timely detection and mitigation of risks, provided they are continuously monitored and reviewed. This helps to identify discrepancies proactively and manage them accordingly.
- **Periodic risk assessment:** Periodic assessments of all facets of operational risks bring more relief to organizational management. It is imperative to be risk-ready by gauging regulatory obligations, IT assets, skills, competencies, processes and business decisions.
- **Look back and learn:** Risk incidents and various remedial activities employed in the past make way for some of the most effective strategies to counter future risks. Previous risk occurrences help to implementing a stronger, proactive operational risk management framework. It also supports real-time amendments that suit the current operating scenario.

Market Risk

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

- Making adequate Loss provisions to cover expected losses.
- Screening alternative courses of action by performing a risk assessment, and enforcing a threshold criterion for acceptable risk. Alternatives that fail to meet the set criterion are rejected.



- Assessment of potential demands for liquidity during a stressful period relative to the potential sources of liquidity.
- Expanding the size and number of available sources, for example, the interbank market.

- **Central Registry**

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

- **Internal Audit and Control**

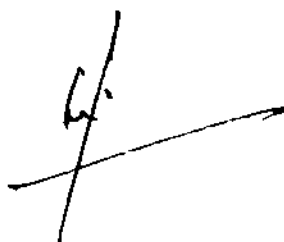
MRHMFL has an adequate system of internal control in place which has been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliance with regulations and for ensuring reliability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

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

- **Statement of Profit and Loss**

Key elements of the statement of profit and loss for the year ended March 31, 2017 are:

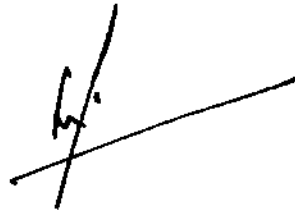
- ❖ Profit before tax grew by 32% as against -25% in the previous year.
- ❖ Profit after tax grew by 31% as against -26% in the previous year.
- ❖ Current year income tax provision amounted to Rs. 0.83 Crore as compared to Rs. 0.61 Crore in the previous year. The effective income tax rate for the current year was 28.4% against 27.36% in the previous year.
- ❖ Pre-tax return on average assets was 1.90% in the current year as against 2.20% in the previous year. Post-tax return on average assets was 1.27% as against 1.47% in the previous year.
- ❖ The Earnings Per Share (Basic) was Rs. 1.08 for the current year against Rs. 0.77 for the previous year.



- **Human Resource**

The Company believes that the quality and dynamism of its human capital has enabled it to significantly enhance customer experience and stakeholder's value. In order to sustain its growth the company works relentlessly towards being customer-focused, performance-driven and ready for the future. The company provides employment and growth opportunities to more than 70 employees with the human resource strength growing with the size and operation of the company. The talent management strategy of the Company strives to deliver its unique talent promise of 'building holistic business leaders. The enthusiasm of staff members continued to be high in sustaining positive growth of disbursements and in maintaining healthy recoveries. With the high level of commitment and loyalty by staff members, MRHMFL is confident to face the challenges of the tougher market conditions.

(Source/References: 'Asian Development Outlook 2017' - Asian Development Bank; Business Today Dt. June 05, 2016; IBEF Sectoral Report May 17; The Free Press Journal- June 15, 2017; IIM-B Working Papers)

A handwritten signature in black ink, consisting of a stylized 'H' followed by a diagonal line and a horizontal line.

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, 2017

[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.	U65910GJ1995 PLC026064	Holding	59.61	Section 2(46) of Companies Act, 2013.

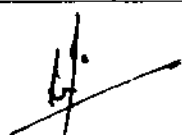
IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-Wise Shareholding

Category of Shareholders	No. of Shares held as on 01/04/2016				No. of Shares held as on 31/03/2017				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	Nil	72,84,620	72,84,620	40.39	72,84,620	Nil	72,84,620	40.39	Nil
b) Central Govt. Or State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corporate	Nil	1,07,50,000	1,07,50,000	59.61	Nil	1,07,50,000	1,07,50,000	59.61	Nil
d) Bank/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
SUB TOTAL: (A) (1)	Nil	1,80,34,620	1,80,34,620	100	72,84,620	1,07,50,000	1,80,34,620	100	Nil
(2) Foreign									
a) NRI-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other Individuals c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil



d) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
SUB TOTAL: (A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
TOTAL SHAREHOLDI NG OF PROMOTER (A)= (A)(1)+(A)(2)	Nil	1,80,34,620	1,80,34,620	100	72,84,620	1,07,50,000	1,80,34,620	100	Nil
B. PUBLIC SHAREHOLDI NG									
(1) Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Cenntal govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Fund	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIIS	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
SUB TOTAL (B)(1):	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil



(2) Non Institutions									
a) Bodies corporates	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals	Nil	300	300	*0.00	300	Nil	300	*0.00	Nil
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	Nil	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	Nil
c) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
SUB TOTAL (B)(2):	Nil	300	300	*0.00	300	Nil	300	*0.00	Nil
TOTAL PUBLIC SHAREHOLDING (B)= (B)(1)+(B)(2)	Nil	300	300	*0.00	300	Nil	300	*0.00	Nil
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
GRAND TOTAL (A+B+C)	Nil	1,80,34,920	1,80,34,920	100	72,84,920	1,07,50,000	1,80,34,920	100	Nil

* Insignificant Shareholding.

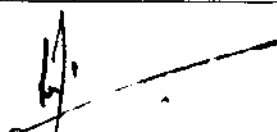


ii) Share Holding of Promoters

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	30,37,310	16.84	Nil	34,02,310	18.87	Nil	2.03
2	Kamlesh C. Gandhi	20,60,980	11.43	Nil	20,60,980	11.43	Nil	Nil
3	Shweta Kamlesh Gandhi	18,21,330	10.1	Nil	18,21,330	10.1	Nil	Nil
4	Mukesh C. Gandhi (HUF)	3,65,000	2.03	Nil	Nil	Nil	Nil	-2.03
5	Mas Financial Services Limited	1,07,50,000	59.61	Nil	1,07,50,000	59.61	Nil	Nil

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 01/04/2016	1,80,34,620	99.99		-
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease(e.g. Allotment/transfer/bonus/swe at equity etc):	Transfer of shares from Mukesh C. Gandhi HUF to Mukesh C. Gandhi Date of Transfer: 15.03.2017 No. of shares transferred: 3.65,000			-
	As at 31/03/2017	1,80,34,620	99.99	1,80,34,620	99.99



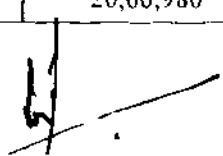
iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters & Holders of GDRS & ADRS)

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
1.	Saumil Pandya				
	As at 01/04/2016	100	*0.00		
	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 31/03/2017	100	*0.00	100	*0.00
2.	Darshana Pandya				
	As at 01/04/2016	100	*0.00		
	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 31/03/2017	100	*0.00	100	*0.00

* Insignificant Shareholding.

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
1	Kamlesh Gandhi- Chairman & Managing Director				
	As at 01/04/2016	20,60,980	11.43		
	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 31/03/2017	20,60,980	11.43	20,60,980	11.43



2	Mukesh Gandhi- Whole-Time Director & CFO				
	As at 01/04/2016	30,37,310	16.84	—	—
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/swe at equity etc)	Transfer of shares from Mukesh C. Gandhi HUF to Mukesh C. Gandhi Date of Transfer: 15.03.2017 No. of shares transferred: 3,65,000	—	34,02,310	18.87
	As at 31/03/2017	34,02,310	18.87	34,02,310	18.87
3	Balabhaskaran- Director				
	As at 01/04/2016	100	*0.00		
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/swe at equity etc)				—
	As at 31/03/2017	100	*0.00	100	*0.00
4	Jagdish Joshipura-Director	—	—		
	As at 01/04/2016	—	—		
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/swe at equity etc)		—		
	As at 31/03/2017	—	—		
5	Chetan Shah- Director				
	As at 01/04/2016		—		
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/swe at equity etc)	—	—		
	As at 31/03/2017		—		
6	Subir Nag- Director	—			
	As at 01/04/2016				
	Date wise increase/decrease in Share holding during the year specifying the reasons				



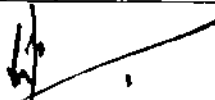
	for increase/decrease (e.g. allotment/transfer/bonus/swe at equity etc)				
	As at 31/03/2017	—	—	—	—
7	Darshana Pandya- Director	—	—	—	—
	As at 01/04/2016	100	*0.00	—	—
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/swe at equity etc)				
	As at 31/03/2017	100	*0.00	100	*0.00
8	Vrunda Patel- Company Secretary			—	—
	As at 01/04/2016	—	—	—	—
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/swe at equity etc)				
	As at 31/03/2017				—

* Insignificant Shareholding

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				
i) Principal Amount	1143984044	Nil	16436815	1160420859
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	169000	Nil	11401	180401
Total (i+ii+iii)	1144153044	Nil	16448216	1160601260
Change in Indebtedness				



during the financial year				
• Addition	575000000	Nil	62416550	637416550
• Reduction	250765333.9		1666700	252432033.9
Net Change	324234666.1		60749850	384984516.1
Indebtness at the end of the financial year				
i) Principal Amount	1468218710	Nil	77186665	1545405375
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	17,16,210	Nil	25,78,528	42,94,738
Total (i+ii+iii)	1469934920	Nil	79765192.59	15,49,700,113

Note: All the deposits are security deposits received from customers for loan.

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	Darshana Pandya Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	19,20,000	19,20,000	3,22,449	41,62,449
	(b) Value of perquisites u/s 17(2) of the Income tax Act. 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act. 1961	Nil	Nil	Nil	Nil

2	Stock option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - as % of profit - others (specify)	Nil Nil	Nil Nil	Nil Nil	Nil Nil
5	Others, please specify (Electricity Charges Reimbursement)	Nil	Nil	Nil	Nil
	Total A	19,20,000	19,20,000	3,22,449	41,62,449
	*Ceiling as per the Act				60,00,000

***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 Directors				Total Amount
		Balabhaskaran	Jagdish Joshipura	Chetan Shah	Subir Nag	
1	Independent Directors					
	(a) Fee for attending board committee meetings	90000	35000	70000	40000	235000
	(b) Commission	Nil	Nil	Nil	Nil	Nil
	(c) Others, please specify.	Nil	Nil	Nil	Nil	Nil
	Total (1)	90000	35000	70000	40000	235000
2	Other Non Executive Directors					
	(a) Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil
	(b) Commission	Nil	Nil	Nil	Nil	Nil
	(c) Others, please specify.	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	90000	35000	70000	40000	235000
	Total Managerial Remuneration (A+B)	N.A	N.A	N.A	N.A	N.A
	*Overall Cieling as per the Act.	N.A	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.

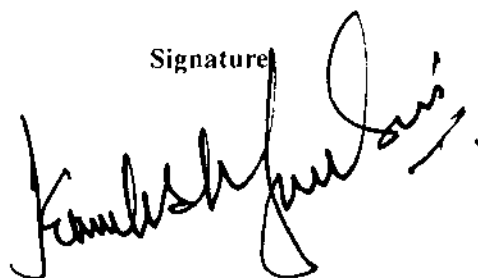
C. Remuneration To Key Managerial Personnel other than MD/Manager/WTD (In Rs.)

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	2,83,626	2,83,626
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	2,83,626	2,83,626

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NONE

Date: 10.05.2017
Place: Ahmedabad

Signature



Kamlesh C. Gandhi
(Chairman & Managing Director)

ANNEXURE B TO DIRECTORS' REPORT

MAS RURAL HOUSING & MORTGAGE FINANCE LIMITED

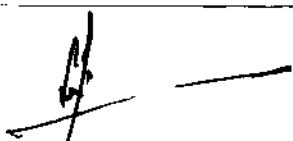
FORM NO. AOC -2

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

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

1. Details of Contracts or Arrangements or Transactions at Arms length basis for the year ended 31st March, 2017.

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	19/08/2016
g	Amount paid as advances, if any	No such amount was paid as advances.
h	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A

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: 10.05.2017
Place: Ahmedabad

Signature:



Kamlesh C. Gandhi
(Chairman & Managing Director)

POLICY ON RELATED PARTY TRANSACTIONS

1) Prelude

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

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

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

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

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

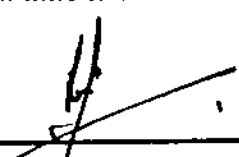
As per the requirements of Notification No. NHB. IIFC. CG-DIR.1/MD&CEO/2016 issued by the National Housing Bank (NHB) vide which the NHB notified the Housing Finance Companies- Corporate Governance (National Housing Bank) Directions, 2016, the company shall disclose the policy on dealing with Related Party Transactions on its website and also in the Annual Report.

2) Objective of the Policy

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

3) Applicability and Legal Framework

This Policy on Related Party Transactions shall be governed by the Act read with Rules made thereunder, as may be in force from time to time and regulations, if any, of NHB in this regard. Any



references to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other statutory provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).

4) Definitions

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

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

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

5) Policy on Related Party Transactions:

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

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

6) Identification of potential related parties and transactions

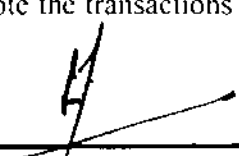
Identification of related parties shall be as prescribed under section 2(76) of the Companies Act, 2013 and identification of related party transactions shall be as prescribed under section 188 of the Companies Act, 2013.

7) Approval of Related Party Transactions

a) Prior Approval of Audit Committee

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

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



master agreement and will not require any further approval of the Audit Committee unless there is any change in the terms of the master agreement.

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

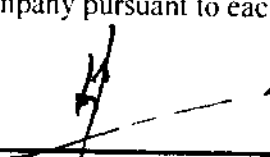
- a) The Audit Committee shall, after obtaining the approval of the Board of Directors, specify the criteria for granting the omnibus approval in line with the Policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature.
- b) The criteria for making omnibus approval shall include the following which shall be approved by the Board:-
 - i) Maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year.
 - ii) The maximum value per transaction which can be allowed.
 - iii) Extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval.
 - iv) Review, at such interval as the Audit Committee may deem fit, related party transaction entered into by the Company pursuant to each of the omnibus approval made.
 - v) Transactions which cannot be subject to the omnibus approval by the Audit Committee.

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

- a. Repetitiveness of the transactions (in past or in future)
 - b. Justification for the need of omnibus approval.
- c) The Audit Committee shall satisfy itself on the need for omnibus approval and that such approval is in the interest of the Company;
 - d) Such omnibus approval shall specify (i) the name/s of the related party (ii) nature and duration of transaction/period of transaction (iii) maximum amount of transaction that can be entered into, (iv) the indicative base price/current contracted price and the formula for variation in the price if any and (v) such other conditions as the Audit Committee may deem fit;

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

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



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

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

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

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

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

c) Approval of the Shareholders of the Company:

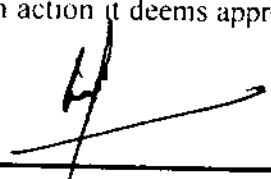
All kinds of transactions specified under Section 188 of the Act which (a) are not in the ordinary course of business and at arm's length basis; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 are placed before the shareholders for its approval.

8) Disclosures

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

9) Related Party Transactions not approved under this Policy

In the event the Company becomes aware of a transaction with a related party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all of the relevant facts and circumstances regarding the related party transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the related party transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Audit Committee under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate. In any case, where the Audit



Committee determines not to ratify a related party transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the related party etc. In connection with any review/approval of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

A handwritten signature, possibly reading "R. J.", is written over a horizontal line.

RAJPARA ASSOCIATES

Chartered Accountant

Independent Auditor's Report

**To the Members of
MAS Rural Housing and Mortgage Finance Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of **MAS Rural Housing and Mortgage Finance Limited** which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, 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

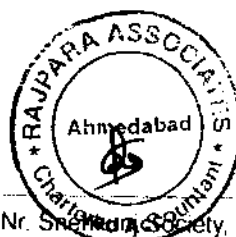
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the 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, of the state of affairs of the Company as at March 31, 2017, and its profit and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d. in our opinion, the aforesaid 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 March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



For RAJPARA ASSOCIATES
Chartered Accountants
FRN 113428W

A handwritten signature in black ink, appearing to read "Rajpara".

Place: Ahmedabad
Date:

10 MAY 2017

Chandramaulin J. Rajpara
M. No. 046922
Partner

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

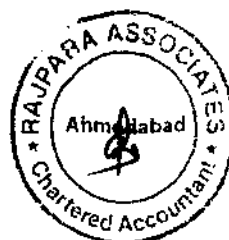
(Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

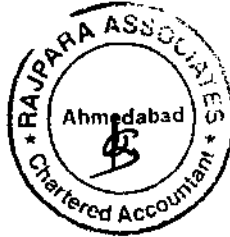
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
 - (c) No immovable property is held by the company and accordingly, the provisions of clause 3 (i) (c) of the Order are not applicable to the Company and hence not commented upon.
- (ii) The company being a Non-Banking Financial Company has no inventory. Accordingly, the provisions of clauses 3(ii) of the Order are not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, the provisions of clauses 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- (v) According to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed thereunder.
- (vi) In respect of the activities of the Company, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- (vii) According to information and explanations given to us, in respect of statutory dues:



- (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, 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.
- (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.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions or Government. The Company has not issued any debentures.
- (ix) In our opinion and according to information and explanations given to us, term loans have been applied for the purposes for which they were obtained. Company has not raised moneys by way of initial public offer or further public offer.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has made preferential allotment of preference shares during the year under review and the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.



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



Place: Ahmedabad
Date:

10 MAY 2017

For RAJPARA ASSOCIATES
Chartered Accountants
FRN 113428W

A handwritten signature in black ink, appearing to read "Rajpara".

Chandramaulin J. Rajpara
Partner
M. No. 046922

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of **MAS Rural Housing and Mortgage Finance Limited** as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting

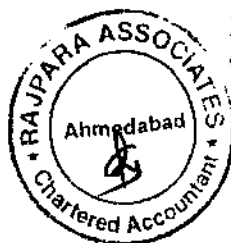
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



For RAJPARA ASSOCIATES
Chartered Accountants
FRN 113428W

Chandramaulin J. Rajpara
Partner
M. No. 046922

Place: Ahmedabad
Date:

10 MAY 2017

RAJPARA RURAL HOUSING AND MORTGAGE FINANCE LIMITED

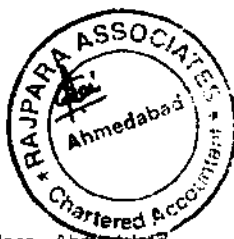
BALANCE SHEET AS AT 31st MARCH 2017

	Notes	As at 31st March 2017 Rupees	As at 31st March 2016 Rupees
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	220,349,200	200,349,200
Reserves and Surplus	4	79,559,766	60,090,296
		299,908,966	260,439,496
Non-current liabilities			
Deferred Tax Liability	5	5,648,606	4,232,496
Long-term borrowings	6	1,078,483,565	908,265,642
Long-term provisions	7	7,176,052	5,460,390
Other Long Term liabilities	8	65,356,625	15,883,577
		1,156,664,848	933,842,105
Current liabilities			
Short-term borrowings	9	920,887	7,780
Trade payables			
Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 35)		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,006,245	1,107,857
Other current liabilities	10	408,518,973	238,408,417
Short-term provisions	11	4,359,740	3,189,225
		415,805,845	242,713,279
TOTAL		1,872,379,659	1,436,994,879
ASSETS			
Non-current assets			
Fixed assets	12		
Tangible assets		15,755,425	17,985,742
Intangible assets		63,653	-
		15,819,078	17,985,742
Long-term loans and advances	13	1,163,131,385	1,058,951,605
Other non-current assets	14	3,472,587	2,776,292
		1,166,603,972	1,061,727,897
Current assets			
Cash and Bank Balances	15	106,904,899	63,223,693
Short-term loans and advances	13	570,027,497	286,222,873
Other current assets	16	13,024,213	7,834,673
		689,956,609	357,281,240
TOTAL		1,872,379,659	1,436,994,879
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



Place: Ahmedabad
Date: 10 MAY 2017

For and on behalf of the Board of Directors

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

Vrunda Patel
(Company Secretary)
(Membership No. A39707)

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

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

Place: Ahmedabad
Date: 10 MAY 2017

RAJ RURAL HOUSING AND MORTGAGE FINANCE LIMITED

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

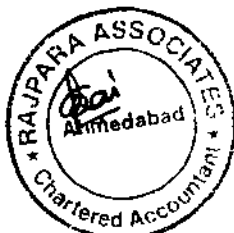
	Notes	Year ended 31st March 2017 Rupees	Year ended 31st March 2016 Rupees
INCOME			
Revenue from Operations	17	231,147,682	156,704,509
Other Income	18	1,901,112	613,050
Total Revenue		233,048,794	157,317,559
EXPENDITURE			
Employee Benefits Expense	19	31,469,090	20,467,433
Finance Costs	20	129,796,959	82,669,341
Depreciation and Amortisation Expenses	21	4,153,889	2,224,528
Provisions	22	3,182,538	2,990,610
Other Expenses	23	35,272,397	26,816,706
Total Expenses		203,874,873	135,168,618
Profit Before Tax		29,173,921	22,148,941
Tax Expense:			
Current Tax		8,610,000	6,060,000
Short / (Excess) provision for tax relating to prior years		(321,659)	-
Net current tax expense		8,288,341	6,060,000
Deferred Tax		1,416,110	1,267,433
Net tax expense		9,704,451	7,327,433
Profit for the year		19,469,470	14,821,508
Earnings per equity share (of face value Rs. 10 each):	24		
Basic		1.08	0.77
Diluted		1.08	0.77
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



Place : Ahmedabad
Date :

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

Vrunda Patel
(Company Secretary)
(Membership No. A39707)

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

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

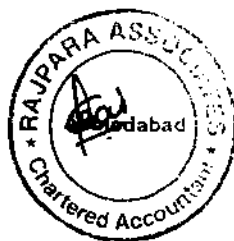
Place : Ahmedabad
Date :

10 MAY 2017

10 MAY 2017

RAJPARA RURAL HOUSING AND MORTGAGE FINANCE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

	Year ended 31st MARCH 2017		Year ended 31st MARCH 2016	
	Rupees		Rupees	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		29,173,921		22,148,941
Adjustments for:				
Depreciation & Amortisation	4,153,889		2,224,528	
Finance Costs	129,796,959		82,669,341	
Contingent Provision against Standard Assets	2,272,324		2,636,386	
Contingent Provision against Sub Standard Assets	910,214		354,224	
Interest Income from Bank Deposits	(1,748,707)		(613,050)	
Dividend Income	-	135,384,679	-	87,271,429
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		164,558,600		109,420,370
Changes in Working Capital:				
(Increase) / Decrease in Loans & Advances	(388,838,250)		(408,656,027)	
(Increase) / Decrease in Other Assets	(4,475,857)		(835,276)	
Increase / (Decrease) in Trade Payables	898,388		185,610	
Increase / (Decrease) in Short-term Provisions	184,858		(30,368)	
Increase/(Decrease) in Security Deposits	63,316,976		15,883,577	
Increase / (Decrease) in Other Current Liabilities	2,249,884	(326,664,001)	686,327	(392,766,156)
CASH GENERATED FROM / (USED IN) OPERATIONS		(162,105,401)		(283,345,787)
Finance Costs	(131,206,937)		(82,669,341)	
Income Tax Paid	(7,434,495)	(138,641,432)	(7,610,790)	(90,280,132)
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES [A]		(300,746,832)		(373,625,918)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets	(1,987,225)		(19,599,264)	
Fixed Deposits Placed	(471,000,000)		(285,000,052)	
Fixed Deposits Matured	472,748,707		285,613,102	
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES [B]		(238,518)		(18,986,214)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Dividends paid including Dividend Distribution Tax	(481,219)		(2,908,392)	
Proceeds from Issue of Optionally Convertible Preference Shares	20,000,000		20,000,000	
Net Increase / (Decrease) in Working Capital Borrowings	913,107		(19,941,454)	
Term Loans Received	575,000,000		640,599,998	
Term Loans Repaid	(250,765,333)		(185,352,922)	
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES [C]		344,666,555		452,397,230
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		43,681,205		59,785,098
Cash and Cash Equivalents at the beginning of the year		63,223,693		3,438,596
Cash and Cash Equivalents at the end of the year		106,904,898		63,223,694



RAS RURAL HOUSING AND MORTGAGE FINANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

Year ended 31st March 2017 Rupees	Year ended 31st March 2016 Rupees
815,397	335,141
106,089,502	62,888,552
<u>106,904,899</u>	<u>63,223,693</u>

Notes:

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

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

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

[Signature]

Chandramaulin Rajpara
Partner
Membership No.046922



Place : Ahmedabad
Date :

For and on behalf of the Board of Directors

[Signature]

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

[Signature]

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

[Signature]

Vrunda Patel
(Company Secretary)
(Membership No. A39707)

[Signature]

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

Place : Ahmedabad
Date :

10 MAY 2017

10 MAY 2017

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

D. DEPRECIATION/ AMORTISATION

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

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

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

Income from Loans

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

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

Income from Assignment of receivables

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

I. 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

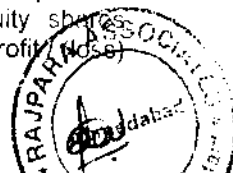
For defined benefit plan in the form of gratuity the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in 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.

J. EARNINGS PER SHARE

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



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

K. 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.

L. 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.

M. LEASES

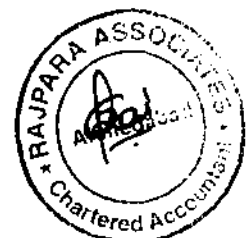
Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

N. 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 FOR THE YEAR ENDED 31st MARCH 2017

	As at 31st March 2017 Rupees	As at 31st March 2016 Rupees
Note 3. Share Capital		
Authorized		
23,000,000 Equity Shares of Rs. 10/- each (Previous Year 23,000,000 shares of Rs 10/- each)	230,000,000	230,000,000
7,000,000 Preference Shares of Rs.10/- each (Previous Year 2,000,000 of Rs.10/- each)	70,000,000	20,000,000
	300,000,000	250,000,000
Issued, Subscribed and Fully Paid-Up:		
18,034,920 Equity Shares of Rs.10 each fully paid-up (Previous Year 18,034,920 shares of Rs 10/- each)	180,349,200	180,349,200
4,000,000 8% Optionally Convertible Preference Shares of Rs.10/-each fully paid-up (Previous Year 2,000,000 of Rs.10/- each)	40,000,000	20,000,000
	220,349,200	200,349,200

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

Particulars	As at 31st March 2017		As at 31st March 2016	
	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 2017		As at 31st March 2016	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Outstanding at the beginning of the period	18,034,920	180,349,200	18,034,920	180,349,200
Add :Issued during the period	-	-	-	-
Outstanding at the end of the period	18,034,920	180,349,200	18,034,920	180,349,200
Preference Shares				
Outstanding at the beginning of the period	2,000,000	20,000,000	-	-
Add :Issued during the period #	2,000,000	20,000,000	2,000,000	20,000,000
Outstanding at the end of the period	4,000,000	40,000,000	2,000,000	20,000,000

Preference Shares issued during the year have preferential right over existing equity share capital of the company for dividends & winding up.

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

Class of shares / Name of shareholder	As at 31st March 2017		As at 31st March 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity Shares				
MAS Financial Services Limited (Holding Co.)	10,750,000	59.61%	10,750,000	59.61%
Mukesh C. Gandhi	3,402,310	18.87%	3,037,310	16.84%
Kamlesh C. Gandhi	2,060,980	11.43%	2,060,980	11.43%
Sweta K. Gandhi	1,821,330	10.10%	1,821,330	10.10%
8% Optionally Convertible Preference Shares				
Mukesh C. Gandhi	2,000,000	50.00%	1,000,000	50.00%
Kamlesh C. Gandhi	1,000,000	25.00%	500,000	25.00%
Shweta K. Gandhi	1,000,000	25.00%	500,000	25.00%



NHBS RURAL HOUSING AND MORTGAGE FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017
3.4 Rights, preferences and restrictions attaching to each class of shares and terms of preference shares convertible into equity along with the earliest date of conversion
(a) Equity Shares

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

The total equity dividend appropriation for the year ended March 31, 2017 amounts to Rs. NIL.

The total equity dividend appropriation for the year ended March 31, 2016 amounted to Rs. 10,80,343 including dividend distribution tax of Rs.1,78,597.

(b) Optionally Convertible Preference Shares (OCPS)

In the previous year, the Company had allotted 20,00,000 OCPS of the face value of Rs. 10 each at par. In the current year, the Company has further allotted 20,00,000 OCPS of the face value of Rs. 10 each at par. These OCPS carry a right to be paid fixed preferential dividend at the rate of 8% per annum free of income-tax.

The total dividend appropriation on the aforesaid 8% OCPS for the year ended March 31, 2017 is Rs.NIL.

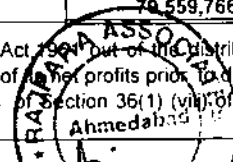
The total dividend appropriation on the 8% OCPS for the year ended March 31, 2016 is Rs.10,10,818 including dividend distribution tax of Rs.1,67,103.

The preference shares shall be optionally converted into equity shares at a price to be determined at the time of conversion. The Conversion/Redemption option is to be exercised for 33.33% of the shares in the 5th year, for 33.33% of the shares in the 6th year and for remaining 33.33% of the shares in the 7th year from the issue.

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

	As at 31st March 2017 Rupees	As at 31st March 2016 Rupees
Note 4. Reserves and Surplus		
Securities Premium Reserve		
Opening Balance	3,150,800	3,150,800
Additions during the year	-	-
Closing Balance	3,150,800	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	18,976,384	14,406,384
c. Total	19,278,865	14,708,865
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	6,520,000	4,570,000
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	25,496,384	18,976,384
c. Total	25,798,865	19,278,865
Surplus in Statement of Profit and Loss		
Opening Balance	37,660,631	29,500,284
Add: Profit for the year	19,469,470	14,821,508
	57,130,101	44,321,792
Less: Appropriations		
Reserve u/s. 29-C of NHB Act, 1987 & Special Reserve U/s 36(1)(viii) of Income Tax Act, 1961	6,520,000	4,570,000
Interim Dividend on Equity Shares	-	901,746
Interim Dividend on Preference Shares	-	708,196
Proposed Dividend on Preference Shares	-	135,519
Dividend Distribution Tax on Interim Equity Dividend	-	178,597
Dividend Distribution Tax on Interim Preference Dividend	-	140,263
Dividend Distribution Tax on Proposed Preference Dividend	-	26,840
Total Appropriations	6,520,000	6,661,161
Net Surplus in Statement of Profit and Loss	50,610,101	37,660,631
Total Reserves and Surplus	79,559,766	60,090,296

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.



SAS RURAL HOUSING AND MORTGAGE FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

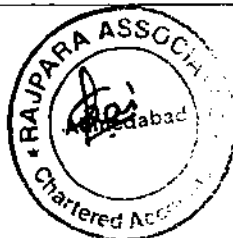
	As at 31st March 2017 Rupees	As at 31st March 2016 Rupees
Note 5. Deferred Tax Liability		
Tax effect of items constituting Deferred Tax Liability		
1. Difference between book depreciation and depreciation under Income-tax Act, 1961	(1,032,814)	(780,558)
2. Transfer to Special Reserves	(2,155,708)	(1,510,979)
3. Balance in Special Reserves	(6,274,162)	(4,763,183)
Total Deferred Tax Assets	(9,462,684)	(7,054,719)
Tax effect of items constituting Deferred Tax Assets		
1. Contingent Provision for Standard Assets	3,152,447	2,401,149
2. Provision for Sub Standard Assets	418,061	117,117
3. Provision for Leave Encashment	243,570	182,451
4. Expenses eligible for deduction under section 35D of the Income-tax Act, 1961	-	121,507
Total Deferred Tax Assets	3,814,078	2,822,223
Deferred Tax (Liability) / Asset	(5,648,606)	(4,232,496)

	Non Current		Current	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
Note 6. Long Term Borrowings				
Term Loans				
(Refer Note No. 6.1)				
Secured				
i. From National Housing Bank	145,370,000	92,133,000	13,920,000	8,529,000
ii. From Banks	933,113,565	816,132,642	375,815,145	227,189,401
	1,078,483,565	908,265,642	389,735,145	235,718,401

	Non-Current	
	As at 31st March 2017	As at 31st March 2016
Note 7. Long-term Provisions		
Contingent Provision against Standard Assets	6,405,114	5,141,693
Provision for Non-Performing Assets	770,938	318,697
	7,176,052	5,460,390

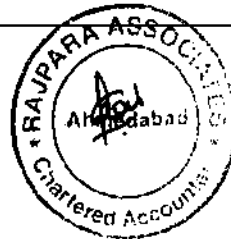
The company has complied with the norms prescribed under Housing Finance Companies (NHB) Directions, 2001 as amended on 6th September, 2013 for recognizing Provision on Standard Assets in preparation of accounts. Pursuant to such norms, loan portfolio was classified into housing and non-housing loans 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 has been provided for.

The Company has also complied with the norms prescribed for recognising Non-Performing Assets (NPAs) in preparation of Accounts. As per the norms, NPAs are recognised on the basis of 90 days overdue. A provision of 15% has been made for Sub Standard Assets and a provision of 25% has been made for Doubtful assets (period upto 1 year - Category-I) for both housing and Non-Housing Loans as per the prudential norms.

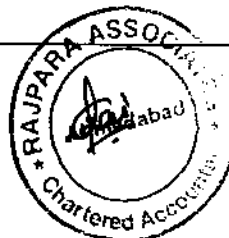


6.1 Details of terms of redemption/repayment and security provided in respect of long-term borrowings:

	Amount Non Current	Amount Current	Terms of Redemption/ Repayment	Security
Term Loans				
Term Loan - I	6,250,199	14,285,707	Repayable in 28 Quarterly installments from 24/03/2011. Rate of interest: BBR+Spread Maturity Period: 1-2 years No. of Installments due: 7	Loan is secured by Hypothecation on receivables. Corporate Guarantee of MAS Financial Services Ltd. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - II	46,428,600	14,285,714	Repayment in 28 Quarterly Installment from 30/04/2014 Rate of interest: BBR+Spread p.a. Maturity Period: 4-5 years No. of Installments due: 17	Loan is secured by Hypothecation on receivables. Corporate Guarantee of MAS Financial Services Ltd. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - III	33,333,330	8,333,333	Repayment in 24 Quarterly Installments beginning from 30.06.2016 Rate of Interest BBR+Spread Maturity Period: 5 years No. of Installments due: 20	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - IV	70,833,332	16,666,667	Repayment in 24 Quarterly Installments beginning from 31.07.2016 Rate of Interest BBR+Spread Maturity Period: 5-6 years No. of Installments due: 21	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - V	43,750,000	6,250,000	Repayment in 24 Quarterly Installments starting from 30.09.2017 Rate of Interest BBR+Spread Maturity Period: 6-7 years No. of installments due: 24	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - VI	87,500,002	12,499,998	Repayment in 24 Quarterly Installments starting from 30.09.2017 Rate of Interest BBR+Spread Maturity Period: 6-7 years No. of Installments due: 24	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.



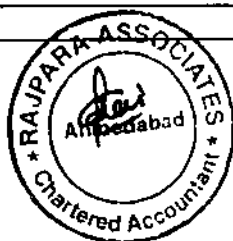
	Amount Non Current	Amount Current	Terms of Redemption/ Repayment	Security
Term Loan - VII	43,750,002	25,000,000	Repayable in 24 Quarterly installments from 28/02/2014. Rate of interest: BBR+Spread Maturity Period: 2-3 years No. of Installments due: 11	Loan is secured by hypothecation charge on portfolio created from the bank finance. Corporate Guarantee of MAS Financial Services Ltd. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - VIII	75,803,570	33,690,476	Repayment in 24 Quarterly Installments starting from 01/09/2014 Rate of Interest BBR+Spread Maturity Period: 3-4 years No. of Installments due: 13	Loan is secured by hypothecation charge on portfolio created from the bank finance. Corporate Guarantee of MAS Financial Services Ltd. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - IX	247,708,334	51,666,667	Repayment in 24 Quarterly Installments starting from 31/03/2017 Rate of Interest: BBR+Spread Maturity Period: 5-6 years No. of Installments due: 23	Loan is secured by hypothecation charge on portfolio created from the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - X	5,826,000	2,238,000	Repayable in 27 Quarterly installments from 01/07/2013. Rate of Interest: Fixed Maturity Period: 2-3 years No. of Installments due: 11	A first exclusive mortgage and/or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company. Corporate Guarantee of MAS Financial Services Ltd.
Term Loan - XI	35,585,000	3,096,000	Repayment in 51 Quarterly Installment from 01/07/2014 Rate of Interest: Fixed Maturity Period: 9-10 years No. of Installments due: 39	A first exclusive mortgage and/or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company. Corporate Guarantee of MAS Financial Services Ltd.
Term Loan - XII	39,350,000	3,195,000	Repayment in 47 Quarterly Installment from 01/10/2015 Rate of interest: Fixed Maturity Period: 10-11 years No. of Installments due: 40	A first exclusive mortgage and/or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company. Corporate Guarantee of MAS Financial Services Ltd.
Term Loan - XXIII	64,609,000	5,391,000	Repayment in 39 Quarterly Installment from 01/07/2017 Rate of interest: Fixed Maturity Period: 9-10 years No. of Installments due: 39	A first exclusive mortgage and/or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.



	Amount Non Current	Amount Current	Terms of Redemption/ Repayment	Security
Term Loan - XIII	-	49,987,399	Repayment in 8 Quarterly Installments from 07/06/2016 Rate of Interest:BBR+Spread Maturity Period: 1-2 years No. of Installments due: 4	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - XIV	-	24,993,700	Repayment in 8 Quarterly Installments from 07/06/2016 Rate of Interest:BBR+Spread Maturity Period: 1-2 years No. of Installments due: 4	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - XV	38,315,130	49,501,135	Repayment in 8 Quarterly Installments from 07/01/2017 Rate of Interest:One year MCLR+Spread Maturity Period: 1-2 years No. of Installments due: 6	First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - XVI	18,750,000	5,000,000	Repayment in 24 Quarterly Installment from 19/03/2016. Rate of interest:BBR+Spread Maturity Period: 4-5 years No. of Installments due: 19	First & Exclusive Charge by way of Hypothecation of such of the book debts, which are financed to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi. & Mrs. Sweta K. Gandhi.
Term Loan - XVII	43,746,999	11,668,002	Repayment in 24 Quarterly Installment from 19/03/2016. Rate of interest:BBR+Spread Maturity Period: 4-5 years No. of Installments due: 19	First & Exclusive Charge by way of Hypothecation of such of the book debts, which are financed to be financed by the company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi. & Mrs. Sweta K. Gandhi.
Term Loan - XVIII	-	7,500,000	Repayment in 8 Quarterly Installment from 31/03/2016 Rate of interest:BBR+ Spread Maturity Period: <1 years No. of Installments due: 3	Hypothecation of the Receivables arising out of onward lending of Rupee Term loan extended by the Bank. Corporate Guarantee of MAS Financial Services Ltd. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - XIX	13,750,000	5,000,000	Repayment in 20 Quarterly Installment from 31/03/2016 Rate of interest:BBR+ Spread Maturity Period: 3-4 years No. of Installments due: 15	Hypothecation of the Receivables arising out of onward lending of Rupee Term loan extended by the Bank. Corporate Guarantee of MAS Financial Services Ltd. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - XX	694,068	1,986,347	Repayable in 36 monthly installments. Rate of interest: Fixed No. of Installments due: 16	Secured by hypothecation of the vehicle financed.



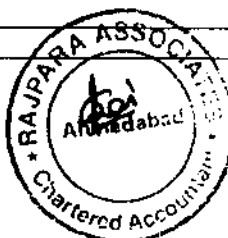
	Amount Non Current	Amount Current	Terms of Redemption/ Repayment	Security
Term Loan - XXI	95,833,333	4,166,667	Repayment in 24 Quarterly Installment from 31/03/2018. Rate of interest: One year MCLR+Spread Maturity Period: 6-7 years No. of Installments due: 24	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Company (identified loan assets) sufficient to provide one time security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - XXII	66,666,667	33,333,333	Repayment in 12 Quarterly Installment from 30/06/2018. Rate of interest: One year MCLR+Spread Maturity Period: 4 years No. of Installments due: 12	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Company (identified loan assets) sufficient to provide one time security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Total Term Loans	1,078,483,565	389,735,145		



RAJPARA RURAL HOUSING AND MORTGAGE FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

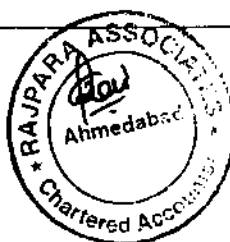
Note 7.1 Provision for Standard Asset	As at 31st March 2017	As at 31st March 2016
	Housing	
Total Outstanding Amount	1,085,235,447	893,672,536
Provision Made	4,340,942	3,574,690
Total Outstanding Amount Provision Made	Non Housing	
	76,036,406	62,008,559
	760,364	620,086
Total Outstanding Amount Provision Made	Project Funding for Housing	
	474,139,292	306,750,579
	3,556,045	2,300,629
Total Outstanding Amount Provision Made	Project Funding for Non-Housing	
	87,731,692	76,693,924
	877,317	766,939
Total Provision for Standard Assets	9,534,668	7,262,344
Of which:		
Current	3,129,554	2,120,651
Non-current	6,405,114	5,141,693
	9,534,668	7,262,344
Note 7.2 Provision for Sub Standard Assets	As at 31st March 2017	As at 31st March 2016
	Housing	
Total Outstanding Amount	2,740,865	2,221,917
Provision Made	411,130	333,288
Total Outstanding Amount Provision Made	Non Housing	
	31,455	139,576
	4,718	20,936
Total Outstanding Amount Provision Made	Project Funding for Housing	
	2,708,080	-
	406,212	-
Total Outstanding Amount Provision Made	Project Funding for Non-Housing	
	-	-
	-	-
Total Provision for Sub Standard Assets	822,060	354,224
Of which:		
Current	444,026	35,527
Non-current	378,034	318,697
	822,060	354,224
Note 7.3 Provision for Doubtful Assets	As at 31st March 2017	As at 31st March 2016
	Housing	
Total Outstanding Amount	1,769,510	-
Provision Made	442,378	-
Total Outstanding Amount Provision Made	Non Housing	
	-	-
	-	-
Total Outstanding Amount Provision Made	Project Funding for Housing	
	-	-
	-	-
Total Outstanding Amount Provision Made	Project Funding for Non-Housing	
	-	-
	-	-
Total Provision for Doubtful Assets	442,378	-
Of which:		
Current	49,474	-
Non-current	392,904	-
	442,378	-

Note : All doubtful assets are doubtful upto one year (Category - I)



RAJPARA RURAL HOUSING AND MORTGAGE FINANCE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

	Non Current		Current	
	As at 31st March 2017 Rupees	As at 31st March 2016 Rupees	As at 31st March 2017 Rupees	As at 31st March 2016 Rupees
Note 8. Other Long Term liabilities				
Security Deposits Received from Customers	63,592,865	15,872,300	13,593,800	564,515
Interest accrued but not due on security deposits	1,763,760	11,277	814,767	124
	65,356,625	15,883,577	14,408,567	564,639
8.1 The security deposit is additional collateral received from customers apart from primary security. The said security deposit would be used as a cash collateral to secure the repayment of credit facility and can be used if circumstances demand.				
			As at 31st March 2017 Rupees	As at 31st March 2016 Rupees
Note 9. Short-term borrowings				
Secured				
Loans repayable on demand:				
From Banks:				
Cash Credit			920,887	7,780
			920,887	7,780
9.1 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 10. Other Current Liabilities				
Current Maturities of long-term debt (Refer Note Nos. 6 & 6.1)			389,735,145	235,718,401
Interest accrued but not due on borrowings			1,716,210	169,000
Other Payables:				
Security Deposits Received from Customers (Refer Note No. 8)			13,593,800	564,515
Interest accrued but not due on security deposits (Refer Note No. 8)			814,767	124
Statutory remittances (Contributions to PF and ESIC, Service Tax, etc.)			1,006,677	899,736
Dues to Assignees towards Collections from Assigned Receivables			407,158	-
Advance payments received			1,245,216	1,056,641
			408,518,973	238,408,417
Note 11. Short-term Provisions				
Compensated Absences			736,686	551,828
Contingent Provision against Standard Assets			3,129,554	2,120,651
Provision for Non-Performing Assets			493,500	35,527
Other Provisions				
Provision for proposed Equity dividend			-	-
Provision for proposed Preference dividend			-	135,519
Provision for Dividend Distribution Tax on Interim Equity Dividend			-	178,597
Provision for Dividend Distribution Tax on Interim Preference Dividend			-	140,263
Provision for dividend distribution tax on Proposed Preference Dividend			-	26,840
			4,359,740	3,189,225



RAJ RURAL HOUSING AND MORTGAGE FINANCE LIMITED

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

Note 12. Fixed Assets

NATURE OF ASSETS	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK	
	As on 1st April 2016 Rupees	Additions during the year Rupees	Deductions during the year Rupees	As at 31st MARCH 2017 Rupees	As on 1st April 2016 Rupees	For year Rupees	As at 31st MARCH 2017 Rupees	As at 31st March 2016 Rupees
Tangible assets								
Computer	5,937,975	1,822,570	-	7,760,545	1,230,053	2,282,118	4,248,374	4,707,922
Franking Machine	189,000	-	-	189,000	61,547	14,059	113,394	127,453
Furniture & Fixture	1,230,550	53,655	-	1,284,205	63,519	126,127	1,094,559	1,167,031
Office Equipments	210,275	26,000	-	236,275	92,855	81,407	62,013	117,420
Vehicle (Car)	13,030,641	-	-	13,030,641	1,164,725	1,628,830	10,237,086	11,865,916
Total	20,598,441	1,902,225	-	22,500,666	2,612,699	4,132,542	15,755,425	17,985,742
Previous Period	999,177	19,599,264	-	20,598,441	388,171	2,224,528	17,985,742	611,006
Intangible assets								
Computer Software	-	85,000	-	85,000	-	21,347	63,653	-
Total	-	85,000	-	85,000	-	21,347	63,653	-
Previous Period	-	-	-	-	-	-	-	-
Grand Total	20,598,441	1,987,225	-	22,585,666	2,612,699	4,153,889	15,819,078	17,985,742
Previous Period	999,177	19,599,264	-	20,598,441	388,171	2,224,528	17,985,742	611,006



RAJ RURAL HOUSING AND MORTGAGE FINANCE LIMITED

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

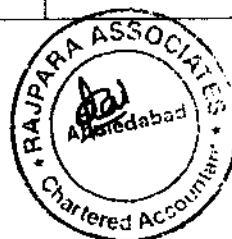
	Non Current		Current	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
Note 13. Loans and advances				
(A) Loans to Customers (Secured)				
Housing Loan	1,032,494,319	851,333,270	54,898,070	43,378,277
Non Housing Loan	69,312,400	55,920,166	6,711,951	6,193,816
Project Funding for Housing	56,183,100	121,584,600	417,956,192	182,832,494
Project Funding for Non-Housing	3,659,541	27,444,182	84,072,151	49,249,742
Installment & Other Dues from Borrowers	-	-	5,105,023	3,550,543
	1,161,649,360	1,056,282,219	568,743,387	285,204,872
Of the above:				
Considered Good	1,161,649,360	1,056,282,219	566,973,877	285,204,872
Considered Doubtful	-	-	1,769,510	-
Total Loans to Customers (A)	1,161,649,360	1,056,282,219	568,743,387	285,204,872

Notes:

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

The Company has advanced housing Loan to its officers and amount of total principal outstanding as on 31st March 2017 is as follows:

	Non Current		Current	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
Loans to Officers	2,348,503	4,687,662	141,061	171,738
	2,348,503	4,687,662	141,061	171,738
(B) Other Loans and Advances				
(i) Security deposits				
Unsecured, considered good	573,300	906,815	381,029	39,500
(ii) Prepaid expenses	-	-	175,186	126,727
(iii) Advances recoverable in cash or kind				
Unsecured, considered good	-	-	727,895	851,774
(iv) Advance Tax and TDS (Net of provisions)				
Unsecured, considered good	908,725	1,762,571	-	-
Total Other Loans and Advances (B)	1,482,025	2,669,386	1,284,110	1,018,001
Total Loans and Advances (A) + (B)	1,163,131,385	1,058,951,605	570,027,497	286,222,873



RAJAS RURAL HOUSING AND MORTGAGE FINANCE LIMITED

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

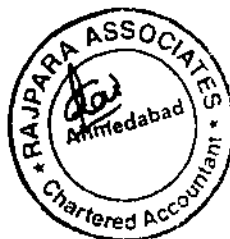
		Non-Current	
		As at 31st March 2017	As at 31st March 2016
Note 14. Other Non-Current Assets			
Unamortised Borrowing Costs		3,472,587	2,776,292
		<u>3,472,587</u>	<u>2,776,292</u>
		Current	
		As at 31st March 2017	As at 31st March 2016
Note 15. Cash and Bank Balances			
Cash and Cash Equivalents			
Cash on Hand		815,397	335,141
Balances with Banks:			
In Current Accounts		106,089,502	62,888,552
Total:		<u>106,904,899</u>	<u>63,223,693</u>
Note 16. Other Current Assets			
Unamortised Borrowing Costs		1,239,040	525,357
Interest Accrued On Term Loans		11,785,173	7,309,316
		<u>13,024,213</u>	<u>7,834,673</u>



RAJ RURAL HOUSING AND MORTGAGE FINANCE LIMITED

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

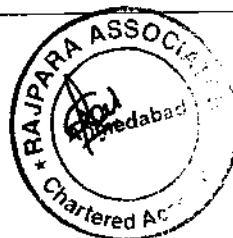
	Year ended 31st MARCH 2017 Rupees	Year ended 31st MARCH 2016 Rupees
Note 17. Revenue from operations		
Income from Financing Activity		
i) Interest Income		
Housing Loan	127,333,282	102,155,626
Non Housing Loan	9,034,694	7,529,666
Project Funding for Housing	62,931,671	31,465,651
Project Funding for Non-Housing	16,967,312	2,930,129
ii) Other Operating Revenue		
Service Charges, OBC Charges, etc.	14,880,723	12,623,437
	231,147,682	156,704,509
Note 18. Other Income		
Interest Income:		
On Bank Deposits	1,748,707	613,050
Interest on IT refund	152,405	-
	1,901,112	613,050
Note 19. Employee Benefits Expense		
Salaries, Bonus and Allowances	29,391,072	19,072,637
Contributions to Provident & Other Funds	1,456,689	855,970
Staff Welfare Expenses	621,329	538,826
	31,469,090	20,467,433
Note 20. Finance Costs		
Interest:		
On Bank Borrowings	125,235,810	81,539,120
On Others	2,962,382	37,173
	128,198,192	81,576,293
Other Borrowing Costs	1,598,767	1,093,048
	129,796,959	82,669,341



RAJPARA RURAL HOUSING AND MORTGAGE FINANCE LIMITED

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

	Year ended 31st MARCH 2017 Rupees	Year ended 31st MARCH 2016 Rupees
Note 21. Depreciation and Amortisation		
Depreciation on tangible assets	4,132,542	2,224,528
Amortisation of intangible assets	21,347	-
	4,153,889	2,224,528
Note 22. Provisions		
Contingent Provision against Standard Assets	2,272,324	2,636,386
Provision for Non-Performing Assets	910,214	354,224
	3,182,538	2,990,610
Note 23. Other Expenses		
Rent	4,614,402	3,372,881
Rates & Taxes	818,828	823,305
Stationery & Printing	436,948	521,176
Telephone & Internet	1,804,116	918,542
Electricity	190,313	73,762
Postage & Courier	115,006	30,644
Insurance	270,035	245,977
Conveyance	1,661,493	1,218,767
Travelling	1,187,615	881,391
Repairs & Maintenance	266,470	554,130
Professional Fees (Refer Note 23.1 below)	4,780,899	3,160,996
Director's Sitting Fees	235,000	240,000
ROC Expenses	375,000	187,186
Bank Charges	226,557	386,480
Bad Debts	1,691,252	258,289
Commission	14,450,484	9,621,561
Advertisement Expenses	787,613	3,001,893
Sales Promotion Expenses	106,897	57,143
Recovery Contract Charges	639,993	230,322
Miscellaneous Expenses	613,476	1,032,261
	35,272,397	26,816,706
Note 23.1		
Professional fee includes Payment to Statutory Auditors		
As Auditors:		
Statutory Audit Fees	85,000	160,000
Other Services	89,250	67,500
	174,250	227,500

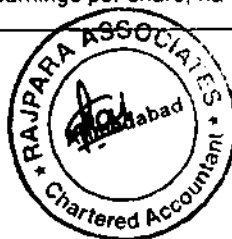


RAJPARA RURAL HOUSING AND MORTGAGE FINANCE LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017**

	Year ended 31st MARCH 2017 Rupees	Year ended 31st MARCH 2016 Rupees
Note 24. Earnings Per Share		
Computation of Profit (Numerator)		
Net Profit for the year attributable to Equity Shareholders	19,469,470	14,821,508
Less : Preference Share Dividend including Dividend Distribution Tax thereon	-	1,010,818
Net Profit for the year attributable to Equity Shareholders	19,469,470	13,810,690
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	18,034,920	18,034,920
Basic Earnings per Share of face value of Rs. 10 each (in Rs.)	1.08	0.77
Diluted Earnings per Share of face value of Rs. 10 each (in Rs.)	1.08	0.77

Note:

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



RAJPARA RURAL HOUSING AND MORTGAGE FINANCE LIMITED

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

25. Additional Information to the Financial Statements:

A. Expenditure in Foreign Currency – Nil

B. Earning in Foreign Currency – Nil

C. Disclosure as required in terms of Paragraph 5 of National Housing Bank Circular No. NHB/ND/DRS/Pol-No. 35/2010-11 dated October 11, 2010 and notification no. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 09, 2017 are given in Annexure A forming part of these Financial Statements.

26. 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 on 31-03-2017 Rupees	Year Ended on 31-03-2016 Rupees
1. Lease payments recognised in the Statement of Profit and Loss	4,614,402	3,369,661
Note:- i. The company has given refundable, interest free security deposits under certain Agreements. ii. Certain agreements contain a provision for their renewal.		

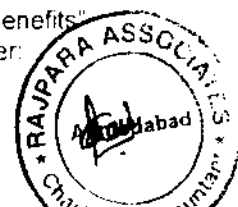
27. In accordance with Accounting Standard (AS) - 13 "Accounting for Investments", Company has made following investments:

Sr. No.	Name of The Bank / Company	Investment Amount (Rs.)
1	FD With State Bank of India	471,000,000/-

The company has earned Interest on FD Rs. 1,748,707/- (Previous Year Rs. 613,050/-) 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.

28. Employee Benefits

Disclosures as required as per Accounting Standard AS-15 (revised) – "Employee Benefits" specified under Section 133 of the Companies Act, 2013, in respect of Gratuity are as under:



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

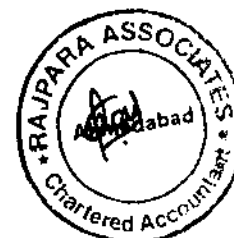
	Particulars	As at For the year ended 31 st March 2017 Rupees	As at For the year ended 31 st March 2016 Rupees
A	Net liability /(assets) recognised in the Balance Sheet as at		
	Present value of funded obligation	7,01,015	3,48,119
	Fair value of plan assets	824,596	6,11,040
	Present value of unfunded obligation	-	-
	Net liability/(assets)	(1,23,581)	(2,62,921)
B	Expense recognised in the profit and loss account for the year		
	Current service cost	2,67,977	1,26,450
	Interest on obligation	27,980	10,979
	Expected return on plan assets	(38,859)	(28,668)
	Net actuarial losses /(gains) recognised in the year	1,28,461	46,101
	Expenses deducted from the fund	-	10,344
	Prior Year Charge	8,219	-
	Total Charge to Profit & Loss	3,93,778	1,65,206
C	Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:		
	Opening defined benefit obligation	3,48,119	72,666
	Transfer in/(out) obligation	-	90,552
	Service Cost	2,67,977	1,26,450
	Interest Cost	27,980	10,979
	Actuarial losses /(gains)	1,10,881	47,472
	Past Service Liability	-	-
	Benefits paid	(53,942)	-
	Closing defined benefit obligation	7,01,015	3,48,119
D	Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof:		
	Opening balance of fair value of plan assets	6,11,040	2,04,476
	Transfer in/(out) plan assets	-	1,25,481
	Expense deducted from the fund	-	(10,344)
	Expected return	38,859	20,449
	Actuarial gains / (losses)	(17,580)	1,371
	Contributions by Employer	2,46,219	2,69,607



	Benefits paid	(53,942)	-		
	Closing balance of fair value of plan assets	8,24,596	6,11,040		
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 (Refer note 1(b) below)	7.25%	8.10%		
	Expected return on plan assets	7.25%	8.10%		
	Annual increase in salary costs (Refer note 1(a) below)	7.00%	5.50%		
	Notes:				
1	(a) The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market. (b) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.				
2	Defined Contribution Plans	Year ended 31 st March 2017 Rupees	Year ended 31 st March 2016 Rupees		
	Amount recognized as an expense and included in Note 19 of Statement of Profit & Loss.				
	Provident Fund	912,999	581,068		
	E.S.I.C.	146,643	88,033		
	Total	1,059,642	607,333		
3	Experience Adjustments:				
		As at 31 st March 2017 Rupees	As at 31 st March 2016 Rupees	As at 31 st March 2015 Rupees	As at 31 st March 2014 Rupees
	Present value of the defined benefit Obligation	7,01,015	3,48,119	72,666	55,721
	Fair value of the plan assets	8,24,596	6,11,040	2,04,476	1,55,233
	Deficit/(Surplus) in the plan	(1,23,581)	(2,62,921)	(1,31,810)	(99,512)
	Experience (gain) / loss adjustments on plan liabilities	(92,987)	37,848	(30,847)	-
	Experience (gain) / loss adjustments on plan assets	17,580	(1,371)	1632	(196)
4	Overall expected rate of return on assets taken is the rate declared by LIC.				

29. 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



30. 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) Mrs. Darshana S. Pandya (Director & Chief Operating Officer) (w.e.f. December 14, 2016)
Relatives of Key Management Personnel	: Mrs. Shweta K. Gandhi Mr. Saumil D. Pandya (w.e.f. December 14, 2016)
Enterprise over which Key Management Personnel has significant influence	: Mukesh C. Gandhi (HUF) (upto March 15, 2017)

Related party transactions:

Sr. No.	Nature of transactions	Year ended 31 st March 2017 Rupees	Year ended 31 st March 2016 Rupees
1	Dividend Paid		
	MAS Financial Services Limited	-	1,182,500
	Mr. Kamlesh C. Gandhi	33,880	403,757
	Mr. Mukesh C. Gandhi	67,759	688,201
	Mrs. Shweta K. Gandhi	33,880	377,396
	Mukesh C. Gandhi (HUF)	-	40,150
2	Rent Expense:		
	MAS Financial Services Limited	1,200,000	1,200,000
3	Recovery Contract Charges:		
	MAS Financial Services Limited	240,000	228,667
4	Expenditure reimbursed to:		
	MAS Financial Services Limited	11,678,777	11,329,021
5	Reimbursement of Collection Received on behalf of the Company from:		
	MAS Financial Services Limited	516,126	749,596
6	Remuneration paid:		
	Mr. Kamlesh C. Gandhi	1,920,000	1,941,600
	Mr. Mukesh C. Gandhi	1,920,000	1,941,600
	Mrs. Darshana S. Pandya (w.e.f. December 14, 2016)	322,449	-
	Mr. Saumil D. Pandya (w.e.f. December 14, 2016)	276,757	-
7	Subscription to Optionally Convertible Preference Shares:		
	Mr. Kamlesh C. Gandhi	5,000,000	5,000,000
	Mr. Mukesh C. Gandhi	10,000,000	10,000,000
	Mrs. Shweta K. Gandhi	5,000,000	5,000,000
8	Unsecured loan received:		
	Mr. Kamlesh C. Gandhi	-	3,000,000
	Mr. Mukesh C. Gandhi	-	3,000,000



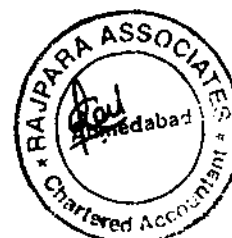
9	Unsecured loan repaid:		
	Mr. Kamlesh C. Gandhi	-	30,00,000
	Mr. Mukesh C. Gandhi	-	30,00,000
	Balance outstanding at the end of the year:		
10	Loan to Mrs. Darshana S. Pandya	2,489,564	2,681,735
11	Optionally Convertible Preference Shares:		
	Mr. Kamlesh C. Gandhi	10,000,000	5,000,000
	Mr. Mukesh C. Gandhi	20,000,000	10,000,000
	Mrs. Shweta K. Gandhi	10,000,000	5,000,000
12	Remuneration payable:		
	Mr. Kamlesh C. Gandhi	38,330	-
	Mr. Mukesh C. Gandhi	38,330	-
	Mrs. Darshana S. Pandya	15,375	-
	Mr. Saumil D. Pandya	17,622	-
13	Guarantee outstanding as at Year end:		
	MAS Financial Services Limited	375,034,267	48,866,8100

31. Dividends Proposed

The Board of Directors of the Company at its meeting held on May 10th 2017 proposed an equity dividend of Rs.0.05 per share. Dividend on 8% Optionally Convertible Preference Shares is also proposed in the meeting. The amounts of dividend and dividend distribution tax are as follows:

Particulars	Dividend Proposed	Dividend Distribution Tax	Total
Equity Shares	901,746	175,379	1,077,125
8% Optionally Convertible Preference Shares	3,116,712	606,163	3,722,875

32. The company has sanctioned but undisbursed amount of loans amounting to Rs. 570.11 lacs (previous year Rs. 687.18 lacs) as on the date of balance sheet which are to be disbursed during the normal course of business.
33. 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.
34. Total amount of assigned assets outstanding as per books of the company (excluding accrued interest) as on 31st March, 2017 is Rs. 3,38,58,413/-. Dues to assignees towards collections from assigned receivables as on 31st March, 2017 is Rs.4,07,158/-.
35. 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 that extent is not given.
36. 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.



38. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 in terms of Ministry of Corporate Affairs Notification dt. 30.03.2017.

	SBN	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	447,500	402,120	849,620
(+) Permitted receipts	-	1,917,501	1,917,501
(-) Permitted payments	-	59,441	59,441
(-) Amount deposited in Banks	447,500	1,233,553	1,681,053
Closing cash in hand as on 30.12.2016	-	1,026,627	1,026,627

39. Previous Year's Figures

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

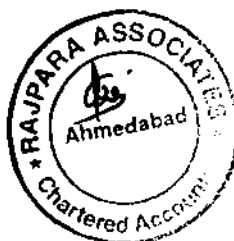
In terms of our report attached

For and on behalf of Board of Directors

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



Chandramaulin Rajpara
Partner
Membership No. 046922

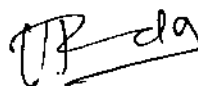


Place: Ahmedabad.
Date:

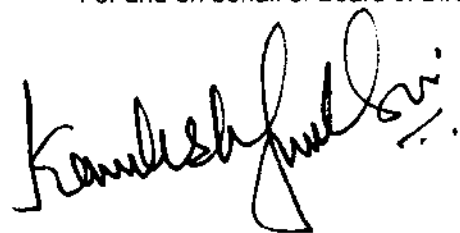
10 MAY 2017



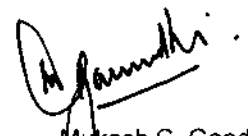
Darshana S. Pandya
(Director & COO)
(DIN - 07610402)



Vrunda Patel
(Company Secretary)
(Membership No. A39707)



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



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

Place: Ahmedabad
Date:

10 MAY 2017

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 and notification no. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 09, 2017.

I Capital to Risk Assets Ratio as on 31st March 2017

Sr. No.	Item	Current Year	Previous Year
1	CRAR (%)	34.04%	35.75%
2	CRAR – Tier I Capital (%)	28.51%	32.06%
3	CRAR – Tier II Capital (%)	5.53%	3.69%

II INVESTMENT

The company does not have any outstanding investments at the beginning or at the end of the year.

III DERIVATIVE

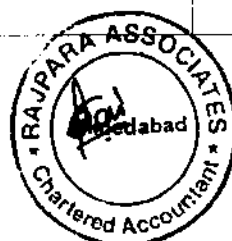
The Company has not entered into any Derivative transactions.

IV SECURITIZATION

(a) For Securitization Transaction

(Amount in Rs. crore)

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



(b) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

(Amount in Rs. crore)

Particulars	Current Year	Previous Year
(i) No. of accounts	Nil	Nil
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	Nil	Nil
(iii) Aggregate consideration	Nil	Nil
(iv) Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
(v) Aggregate gain / loss over net book Value	Nil	Nil

(c) Details of Assignment transactions undertaken by HFCs

(Amount in Rs. crore)

Particulars	Current Year	Previous Year
(i) No. of accounts	82	Nil
(ii) Aggregate value (net of provisions) of accounts assigned	4.46	Nil
(iii) Aggregate consideration	4.46	Nil
(iv) Additional consideration realized in respect of accounts transferred in earlier years	NIL	Nil
(v) Aggregate gain / loss over net book Value	NIL	Nil

(d) Details of non-performing financial assets purchased / sold

(i) Details of non-performing financial assets purchased:

(Amount in Rs. crore)

Particulars	Current Year	Previous Year
1. (a) No. of accounts purchased during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil
2. (a) Of these, number of accounts restructured during the year	Nil	Nil
(b) Aggregate outstanding	Nil	Nil

(ii) Details of Non-performing Financial Assets sold:

(Amount in Rs. crore)

Particulars	Current Year	Previous Year
1. No. of accounts sold	Nil	Nil
2. Aggregate outstanding	Nil	Nil
3. Aggregate consideration received	Nil	Nil



V Exposure

(a) Exposure to Real Estate Sector:

(Amount in Rs. crore)

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	100.61	81.49
	-Individual Housing Loan more than Rs. 15 Lakh	8.36	8.10
	(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	6.76	5.55
	-Individual Commercial Loan more than Rs. 15 Lakh	0.85	0.67
	-Builders	56.45	38.34
	(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

(b) Exposure to Capital Market

Category	Current Year	Previous Year
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	Nil	Nil
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	Nil	Nil
(iii) advances for any other purposes where shares or convertible bonds or	Nil	Nil



As at 31st March 2016:

(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 month s to 6 month s	Over 6 month s to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5to7 years	Over 7to10 Years	Over 10 years	Total
Liabilities												
Borrowings from banks	0.01	0.54	1.00	3.42	5.68	12.42	44.27	27.61	13.26	2.52	0.78	111.51
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 (Net of Security Deposits)	1.88	0.18	1.87	2.13	8.39	14.01	24.91	13.43	15.04	23.15	27.51	132.50
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

VII. Disclosure of Penalties imposed by NHB and other regulators

During the financial year 2016-17 no penalties have been imposed by NHB and other regulators.

VIII. Rating assigned by Credit Rating Agencies and migration of rating during the year.

By ICRA:

INSTRUMENT	AMOUNT	RATING ACTION	MIGRATION
Long term bank facilities (Cash Credit/Term Loan)	Rs. 150.00 Crore	[ICRA]A-(Positive)	No migration of rating

By CRISIL:

INSTRUMENT	AMOUNT	RATING ACTION	MIGRATION
Long term bank facilities (Cash Credit/Term Loan)	Rs 24.77 Crore (Reduced from Rs 100.00 Crore)	CRISIL BBB+/Stable	No migration of rating

IX Provisions and Contingencies

(Amount in Rs. crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Current Year	Previous Year
1. Provisions for depreciation on Investment	NIL	NIL
2. Provision made towards Income tax	1.12	0.73
3. Provision towards NPA	0.09	0.04
4. Provision for Standard Assets (with details like teaser loan, CRE, CRE-RH, etc.)		
i) Individual Housing		
ii) Commercial Real Estate (CRE)	0.08	0.07
iii) Commercial Real Estate - Residential Housing (CRE-RH)	0.03	0.08
	0.13	0.11
Provision for Employee Benefits	0.10	0.09
Interim Dividend on Equity Shares	0.00	0.09
Interim Dividend on Preference Shares	0.00	0.07



Dividend distribution tax paid on interim equity dividend	0.00	0.02
Dividend distribution tax paid on interim preference dividend	0.00	0.01
Provision for proposed equity dividend	0.00	0.00
Provision for proposed preference dividend	0.00	0.01
Provision for dividend distribution tax on proposed equity dividend	0.00	0.00
Provision for dividend distribution tax on proposed preference dividend	0.00	0.00

X Draw Down from Reserves

There has not been any draw down from reserves during FY 16-17.

XI Concentration of Public Deposits, Advances, Exposures and NPAs

XI.I Concentration of Public Deposits (for Public Deposit taking / holding HFCs)

Not Applicable

XI.II Concentration of Loans & Advances

(Amount in Rs. crore)

Particulars	Current Year	Previous Year
Total Loans & Advances to twenty largest Borrowers	45.56	36.75
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	26.33%	27.40%

XI.III Concentration of all Exposure (including off-balance sheet exposure)

(Amount in Rs. crore)

Particulars	Current Year	Previous Year
Total Loans & Advances to twenty largest Borrowers	46.59	38.12
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	26.07%	27.03%

XI.IV Concentration of NPAs

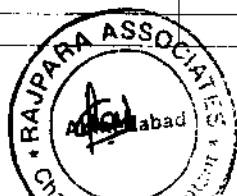
(Amount in Rs. crore)

Particulars	Current Year	Previous Year
Total Exposure to top ten NPA accounts	0.72	0.24

XI.V Sector-wise NPAs

(Amount in Rs. crore)

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector
A.	Housing Loans:	
1.	Individuals	0.41%
2.	Builders/Project Loans	0.57%
3.	Corporates	-
4.	Others (specify)	-
B.	Non-Housing Loans:	
1.	Individuals	0.04%
2.	Builders/Project Loans	-
3.	Corporates	-



4.	Others (specify)	-
----	------------------	---

XII Movement of NPAs

(Amount in Rs. crore)

Particulars	Current Year	Previous Year
(I) Net NPAs to Net Advances (%)	0.35%	0.15%
(II) Movement of NPAs (Gross)		
a) Opening balance	0.24	0.00
b) Additions during the year	0.70	0.35
c) Reductions during the year	0.21	0.12
d) Closing balance	0.72	0.24
(III) Movement of Net NPAs		
a) Opening balance	0.20	0.00
b) Additions during the year	0.57	0.30
c) Reductions during the year	0.17	0.10
d) Closing balance	0.60	0.20
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	0.04	0.00
b) Additions during the year	0.13	0.05
c) Reductions during the year	0.04	0.02
d) Closing balance	0.13	0.04

XIII Overseas Assets

(Amount in Rs. crore)

Particulars	Current Year	Previous Year
	NIL	NIL

XIV Off Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)

Name of the SPV sponsored	
Domestic	Overseas
NIL	NIL

XV Disclosure of Complaints

Particulars	Current Year	Previous Year
a) No. of complaints pending at the beginning of the year	0	0
b) No. of complaints received during the year	8	14
c) No. of complaints redressed during the year	7	14
d) No. of complaints pending at the end of the year	1	0

