



# **MRHMFL RURAL HOUSING & MORTGAGE FINANCE LIMITED**

## **ANNUAL REPORT 2025-26**

**Corporate Identification No.** : U74900GJ2007PLC051383

**Registered Office** : 4<sup>th</sup> Floor, Narayan Chambers  
B/h. Patang Hotel, Ashram Road,  
Ahmedabad – 380 009. Gujarat.

**Board of Directors:**

|                      |   |                                            |
|----------------------|---|--------------------------------------------|
| Mr. Kamlesh Gandhi   | : | Chairman & Managing Director               |
| Mrs. Darshana Pandya | : | Director & Chief Operating Officer         |
| Mr. Dhvanil Gandhi*  | : | Additional Director (Whole-time Director)  |
| Mr. Subir Nag**      | : | Independent Director                       |
| Mr. Umesh Shah       | : | Independent Director                       |
| Mrs. Daksha Shah     | : | Independent Director                       |
| Mr. Vishal Vasu***   | : | Additional Director (Independent Director) |

\* Appointed wef April 29, 2026

\*\* Retired wef December 29, 2025

\*\*\* Appointed wef October 29, 2025

**Chief Financial Officer** : Mr. Chintan Pandya

**Company Secretary & Chief Compliance Officer** : Mr. Darshil Hiranandani

**Statutory Auditor:**

M/s. MAAK & Associates  
Chartered Accountants  
Ratnanjali Square, 601-604, 15,  
100 Feet Anand Nagar Rd, Near Gloria Restaurant,  
Satellite, Ahmedabad – 380 015

**Secretarial Auditor:**

M/s. Parth P Shah & Associates  
Practicing Company Secretaries  
B- 1108, 11th Floor, Ratnaakar Nine Square, Opp.  
ITC Narmada Hotel, Vastrapur,  
Ahmedabad- 380015.

**Registrar & Share Transfer Agent:**

KFin Technologies Limited  
Tower B Plot No: 31 & 32, Selenium,  
Financial District, Nanakramguda, Gachibowli  
Hyderabad, Telangana - 500 032  
Toll Free No: 1-800-3094-001 Email: [karisma@kfintech.com](mailto:karisma@kfintech.com)



## **DIRECTORS' REPORT**

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

Your Directors have pleasure to present the Nineteenth (19<sup>th</sup>) Annual Report of your Company together with the Audited Statement of Accounts for the year ended on March 31, 2026.

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

### **SUMMARISED FINANCIAL HIGHLIGHTS:**

**(Amount in INR)**

| <b>Particulars</b>                                                                                   | <b>March 31, 2026</b> | <b>March 31, 2025</b> |
|------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Interest Income                                                                                      | 89,16,10,865          | 70,62,91,165          |
| Gain on Assignment of Financial Assets                                                               | 6,51,30,438           | 6,28,95,743           |
| Fees and Commission Income                                                                           | 3,88,85,037           | 2,36,91,225           |
| Other Income                                                                                         | 2,35,51,299           | 1,79,48,181           |
| <b>Total Income</b>                                                                                  | <b>1,01,91,77,639</b> | <b>81,08,26,314</b>   |
| <b>Total Expenditure</b>                                                                             | <b>85,06,62,507</b>   | <b>68,99,57,876</b>   |
| Profit before Depreciation and Taxes                                                                 | 17,13,79,923          | 12,78,35,395          |
| Depreciation and Amortization                                                                        | 86,82,494             | 69,66,957             |
| Exceptional items                                                                                    | 58,17,703             | -                     |
| <b>Profit before Taxes</b>                                                                           | <b>16,26,97,429</b>   | <b>12,08,68,438</b>   |
| Provision for Taxation (including Deferred Tax)                                                      | 3,81,29,694           | 2,52,56,402           |
| <b>Profit after Taxes</b>                                                                            | <b>12,45,67,735</b>   | <b>9,56,12,036</b>    |
| Profit brought forward from previous year                                                            | 27,88,93,983          | 22,34,89,815          |
| Add/(Less) : Item of other comprehensive income recognised directly in retained earnings             | (334,769)             | (2,21,655)            |
| <b>Profit available for Appropriation</b>                                                            | <b>40,31,26,949</b>   | <b>31,88,80,196</b>   |
| <u>Appropriations</u>                                                                                |                       |                       |
| Reserves u/s. 29-C of the NHB Act, 1987 and Special Reserve u/s 36(1) (viii) of Income Tax Act, 1961 | 3,91,70,000           | 2,69,80,000           |
| Dividend Paid (including Interim dividend)                                                           | 1,19,06,289           | 1,30,06,217           |
| <b>Surplus Balance Carried to Balance Sheet</b>                                                      | <b>35,20,50,660</b>   | <b>27,88,93,979</b>   |

## **BUSINESS PERFORMANCE:**

The portfolio at the end of the year 2025-26 was INR 940.19 Cr., which increased by 22.41% as compared to the previous year. The quality of the portfolio remained robust during the period which has always remained the main plank of the Company. The stage III assets net of provisions of the Company during the period under review were 0.68% as compared to the previous year being 0.65%. The marginal movement was closely monitored by the Company, with continued emphasis on credit quality, portfolio monitoring and timely resolution of stressed accounts.

The Company remains positive about the long-term potential of the affordable housing finance segment and continues to focus on responsible and sustainable growth. Going forward, the Company will remain committed to maintaining an appropriate balance between portfolio growth, asset quality and prudent risk management, while strengthening its presence in the housing finance market.

The Company's approach continues to be guided by the principle of responsible credit, with the objective of enabling eligible customers to fulfil their aspiration of home ownership while creating sustainable long-term value for all its stakeholders.

During the year under review the Interest Income of the Company was INR 89.16 Cr. Further, the total income of the Company remained 101.92 Cr.

The profit after taxes stands up to INR 12.46 Cr. during the year compared to the profits of INR 9.56 Cr. during the Previous Year which shows an increase of 30.28% profits compared to the Previous Year. Cost of Borrowings for year ended March 31, 2026 was 9.53% as compared to 9.63% for year ended March 31, 2025 due to decrease in RBI's Repo Rate during the previous as well as current year, the effect of which was felt in the current year due to MCLR resets.

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

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

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



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## **RURAL INITIATIVE:**

The rural initiative continues to remain one of the major focuses of the Company. The Company believes and practices the policy of adapting to the ground level realities as fast as possible. Rural housing finance is undoubtedly a huge market, characterized by number of challenges ranging from financial literacy to acceptable titles of the property. However we are constantly endeavoring to find sustainable solutions to each of the challenges, we face with an uncompromised dispensation of extending credit where it is due.

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 technology adoption initiative across the loan lifecycle has resulted in improved operational efficiency, enhanced process standardization, and reduced turnaround time from origination to disbursement. The initiative has also strengthened monitoring, data accuracy, and scalability of operations.

Going forward, the Company plans to focus on further automation of credit assessment processes, deeper analytics-driven decision making, enhanced customer self-service capabilities, and continuous process optimization to maximize the benefits of digital transformation while maintaining robust risk controls. Various efforts are undertaken such as training the relationship officers, the branch credit officers, and the credit team at the central processing unit.

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

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

## **RESOURCES:**

The Total Equity of the Company as on March 31, 2026 was INR 184.45 Cr. Number of institutions have shown keen interest in participating in the future debt and the capital requirement of the Company. The Company is quite optimistic to tie up their financial requirement for the year 2026-27.

### **DIRECT ASSIGNMENT OF MORTGAGE POOL RECEIVABLES:**

Majority of the Company's loan book portfolio qualifies under the Priority Sector Lending (PSL) mortgage loan portfolio, as per the notification issued by RBI from time to time. During the financial year under review, the Company has assigned/co-lent receivables of its mortgage loan assets aggregating to Rs. 82.71 crores, being investors' share. Total assigned pool outstanding as at March 31, 2026 was Rs. 249.88 crores.

### **REFINANCE FROM NATIONAL HOUSING BANK:**

The NHB Refinance department has sanctioned Refinance facility to the Company under various schemes for a term ranging from 5 years to 15 years repayment tenure.

As on March 31, 2026 the outstanding balance on NHB Refinance amounts to Rs. 13.35 Crores.

The Company keeps on availing refinance from NHB which is currently 1.66% of its total borrowing mix. This helps it to raise matching tenure loans at very competitive rates. Subsequent to the close of the financial year, the Company availed refinance assistance of INR 20 crore from the National Housing Bank (NHB) on April 2, 2026 pursuant to the sanction received during the financial year 2025-26. This has resulted in an increased share of NHB refinance within the Company's overall borrowing profile, further strengthening the diversification and stability of its funding sources.

The Company continues to focus on enhancing the proportion of NHB refinance in its liability mix as part of its prudent liability management strategy. Increased access to NHB refinance is expected to support the Company's growth objectives while facilitating access to cost-effective and stable long-term funding.

### **CREDIT RATINGS:**

The Company is pleased to inform that during the financial year, the long-term credit rating assigned to the Company has been upgraded by CARE Ratings Limited from "CARE A; Positive" to "CARE A+; Stable".

The rating upgrade reflects the Company's sustained operational performance, strengthening asset quality, prudent risk management framework, robust governance practices, adequate capitalization, and improved financial profile. The revision in outlook from "Positive" to "Stable" signifies the rating agency's confidence in the Company's ability to maintain stable growth momentum and resilient credit fundamentals over the medium term.



The upgraded rating is a significant milestone for the Company and reinforces the trust reposed by lenders, investors, customers, and other stakeholders in the Company's business model and long-term strategic direction. The Management remains committed towards maintaining strong underwriting standards, regulatory discipline, and sustainable growth while continuing to enhance stakeholder value.

The Credit ratings for various Borrowings/FD of the Company are given herein below:

| <b>Name of the Rating Agency</b> | <b>Rated Facility</b>      | <b>Rating as on March 31, 2026</b> | <b>Rating as on March 31, 2025</b> |
|----------------------------------|----------------------------|------------------------------------|------------------------------------|
| Care Rating limited              | Long Term Bank Facilities  | CARE A+; Stable                    | Care A; Positive                   |
|                                  | Non-Convertible Debentures | CARE A+; Stable                    | Care A; Positive                   |

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

Pursuant to the Reserve Bank of India (Housing Finance Companies) Directions, 2025 issued by the Reserve Bank of India dated November 28, 2025 and Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 issued by the Reserve Bank of India dated November 28, 2025, the Company complies with said guidelines and also continues to comply with the guidelines issued by RBI regarding accounting standards, capital adequacy, concentration of credit, credit rating, 'Know Your Customer'- (KYC), fair practices code and capital market exposures. The Company has provided for impairment of loans and advances as per IND AS 109 prescribed under section 133 of the Companies Act, 2013 and as per the RBI Guidelines. The National Housing Bank Act, 1987, empowers RBI/NHB to levy a penalty on Housing Finance Companies for contravention of the Act or any of its directions. Various inspection observations of NHB were satisfactorily complied and resolved and reported to the Board. The RBI/NHB has not levied any penalty on MRHMFL during the year.

Company is having a valid NHB License for carrying on business of Housing Finance Company, bearing registration certificate No. 02.0067.08, dated January 7, 2008 and further the Company has complied with the provisions of NHB Directions/ circulars, as applicable.

As per the Master Circular- Returns to be submitted by Housing Finance Companies (HFCs) and various Circulars / Guidelines / Notifications issued by NHB, the Company has duly complied and submitted all the required monthly / quarterly / half yearly NHB reports / returns, intimation of opening / closing (shifting / relocation) of branches within prescribed time-limit during the FY 2025-26. The Company is regular in filing the online returns on the Centralised Reporting and Management Information Systems (CRaMIS) portal of NHB.

The Company being a financial institution is also registered for taking SARFAESI Action under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act") and the same has been notified by NHB.

## **HUMAN RESOURCE:**

MRHS believes in Human Capital Management which creates a strong culture that fosters employee development and commitment to business goals. With a committed team, we have not only been able to enhance customer experience but also stakeholder's value. We respect that our each team member comes with unique capabilities, complimentary talents, experiences and thinking and collectively as a team, we perfectly complement each other. We are proud of our homegrown leaders who have helped company achieve new heights. The workforce talent of the Company is more than 700 employees at the end of March 31, 2026.

The broad competencies that make us a strong team are our great learning curve which helps us to constantly evolve and set new targets which helps people in self-development along with the company and by development we don't mean just a specific competence, it is more of a broader, generic, ongoing growth. Along with development, we believe that collaborative problem solving leads to better outcomes. The zeal of team continued to be high in sustaining growth year on year of disbursements and in maintaining healthy recoveries. We are confident that we will always achieve Excellence through our endeavors.

## **DIVIDEND:**

Your Directors recommend a final dividend at a fixed rate of 6% p.a. to the preference shareholders amounting to INR 89,04,109.40/- (Rupees Eighty Nine Lakh Four Thousand One Hundred Nine Decimal Four Zero Only) and a final dividend at the rate of 0.38% to the Equity Shareholders amounting to INR 9,99,297.67/- (Rupees Nine Lakh Ninety Nine Thousand Two Hundred Ninety Seven Decimal Six Seven only) for the financial year ended on March 31, 2026.

## **TRANSFER OF UNCLAIMED DIVIDEND AND UNCLAIMED SHARES:**

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (including amendments and modifications, thereof), the company does not have any unpaid or unclaimed dividends or shares that were required to be transferred to the Investor Education and Protection Fund during the year under review.



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**CHANGE IN NATURE OF BUSINESS:**

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

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

There have been no material changes and commitments that would affect the financial position of the company from the end of the financial year to which the financial statements relate and the date of the Director's Report

**CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Your Company has always responded in a responsible manner to the growing needs of the communities in which it operates and believes in giving back to society in some measure that is proportionate to its success in business. During the year, your Company has undertaken a number of initiatives that contribute to society at large, in the area Education.

Education is believed to be the stepping stone to improve the quality of life, especially for the poor and the most vulnerable. In view of the same, the Company has identified various bright students who wish to pursue higher studies but are not financially sound and financed them for achieving their dreams. In order of development of the society, to curb the said causes and to achieve 100% Literacy Rate, the Company takes active interest in the education of these students and we care about providing better and quality education. The Company supports them by providing school bags, stationeries, lunch boxes, water bottles, etc and other such necessary accomplishment to ensure that the parents and the students do not have to take burden of these additional costs and stay focused while studying. A good school infrastructure makes it possible for the children that live in rural areas to study and in addition tends to improve the attendance and interest of students and teachers in learning. The Management Team at ~~MRHMFL~~ Rural Housing & Mortgage Finance Limited is proactively involved and connected with schools located at the outskirts of Ahmedabad and Gandhinagar to analyze infrastructure provided to the students and how organization can support them to make it better.

Further, during the financial year, the Company undertook CSR initiatives focused on eradicating hunger, poverty and malnutrition by providing essential food and grain supplies to economically weaker and underprivileged sections of society residing in rural areas and villages in and around Ahmedabad and Gandhinagar, Gujarat.

As part of the initiative, the Company supported the distribution of food grains and essential food items to needy individuals and families in rural communities, with the objective of improving access to basic nutritional requirements and providing support to vulnerable sections of society. The initiative was undertaken as part of the Company's commitment towards promoting social welfare and addressing the basic nutritional needs of disadvantaged communities, in accordance with the Company's CSR Policy.

The CSR Report for the Financial Year 2025-26 is annexed to this report as "**Annexure – A**".

### **AUDITORS:**

#### **Statutory Auditors:**

In terms of the transitional provisions applicable to Statutory Auditors under the Companies Act, 2013, M/s. MAAK & Associates, Chartered Accountants (Firm Registration No. 135024W), Ahmedabad were appointed as the statutory auditors of the Company for a period of 5 (five) years in the 15<sup>th</sup> Annual General Meeting (AGM) of the Company held on June 29, 2022.

However, Ministry of Corporate Affairs, vide its Notification dated 7th May, 2018 amended provisions of Rule 3(7) of Companies (Audit and Auditors) Rules, 2014 and accordingly, provisions of requirement of ratification of appointment of auditor at every general meeting is dispensed with. Therefore, at the ensuing general meeting members are not required to ratify Auditor's appointment and M/s. MAAK & Associates, Chartered Accountants, Ahmedabad (FRN: 135024W), will continue to act as auditors of the Company till the conclusion of the 20<sup>th</sup> AGM of the Company to be held in the year 2027.

#### **Secretarial Auditors:**

In the Board Meeting held on April 23, 2025, M/s. Parth P Shah & Associates, Practicing Company Secretaries were appointed as Secretarial Auditor of the Company for the financial year 2025-26.

### **SECRETARIAL AUDIT REPORT:**

Pursuant to Section 204 of the Companies Act, 2013, the unqualified Secretarial Audit Report for the Financial Year ended March 31, 2026 given by Mr. Parth P. Shah, Practicing Company Secretary is annexed to this Report as an "**Annexure – B**".



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

(i) By the auditor in his report;

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

(ii) By the Company Secretary in practice in his secretarial audit report;

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

**FRAUDS REPORTED BY THE AUDITOR:**

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

**COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARDS :**

The Company has duly followed the applicable Secretarial standards, relating to Meeting of the Board of Directors (SS-1) and General Meeting (SS-2), issued by the Institute of Company Secretaries of India (ICSI).

**PUBLIC DEPOSITS:**

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

**ANNUAL RETURN:**

The Annual Return of the Company as on March 31, 2026 is available on the Company's website and can be accessed at [https://www.mrhmfl.co.in/annual\\_reports.html#left-tab2](https://www.mrhmfl.co.in/annual_reports.html#left-tab2)

## **INFORMATION OF BOARD OF DIRECTORS, AND ITS MEETINGS:**

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

| <b>Name of the Director / Key Managerial Personnel</b>                                                         | <b>No. of other Directorships*</b> | <b>No. of Board Meetings attended during 2025-26</b> | <b>Attendance at the AGM held on 20/08/2025</b> |
|----------------------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------------------------|-------------------------------------------------|
| <b>Whole-time Directors</b>                                                                                    |                                    |                                                      |                                                 |
| Mr. Kamlesh Gandhi<br>Chairman & Managing Director<br>DIN: 00044852                                            | 6                                  | 4                                                    | Yes                                             |
| Mrs. Darshana Pandya<br>Director & Chief Operating Officer<br>DIN: 07610402                                    | 4                                  | 4                                                    | Yes                                             |
| Mr. Dhvanil K. Gandhi \$<br>Additional Whole-time Director<br>DIN: 10562922<br>\$ Appointed wef April 29, 2026 | 1                                  | NA                                                   | NA                                              |
| <b>Independent Directors</b>                                                                                   |                                    |                                                      |                                                 |
| Mr. Subir Nag*<br>Independent Director<br>DIN: 02169915<br>* Up to December 29, 2025                           | 3                                  | 3                                                    | No                                              |
| Mr. Umesh Shah<br>Independent Director<br>DIN: 07685672                                                        | 2                                  | 4                                                    | Yes                                             |
| Mrs. Daksha Shah<br>Independent Director<br>DIN: 00376899                                                      | 2                                  | 4                                                    | Yes                                             |
| Mr. Vishal Vasu^<br>Additional Independent Director<br>DIN: 02460597<br>^Appointed wef October 29, 2025        | 3                                  | 1                                                    | NA                                              |
| <b>Key Managerial Personnel</b>                                                                                |                                    |                                                      |                                                 |
| Mr. Darshil Hiranandani<br>Company Secretary & Chief Compliance Officer                                        | Nil                                | 4                                                    | Yes                                             |
| Mr. Chintan Pandya<br>Chief Operating Officer & Chief Financial Officer                                        | Nil                                | 4                                                    | Yes                                             |

\* Excluding Directorship of  Rural Housing & Mortgage Finance Limited;

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



All the Directors meet the fit and proper criteria stipulated under the RBI Master Directions, as amended from time to time. There have been no delays in filing the necessary disclosures, returns and necessary forms with respect to Foreign Direct Investment for the financial year under review.

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

During the year under review, Mr. Vishal Vasu was appointed as an Additional Non-Executive Independent Director of the Company with effect from October 29, 2025, in accordance with the applicable provisions of the Companies Act, 2013 and the applicable regulatory requirements.

Further, Mr. Subir Nag ceased to be an Independent Director of the Company upon completion of his tenure on December 29, 2025. The Board places on record its sincere appreciation for the valuable guidance, support and contributions made by him during his association with the Company.

Mr. Dhvanil Gandhi (DIN: 10562922) was appointed as an Additional Director and Whole-time Director of the Company with effect from April 29, 2026, pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, and with the prior approval of the Reserve Bank of India received vide its letter dated April 23, 2026. His appointment as Whole-time Director is for a period of five years with effect from April 29, 2026, subject to the approval of the Members of the Company and completion of the applicable statutory and regulatory requirements. His office is liable to retire by rotation.

The appointment of Mr. Dhvanil Gandhi forms part of the Company's continued endeavour to strengthen its Board and senior management and to ensure appropriate leadership depth and succession planning as the Company enters its next phase of growth. The Nomination and Remuneration Committee, at its meeting held on January 21, 2026, undertook a detailed evaluation of his qualifications, experience, capabilities and suitability for the position and recommended his appointment to the Board.

Mr. Dhvanil Gandhi holds a Bachelor's degree in Business Administration from Ahmedabad University, Ahmedabad. He subsequently pursued a postgraduate programme from the Indian School of Business (ISB), Hyderabad. As part of his academic and professional development, he has also participated in programmes at Kellogg School of Management, Northwestern University, USA, and IE Business School, Madrid, Spain. In addition, he has attended a summer training programme on Strategic Management at the London School of Economics (LSE), London, and a programme on Cross-Cultural Communication & Management at the National University of Singapore (NUS), Singapore.

Mr. Dhvanil Gandhi has been associated with the broader Group for over a decade and has worked closely with the core management team of the Holding Company. During this period, he has gained extensive hands-on exposure to various aspects of the business and developed an

understanding of the financial services industry, business operations, management processes and strategic priorities of the Group.

His experience of working alongside the senior leadership of the Group has enabled him to develop a broad perspective on business strategy and execution, while also providing him with an understanding of the Company's operating environment and the evolving requirements of the housing finance sector. His induction into the Board and management of the Company is expected to further strengthen the Company's leadership capabilities and provide continuity as part of its long-term succession planning.

As Whole-time Director, Mr. Dhvanil Gandhi is responsible for contributing to the overall management and affairs of the Company and for assisting in the formulation and implementation of its business and strategic objectives. He is expected to work closely with the Board and senior management in furthering the Company's growth objectives while maintaining a strong focus on governance, regulatory compliance, prudent risk management and sustainable business practices.

The Board considers Mr. Dhvanil Gandhi's academic background, professional exposure, knowledge of the Group and understanding of the business to be valuable in guiding the Company through its next phase of growth. His appointment also reflects the Company's focus on developing a robust leadership and succession framework while maintaining continuity in its governance and management structure.

During the year under review, there was no change in the Key Managerial Personnel ("KMP") of the Company.

The Company has received necessary declarations and confirmations from all the Directors pursuant to the provisions of the Companies Act, 2013. The Directors have confirmed that they are not disqualified from being appointed or continuing as Directors in terms of Sections 164 and 165 of the Companies Act, 2013.

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

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

The Board of Directors in its meeting held on 22<sup>nd</sup> April 2026, on the recommendations of the Nomination and Remuneration Committee (NRC), further recommends to the members of the Company to re-appointment of Mrs. Darshana Pandya (DIN: 07610402), as director liable to retire by rotation.



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- **Board Meetings:**

Regular meetings of the Board are held at least once in a quarter to review the Quarterly Results and other items on the agenda, and also on the occasion of Annual General Meeting (AGM). Additional Board meetings are convened to discuss and decide on various business policies, strategies and other businesses. The Company Secretary & Chief Compliance Officer drafts the Agenda for each meeting, along with explanatory notes, in consultation with the Directors, and distributes these in advance to the Directors.

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

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

The Company had 4 Board Meetings during the financial year under review.

| <b>Sr. No.</b> | <b>Date of Meeting</b> | <b>Total Number of Directors as on the date of Meeting</b> | <b>Number of Directors attended</b> |
|----------------|------------------------|------------------------------------------------------------|-------------------------------------|
| 1.             | April 23, 2025         | 5                                                          | 5                                   |
| 2.             | July 16, 2025          | 5                                                          | 5                                   |
| 3.             | October 29, 2025       | 5                                                          | 5                                   |
| 4.             | January 21, 2026       | 5                                                          | 5                                   |

The Board is assisted by Mr. Darshil Hiranandani, Company Secretary & Chief Compliance Officer, who serves in the capacity of Secretary to the Board.

**Independent Directors and Evaluation of Directors and the Board:**

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

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

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

A separate meeting of Independent Directors was held on March 30, 2026 to review the performance of Non-Independent Directors and Board as whole.

### **INFORMATION OF COMMITTEE AND ITS MEETINGS**

- **Audit Committee:**

Our Audit Committee comprised of 3 Directors as on March 31, 2026:

- a. Mr. Umesh Shah - Chairman
- b. Mrs. Daksha Shah - Member
- c. Mrs. Darshana Pandya - Member

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

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

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

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

| Sr. No. | Date of Meeting  | Total Number of Members as on the date of Meeting | Number of Members attended |
|---------|------------------|---------------------------------------------------|----------------------------|
| 1.      | April 23, 2025   | 3                                                 | 3                          |
| 2.      | July 16, 2025    | 3                                                 | 3                          |
| 3.      | October 29, 2025 | 3                                                 | 3                          |
| 4.      | January 21, 2026 | 3                                                 | 3                          |



### • **Nomination and Remuneration Committee:**

The Company had constituted the Remuneration Committee on October 6, 2011. Subsequently, pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, the nomenclature of the said Committee was changed to the "Nomination and Remuneration Committee" with effect from February 20, 2015, by way of a resolution duly passed by the Board of Directors.

The Nomination and Remuneration Committee ("NRC") is entrusted with the responsibility of identifying and recommending persons qualified to become Directors and Senior Management Personnel, formulating criteria for evaluation of performance, and recommending to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.

During the year under review, the Committee was reconstituted consequent to the cessation of Mr. Subir Nag as an Independent Director upon completion of his tenure.

As on March 31, 2026, the composition of the Nomination and Remuneration Committee was as under:

1. Mr. Umesh Shah – Chairman
2. Mrs. Daksha Shah – Member
3. Mr. Vishal Vasu – Member

Mr. Darshil Hiranandani, Company Secretary & Chief Compliance Officer acts as the Secretary to the Nomination and Remuneration Committee.

The Company had 3 Nomination & Remuneration Committee Meeting during the Financial Year under review:

| Sr. No. | Date of Meeting  | Total Number of Members as on the date of Meeting | Number of Members attended |
|---------|------------------|---------------------------------------------------|----------------------------|
| 1.      | April 23, 2025   | 3                                                 | 2                          |
| 2.      | October 29, 2025 | 3                                                 | 3                          |
| 3.      | January 21, 2026 | 3                                                 | 3                          |

The composition of committee inter alia meets with the requirement of section 178 of the Companies Act, 2013. Further, criteria for making payment, if any, to nonexecutive directors are provided under the Nomination and Remuneration Policy of the Company which is hosted on the website of the Company viz; [www.mrhmf.com](http://www.mrhmf.com)

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

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

As required by section 134(3)(c) read along with section 134(5) of the Act, the Board of Directors state that:

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

### **REGISTRAR AND SHARE TRANSFER AGENT:**

During the year under review, KFin Technologies Limited was the Registrar and Transfer Agent of the Company.

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

All Independent Directors have submitted their declarations of independence in accordance with the provisions of Section 149(6) of the Companies Act, 2013, confirming that they meet the criteria of independence, are not disqualified from continuing as Independent Directors, and have complied with the Code for Independent Directors as prescribed under Schedule IV to the Act. The Board is of the opinion that the Independent Directors are persons of integrity and possess the requisite qualifications, expertise, experience, and proficiency. Further, in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors have confirmed that their names are registered in the data bank maintained by the Indian Institute of Corporate Affairs and that they have either successfully undertaken the online proficiency self-assessment test or are exempted therefrom.



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### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

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

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

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

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

During the year under review INR 3,91,70,000/- transferred to reserve fund under Section 29-C of NHB Act, 1987 & Special Reserve U/s 36(1)(viii) of Income-tax Act, 1961.

### **CAPITAL:**

#### **1. AUTHORISED SHARE CAPITAL:**

The Authorised Share Capital as on March 31, 2026 was:

INR 45,00,00,000/- (Rupees Forty Five Crores only) divided into 4,50,00,000 (Four Crores and Fifty Lakh) Shares of INR 10/- each, which is further divided as INR 28,00,00,000/- (Rupees Twenty Eight Crores Only) divided into 2,80,00,000 [Two Crores Eighty Lakh] Equity shares of INR 10/- each and INR 17,00,00,000/- [Rupees Seventeen Crores Only] divided into 1,70,00,000 [One Crore and Seventy Lakh] Preference Shares of INR 10/- each.

#### **2. PAID UP SHARE CAPITAL:**

Pursuant to the resolution passed by the Members in the General Meeting of the Company dated August 29, 2019 and March 29, 2023 respectively; the Company converted its 33,33,330 6% Optionally Convertible Preference Shares ("OCPS") to 3,33,333 Equity Shares of INR 10.00 each on September 12, 2025.

Further, the Company issued 15,20,603 Equity Shares of INR 10/- each fully paid up at a premium of INR 187.29/- per share on Right basis on March 31, 2026.

The Paid-up Share Capital as on March 31, 2026 was:

INR 39,63,06,470/- (Rupees Thirty Nine Crore Sixty Three Lakh Six Thousand Four Hundred Seventy Only) divided into 2,62,97,307 Equity Shares of INR 10/- each and 1,33,33,340 6% Optionally Convertible Preference Shares of INR 10/- each.

Further, pursuant to the resolutions passed by the Members of the Company at the General Meetings held on June 9, 2021 and March 29, 2023, respectively, the Company redeemed 33,33,330 Series II 6% Optionally Convertible Preference Shares ("OCPS") on June 23, 2026.

Consequent to the aforesaid redemption, the paid-up share capital of the Company as at June 23, 2026 stands at INR 36,29,73,170/- (Rupees Thirty-Six Crore Twenty-Nine Lakh Seventy-Three Thousand One Hundred and Seventy only), comprising 2,62,97,307 Equity Shares of INR 10/- each and 1,00,00,010 6% Optionally Convertible Preference Shares of INR 10/- each.

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

##### **Conservation of Energy and Technology Absorption:**

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

##### **Foreign Exchange earnings and outgo:**

The Company has no Foreign Exchange earnings and outgo.

#### **ADEQUACY OF INTERNAL FINANCIAL CONTROL:**

The Companies Act, 2013 read with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 re-emphasizes the need for an effective Internal Financial Control system in the Company which should be adequate and shall operate effectively. The Company has devised proper system of internal financial control which is commensurate with size and nature of Business. Even, the Board had appointed Internal Audit advisors in order to ensure proper internal financial control for the Financial Year 2025-26. Further, the Statutory Auditors of the Company also ensure adequacy of the Internal Financial Controls for the Company and during the period under review the same is found satisfactory.



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### **RISK MANAGEMENT:**

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

### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

We have invested in a new Company, incorporated on August 05, 2022 amount of Rs. 30,00,000/- for 30% holding in Equity Shares named MASFIN Insurance Broking Private Limited.

Pursuant to the provision of Section 129(3) of the Companies Act, 2013, the performance and financial position of Subsidiaries, Associates and Joint Venture companies are described in Form AOC-1 which is annexed herewith as "***Annexure – E***".

### **PARTICULARS OF EMPLOYEES:**

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

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

### **SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:**

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a 'Policy for Prevention of Sexual Harassment' to prohibit, prevent or deter any acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment, thereby providing a safe and healthy work environment, in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 and the rules thereunder.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Details of complaints of sexual harassment as prescribed under rule 8(5)(x) of the Companies (Accounts) Rules, 2014 are as follows:

| Sr. No. | Particulars                                                    | No. of Complaints |
|---------|----------------------------------------------------------------|-------------------|
| 1.      | Number of complaints of sexual harassment received in the year | Nil               |
| 2.      | Number of complaints disposed off during the year              | Nil               |
| 3.      | Number of cases pending for more than ninety days              | Nil               |

### **COMPLIANCE WITH MATERNITY BENEFIT ACT, 1961**

We are dedicated to supporting our employees by providing industry-leading benefits, including accidental insurance and maternity/paternity benefits as per the applicable laws. We have a board-approved Employee Health & Safety Policy, which reflects our commitment to maintaining a safe and healthy work environment for all employees. As part of this initiative, we conducted training sessions focused on health and safety practices to further enhance workplace well-being. We have complied with the provisions relating to the Maternity Benefit Act 1961.

### **DISCLOSURE FOR MAINTENANCE OF COST RECORDS:**

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

### **GENERAL DISCLOSURE:**

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

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

- Issue of Equity Shares with differential rights as to dividend, voting or otherwise;
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme and ESOS;
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.



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### **ACKNOWLEDGEMENTS:**

Your Directors place on record their sincere appreciation for the continued dedication, commitment and contribution of the employees at all levels of the Company. The Directors particularly acknowledge the efforts of the leadership team and the core team, whose collective contribution has supported the Company in navigating the evolving business environment and pursuing its growth objectives.

Your Directors also express their sincere gratitude to the National Housing Bank (NHB), the Reserve Bank of India (RBI), lenders, customers, shareholders and other stakeholders for their continued guidance, trust, support and co-operation.

The Directors remain confident that, with the continued commitment of the employees and the support of all stakeholders, the Company will continue to strengthen its foundation, pursue sustainable growth and create long-term value for all its stakeholders. I understand, we have miles to go..... and together we can and we will.....

For & On behalf of the Board of Directors of  
**MA\$ RURAL HOUSING & MORTGAGE FINANCE LIMITED**

**Date** : July 22, 2026  
**Place** : Ahmedabad

**KAMLESH C. GANDHI**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN: 00044852**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **1. Executive Overview**

FY 2025–26 unfolded against a complex global backdrop marked by geopolitical uncertainty, shifting trade relationships, energy-market volatility and an uneven disinflation process. India nevertheless continued to demonstrate strong domestic economic momentum. The National Statistical Office's first advance estimates released in January 2026 estimated real GDP growth at 7.4% for FY 2025–26 under the then-prevailing 2011–12 base-year series. MoSPI subsequently introduced a new national accounts series with 2022–23 as the base year; the second advance estimates on the revised series placed FY 2025–26 real GDP growth at 7.6%. Accordingly, like-for-like comparisons in the final Annual Report should use a consistent official series.

For housing finance, the structural drivers remain compelling: urbanisation, household formation, infrastructure expansion, aspirations for home ownership, formalisation and policy support for affordable housing. The operating environment, however, increasingly rewards institutions that combine local-market underwriting with strong governance, diversified liabilities, technology-led efficiency and disciplined asset-liability management.

MAS Rural Housing & Mortgage Finance Limited ("MRHMFL" or "the Company") continues to position itself within this opportunity through its focus on housing finance for middle-income and underserved customer segments, including borrowers whose income profiles require specialised assessment. During FY 2025–26, the Company's branch network increased to 103 branches across Gujarat, Maharashtra, Madhya Pradesh and Rajasthan. There was no change in the States of operation and no new loan product was launched during the year. The Company completed development of its Loan Origination System ("LOS"), while development of the Loan Management System ("LMS") remained in progress.

A significant external validation during the year was the upgrade of the Company's long-term rating from 'CARE A; Positive' to 'CARE A+; Stable'. CARE Ratings stated that the revision factored in continued business growth, comfortable capital structure, healthy asset quality and stable profitability demonstrated over the years. The Company views the upgrade as an important milestone while recognising that ratings remain dynamic assessments requiring continued financial and operational discipline.

**Source:** NSO/MoSPI, First Advance Estimates FY 2025–26 (7 January 2026) and revised national accounts series/Second Advance Estimates (February 2026).



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## 2. Global Economic Environment

The global economy entered 2026 with resilience but faced renewed uncertainty as geopolitical developments and energy-market disruptions weighed on confidence. The World Bank's June 2026 Global Economic Prospects projected global growth at 2.5% in 2026, down from 2.9% in 2025, before an expected improvement to 2.8% in 2027. Higher energy prices, inflationary pressures and increased borrowing costs associated with conflict in the Middle East were identified as important near-term headwinds.

For financial institutions, global uncertainty can transmit into domestic markets through capital flows, risk premia, commodity prices, exchange rates and funding conditions. Housing finance institutions therefore need to evaluate not merely the level of interest rates but also liquidity availability, duration mismatches and the resilience of funding plans under stress. Balance-sheet discipline remains as important as growth.

Technology is simultaneously reshaping financial intermediation. Digitisation can reduce turnaround times, improve data integrity, strengthen monitoring and enhance customer service; however, it also increases dependence on information systems and third-party technology ecosystems. Cybersecurity, access governance, data protection, business continuity and vendor oversight have consequently become integral components of enterprise risk management.

**Source:** World Bank, Global Economic Prospects, June 2026.

## 3. Indian Economic Landscape

India's economic performance remained anchored by domestic demand, services, investment and public infrastructure expenditure. Under the revised national accounts series introduced by MoSPI in February 2026, real GDP growth for FY 2025–26 was estimated at 7.6%. The revision of the base year to 2022–23 and changes in methodology make consistency of statistical series important when presenting multi-year comparisons.

India's structural housing-finance opportunity is closely linked to broader economic transformation. Infrastructure development improves connectivity and expands viable residential catchments around established urban centres. Formalisation and digitisation improve transaction trails and financial information, potentially strengthening credit assessment for customer categories that historically had limited conventional documentation. Expansion of economic activity in smaller cities also supports housing demand beyond the largest metropolitan markets.

The Company's operating footprint across four western and central Indian States provides exposure to urban, semi-urban and rural markets. Such markets offer meaningful long-term demand but require granular understanding of local income patterns, property markets, legal documentation and collection behaviour. Sustainable growth therefore depends on retaining local credit intelligence while progressively standardising processes through technology and governance.

**Source:** MoSPI/NSO, national accounts estimates for FY 2025–26.

#### **4. Indian Housing and Residential Real Estate Sector**

Residential housing continues to benefit from underlying demand for home ownership and improving infrastructure. NHB RESIDEX data for the quarter ended March 2025 showed that the 50-city Housing Price Index based on assessment prices increased by 7.5% year-on-year. Forty-eight of the 50 covered cities recorded annual price growth and all eight major metropolitan markets covered by NHB recorded appreciation. The dispersion across cities nevertheless remained wide, underlining the importance of location-specific collateral assessment rather than reliance on broad market averages.

Affordable housing remains an important public-policy priority. PMAY-U 2.0 is designed to provide financial assistance to one crore urban poor and middle-class families to construct, purchase or rent a house at an affordable cost over five years. The scheme envisages investment of approximately ₹10 lakh crore and operates through Beneficiary Led Construction, Affordable Housing in Partnership, Affordable Rental Housing and the Interest Subsidy Scheme.

For specialised HFCs, the relevance of affordable-housing policy extends beyond direct subsidy transmission. Policy focus can stimulate housing supply, formalisation of property documentation and borrower awareness, and deepen the ecosystem of primary lending institutions serving EWS, LIG and MIG customers. The opportunity must nevertheless be approached through borrower-level assessment because affordability ultimately depends on sustainable cash flows, household leverage, property quality and repayment capacity.

**Source:** National Housing Bank, NHB RESIDEX Q4 FY 2024–25; Government of India / PMAY-U 2.0 official documentation.

#### **5. Housing Finance Industry – Structure and Developments**

India's housing finance market is served by banks, Housing Finance Companies and other regulated lenders. HFCs retain a distinctive role where customer profiles, property types or income patterns benefit from specialised underwriting and local market knowledge. This is particularly relevant in semi-urban and rural markets and among self-employed customers, where conventional salary-based assessment may not adequately capture repayment capacity.

NHB's Report on Trend & Progress of Housing in India, 2025, released on 25 February 2026, provides a current institutional reference point for the evolution of India's housing and housing-finance ecosystem. Key themes shaping the industry include specialised underwriting, funding and ALM discipline, digitalisation and customer protection.



Affordable and emerging-market housing finance requires assessment of cash flows, occupation stability, family income, property characteristics and local marketability. Technology can enhance this process but should complement rather than replace credit judgement. HFC business models also involve maturity transformation; diversification of borrowing sources, liquidity buffers, monitoring of structural liquidity and interest-rate sensitivity therefore remain fundamental to resilience.

Digital origination, document workflows, automated rule engines and integrated servicing platforms can improve turnaround time and scalability. These benefits are maximised when digital architecture is accompanied by data governance, cyber controls and clear accountability. At the same time, regulatory expectations increasingly emphasise transparent disclosures, fair practices, grievance redressal, data privacy and responsible recovery, making customer outcomes an important component of sustainable franchise value.

**Source:** National Housing Bank, Report on Trend & Progress of Housing in India, 2025.

## 6. Regulatory and Supervisory Landscape

The regulatory architecture for HFCs has progressively converged with the broader NBFC framework while retaining recognition of the specialised nature of housing finance. RBI's Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 remains a central prudential framework. RBI's harmonisation measures effective from 1 January 2025 further aligned specified HFC and NBFC regulations.

RBI's Information Technology Governance, Risk, Controls and Assurance Practices Directions, 2023 consolidate expectations around IT governance, infrastructure and services management, third-party arrangements, information security, business continuity and information-systems audit for covered regulated entities. The framework reinforces the principle that technology risk is a Board and senior-management governance matter.

RBI also issued Master Directions on Fraud Risk Management in NBFCs, including HFCs, in July 2024. The Reserve Bank of India (Digital Lending) Directions, 2025 subsequently consolidated the regulatory framework applicable to digital lending by regulated entities, including HFCs. These developments reinforce expectations around governance, customer transparency, data handling, accountability and digital arrangements.

**Source:** Reserve Bank of India – NBFC–HFC Directions, 2021; regulatory harmonisation circular effective 1 January 2025; IT Governance Directions, 2023; Fraud Risk Management Directions, 2024; Digital Lending Directions, 2025.

## 7. Company Overview and Business Model

MRHMFL is focused on enabling home ownership and extending credit to customer segments that require specialised, ground-level credit assessment. Its philosophy is rooted in the wider group principle of extending “Credit where it is due”, with emphasis on building quality assets, prudent liability management and creating a platform capable of sustainable scale.

The Company operates across Gujarat, Maharashtra, Madhya Pradesh and Rajasthan. As at March 31, 2026, its network comprised 103 branches. The branch-led model supports local customer acquisition, property-market understanding, credit verification and servicing. During FY 2025–26, the Company expanded its operations to Andhra Pradesh and Telangana through strategic partnership, thereby increasing its geographical presence. No new loan product was introduced during the year.

The Company continues to provide housing loans for purchase, construction, extension and renovation, serving salaried customers, self-employed professionals, self-employed non-professionals and agriculturists, subject to approved policies and applicable regulation. It also serves eligible non-residential property requirements and other permitted activities within its product framework.

Distribution combines direct sales capability, the branch network, referral channels and relationships with builders and ecosystem participants, while retaining control over credit, legal and technical appraisal. Separation between sourcing and sanction supports underwriting independence. Outreach in smaller centres assists customer acquisition, servicing and collections.

## 8. Technology and Digital Transformation

Technology transformation during FY 2025–26 centred on strengthening the core lending architecture. The Loan Origination System was fully developed during the year, creating a foundation for more standardised origination workflows, process visibility and data capture. While the company already has a functional Loan Management System, further developments/enhancements of the LMS remained in progress. Once implemented and stabilised, the new LMS is expected to profoundly improve support servicing, repayment administration, portfolio monitoring and operational control across the post-disbursement lifecycle. The company has also launched LOS mobile application for sales team to enable real-time data access, faster loan processing, and location independence.

The strategic value of these systems extends beyond automation. A well-governed lending technology stack can support consistent application of policy rules, improve audit trails, reduce manual hand-offs and enable management information to be generated with greater timeliness. The Company’s technology journey should therefore remain anchored in process redesign, user adoption, data quality, cybersecurity and control effectiveness rather than technology implementation alone.



## 9. Enterprise Risk Management

Risk management is integral to the Company's business model. Housing finance involves long-duration assets, collateral valuation, customer cash-flow assessment, funding and liquidity management, legal enforceability and operational execution across a distributed network. The objective of the risk framework is not to eliminate risk but to identify, measure, monitor and manage risk within approved appetite while supporting sustainable business growth.

Credit risk is managed through borrower assessment, verification of income and cash flows, bureau and other permitted checks, legal and technical appraisal, appropriate loan-to-value discipline, delegated sanction authorities, portfolio monitoring and collection mechanisms. For self-employed and informal-income customers, field assessment and local market intelligence remain particularly important.

Liquidity and asset-liability risk require careful management of the tenor and repricing characteristics of assets and liabilities. Structural liquidity, funding concentrations, repayment obligations and available liquidity are monitored through the ALM governance framework. Diversified and stable funding, adequate liquidity buffers and contingency planning remain important mitigants.

Interest-rate risk can influence borrowing costs, product pricing and margins. The Company seeks to manage this through pricing discipline, review of asset and liability repricing profiles and ALCO oversight. Operational risk is addressed through segregation of duties, maker-checker controls, documented SOPs, internal audit, exception monitoring, employee training and workflow automation.

Compliance risk is managed through regulatory tracking, policies, reporting, employee awareness and escalation. Cyber risk is addressed through access governance, security monitoring, incident response, backup and disaster recovery, vendor oversight and assurance. Fraud risk is mitigated through verification, preventive controls, investigation protocols and reporting. Reputation risk is managed through fair practices, transparent customer communication, grievance redressal and ethical conduct.

The Company also evaluates emerging risks arising from regulatory change, climate events, technology dependency, data privacy, artificial intelligence, third-party concentration and changes in borrower behaviour, based on their relevance and materiality to the actual business model.

## **10. Internal Audit and Control Environment**

The Company maintains internal controls designed to provide reasonable assurance regarding safeguarding of assets, reliability of records, adherence to policies, regulatory compliance and operational effectiveness. Internal audit provides independent assurance over selected processes based on an audit plan reviewed through the governance framework. Observations, root causes, agreed corrective actions and closure status are monitored and escalated as appropriate.

As processes become increasingly technology-enabled, the control environment is expected to evolve from predominantly manual and detective controls towards a greater combination of automated, preventive and data-driven controls. This transition requires configuration governance, change management and periodic validation to ensure that automation strengthens rather than merely digitises existing processes.

## **11. Human Capital**

People remain central to a relationship-led housing finance model. Credit judgement, customer interaction, property understanding, collections, compliance and control effectiveness depend on the quality and conduct of employees. The Company seeks to develop a performance-oriented culture that combines accountability with customer focus, ethical behaviour and continuous learning.

Technology implementation also changes the skills required across functions. Successful adoption of LOS and the ongoing LMS programme require employees to adapt to more structured workflows, improved data discipline and greater use of system-generated information. Training and change management are therefore important complements to technology investment.

## **12. Opportunities**

The principal long-term opportunity arises from India's continuing aspiration for home ownership and the need for specialised credit delivery outside the largest metropolitan and formally salaried customer segments. Affordable and emerging-market housing can remain a meaningful addressable segment for institutions capable of granular underwriting.

Tier II, Tier III and rural catchments may benefit from infrastructure expansion and economic decentralisation. MRHMFL's existing four-State footprint provides a platform to deepen penetration while retaining local-market familiarity. Technology-led productivity is another opportunity: LOS implementation and the LMS programme can improve turnaround time, process consistency, monitoring and scalability.

The CARE A+; Stable upgrade can support stakeholder confidence and, subject to market conditions and continued operating performance, may assist the Company in progressively strengthening its liability franchise.



**Source:** Government of India PMAY-U 2.0; NHB housing-sector publications

### 13. Threats and Challenges

Macroeconomic volatility, interest-rate movements and changes in market liquidity can affect borrower affordability and the cost of funds. Competitive intensity from banks, HFCs and NBFCs can influence pricing, sourcing costs, talent retention and customer acquisition.

Housing-price trends can vary materially by city and micro-market, requiring sound collateral assessment and conservative valuation practices. Borrowers with variable or less-formal income provide an important financial-inclusion opportunity but require robust cash-flow assessment and monitoring.

Digitisation expands the attack surface and increases dependency on system availability and third-party providers. Regulatory change is another continuing challenge: timely interpretation, implementation and evidence of compliance require sustained management attention and investment in governance.

**Source:** RBI and NHB sector publications; NHB RESIDEX.

### 14. Strategic Outlook

The long-term outlook for housing finance in India remains constructive, although the path is unlikely to be linear. Economic growth, urbanisation, infrastructure development, policy support and aspiration for home ownership provide structural demand. The sector will simultaneously be shaped by competition, regulatory expectations, technology investment, funding conditions and the need for consistently strong asset quality.

For MRHMFL, the strategic priority is to compound the strengths of its existing model rather than pursue growth detached from fundamentals. The 103-branch network provides a meaningful operating platform across four existing States. The focus is expected to remain on deepening customer reach, maintaining underwriting discipline, strengthening collection and portfolio monitoring, improving productivity and completing the technology transformation initiated through LOS and LMS.

The upgrade to CARE A+; Stable during FY 2025–26 is an important milestone. Future resilience will depend on maintaining appropriate capital and liquidity, preserving asset quality, strengthening funding relationships, embedding technology with effective controls and continuing to enhance governance.

In an industry where growth opportunities are significant, MRHMFL intends to remain anchored to its long-standing emphasis on fundamentals. Responsible credit delivery, customer understanding, sound risk management and operating discipline are expected to remain the foundation on which the Company pursues sustainable scale and long-term stakeholder value.

## 15. Overview

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

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

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

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

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



authority limits.

MRHMFL also offers home loans under the Affordable Housing Fund (AHF) scheme wherein loans are given in urban areas for families having annual household income up to INR 6 lakh. Since NHB offers refinance at concessional rate of interest under the scheme, the ultimate rate of interest applicable on loans to beneficiaries is regulated with a cap on the spread.

MRHMFL has also signed an MOU with the NHB which is the Central Nodal Agency under the Pradhan Mantri Awas Yojana – Urban (PMAY-U 2.0) for the Interest Subsidy Scheme (ISS) for EWS, LIG & MIG 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 or reduction in EMIs.

- **Marketing Efforts**

To ensure a deeper geographic reach, MRHMFL has been sourcing retail business through Direct Sales Team, Builder Tie-ups and third party channels by appointment of MRHMFL Referral Associates. Referral Associates only sources the 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 103 branches across these four states. During FY 2025–26, the Company expanded its operations to Andhra Pradesh and Telangana through strategic partnership, thereby increasing its geographical presence. No new loan product was introduced during the year.

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.

MRHMFL has also conducted direct marketing activities like loan melas at lead source points of 1) Urban areas viz Industrial Development Corporations / Office Complexes / Under construction sites / Prominent Places and 2) Rural, Villages at Milk Dairy / Gram Panchayat Office Premises / places of referrals where there are good footfalls of prospective customers.

MRHMFL has also started its marketing activities through various social media handles and also provides the Product Information messages are sent to Builders, Developers, DSA etc through social media and SMSs.

- Disbursements

MRHMFL disbursed INR 295.67 Crores during the year as against INR 272.59 Crores in the previous year. MRHMFL disbursed loans of INR 185.49 Crores (previous year INR 156.75 Crores) for home purchase and renovation.

MRHMFL disbursed home loans to 2143 families (previous year 1944 families) and the average home loan to individuals was maintained at INR 0.09 Crores.

MRHMFL disbursed loans of INR 103.36 Crores (previous year INR 97.43 Crores) for purchase of Non Residential Property/Commercial Property.

- Loans

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

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

During the year, MRHMFL's total outstanding loans increased to INR 940.19 Crores from INR 768.09 Crores, showing a growth of 22.41% as compared to the previous year.

MRHMFL's total outstanding home loans to individuals of INR 654.37 crores constitute 69.60% of the total outstanding loans. Loans to individuals for non-residential premises (NRP) of INR 268.36 Crores constituted 28.54% of the total outstanding loans. The outstanding loans to developers of INR 17.46 Crores constituted 1.86% of the total outstanding loans.

- Provision for Impairment of Loans

The Company has recognised impairment loss on loans based on the ECL model as required by Ind AS 109. Accordingly, MRHMFL has made a provision for impairment of INR 3.15 Crore towards Stage I loans and INR 2.57 Crore towards Stage II loans.

MRHMFL's Stage III loan assets as at March 31, 2026 were INR 9.22 Crores on which MRHMFL has made a provision of INR 2.84 Crores.

MRHMFL therefore carries a total provision of INR 8.56 Crores on its total assets as per IND AS 109.



- RBI and NHB Guidelines and Prudential Norms

MRHMFL has complied with the guidelines issued by RBI and NHB regarding accounting guidelines, prudential norms for capital adequacy, concentration of credit, credit rating, Know Your Customer (KYC) guidelines and Anti Money Laundering (AML) Standards, Fair Practices Code, grievance redressal mechanism, recovery of dues. The Company has provided for impairment of loans and advances as per IND AS 109 prescribed under section 133 of the Companies Act, 2013 and as per the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2025.

MRHMFL's total borrowings as at March 31, 2026 of INR 556.40 Crores were within the permissible limit of RBI and NHB Directions.

MRHMFL's CAR as at March 31, 2026 was 36.96% as against prescribed limit of 15%. The Capital Adequacy on account of Tier I Capital was 33.48% while the Capital Adequacy on account of the Tier II Capital was 3.48%.

- Risks & Concerns

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

#### Asset Liability Management Committee [ALCO]

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

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

#### Credit Risk Management

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

The Company has recognized following risk mitigants:

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

#### Operational Risk

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

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

The Company has recognized following risk mitigants:

- Task Segregation: Effective segregation of tasks and duties reduces internal theft and risks related to fraud. This prevents one individual from taking advantage of the numerous aspects of transactions and business processes or practices.
- Curtailing complexities in business processes: Reducing complexity in different business processes radically mitigates operational risks. Curtailing manual activities and the number of people and exceptions that rise during the implementation of business processes is important.
- Reinforcing organizational ethics: Creating a strong ethical compass within the organization is highly effective in mitigating operational risks management. Organizational ethics can be reinforced by combining personal values and principles of the workforce with the ideology of the organization.
- The right people for the right job: Having the right people in the right jobs can reduce issues pertaining to business process execution and skill and technology usage. This also results in appropriate workforce utilization, adherence to timelines, enhanced quality, and fewer errors and process breakdowns.

- Monitoring and evaluations at regular intervals: Business processes are more effective with well-designed performance indicators in place. Key Performance Indicators (KPIs) are critical for timely detection and mitigation of risks, provided they are continuously monitored and reviewed. This helps to identify discrepancies proactively and manage them accordingly.
- Periodic risk assessment: Periodic assessments of all facets of operational risks bring more relief to organizational management. It is imperative to be risk-ready by gauging regulatory obligations, IT assets, skills, competencies, processes and business decisions.
- Look back and learn: Risk incidents and various remedial activities employed in the past make way for some of the most effective strategies to counter future risks. Previous risk occurrences help to implementing a stronger, proactive operational risk management framework. It also supports real-time amendments that suit the current operating scenario.

#### Market Risk

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

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

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

- Internal Audit and Control

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

MRHMFL has robust internal audit programme, where the internal auditors, an independent firm of chartered accountants, conduct a planned 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, 2026 are:

- Profit before tax grew by 39.42% and Profit after tax grew by 30.28% as against the previous year.
  - Current year tax provision amounted to INR 3.81 Crore as compared to INR 2.53 Crore in the previous year. The effective income tax rate for the current year was 22.63% against 20.90% in the previous year.
  - Pre-tax return on average assets was 2.54% in the current year as against 2.21% in the previous year. Post-tax return on average assets was 1.88% as against 1.75% in the previous year.
  - The Earnings Per Share (Basic) was INR 5.06 for the current year against INR 4.14 for the previous year.
- Material developments in Human Resources / Industrial Relations front, including number of people employed:

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 workforce talent of the Company is more than 700 employees at the end of March 31, 2026. 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.



Our Health and Safety norms are an important part of how we run our Company safely. It helps us safeguard the health and safety of our employees, customers, other stakeholders and visitors. Our dedication to health and safety at work focuses on continuous improvement of occupational health and safety practises. We make conscious and concerted efforts and investments to raise awareness at workplace, fostering a community with workers committed to health and safety standards.

## **16. Cautionary Statement**

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations, strategies, outlook or predictions may constitute forward-looking statements within the meaning of applicable laws and regulations. Such statements are based on assumptions and expectations considered reasonable at the time of preparation; however, actual results may differ materially due to economic conditions, interest rates, liquidity, competition, regulatory developments, changes in customer behaviour, technology and cyber events, force majeure events and other risks and uncertainties. The Company assumes no obligation to publicly amend, modify or revise any forward-looking statement on the basis of subsequent developments, information or events, except as may be required under applicable law.

### **Reference List for Final Editorial Verification**

1. NSO/MoSPI – First Advance Estimates of GDP, FY 2025–26, 7 January 2026; revised national accounts series and Second Advance Estimates, February 2026.
2. World Bank – Global Economic Prospects, June 2026.
3. National Housing Bank – Report on Trend & Progress of Housing in India, 2025, released 25 February 2026.
4. National Housing Bank – NHB RESIDEX, Q4 FY 2024–25.
5. Government of India / PMAY-U 2.0 official portal and Cabinet approval documentation.
6. Reserve Bank of India – Master Direction – NBFC–Housing Finance Company Directions, 2021, as amended.
7. Reserve Bank of India – Information Technology Governance, Risk, Controls and Assurance Practices Directions, 2023.
8. Reserve Bank of India – Master Directions on Fraud Risk Management in NBFCs (including HFCs), 15 July 2024.
9. Reserve Bank of India – Digital Lending Directions, 2025.

## ANNEXURE - A

### **ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES** **[Pursuant to clause (o) of Sub-Section 3 of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]**

#### **1. Brief outline on the CSR Policy of the Company:**

Corporate Social Responsibility is a Company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large.

MAS Group has always been actively involved in various Corporate Social Responsibility (CSR) activities. We are committed to make a difference by placing priority on giving back to our community and believe that businesses can only be successful when they are engaged in making the world a better place.

During the year, the Company has undertaken various initiatives in the area of Education.

#### **2. Composition of CSR Committee:**

Not Applicable, as the amount spent under CSR is less than Rs. 50 Lakh.

#### **3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

Weblink of Company's CSR policy and CSR projects are provided below. However, Company has not constituted CSR Committee as the amount to be spent on CSR is less than Rs. 50 lakhs and accordingly company is not required to provide the weblink of composition of CSR Committee.

Composition of CSR Committee : [Not Applicable](#)  
Company's CSR Policy : [www.mrhmfl.co.in](http://www.mrhmfl.co.in)  
CSR Projects' : [www.mrhmfl.co.in](http://www.mrhmfl.co.in)

4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable
5. (a) Average Net Profit of the Company as per Section 135(5): Rs. 9,91,82,645/-  
 (b) Two percent of average net profit of the company as per section 135(5): Rs. 19,83,653.00/-  
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL  
 (d) Amount required to be set off for the financial year, if any: NIL  
 (e) Total CSR obligation for the financial year (b+c-d): Rs. 19,83,653.00/-
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs. 27,01,274.00/-  
 (b) Amount spent in Administrative Overheads : Nil  
 (c) Amount spent on Impact Assessment, if applicable : NA  
 (d) Total amount spent for the Financial Year (a+b+c) : Rs. 27,01,274.00/-

(e) Details of CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (in Rs.) | Amount Unspent (in Rs.)                                               |                  |                                                                                                     |        |                  |
|-----------------------------------------------------|-----------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------------------------|--------|------------------|
|                                                     | Total Amount transferred to Unspent CSR Account as per Section 135(6) |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) |        |                  |
|                                                     | Amount                                                                | Date of Transfer | Name of Fund                                                                                        | Amount | Date of Transfer |
| 27,01,274.00/-                                      | Not Applicable                                                        |                  | Not Applicable                                                                                      |        |                  |

(f) Excess amount for set-off, if any: Rs. 7,17,621.00/-

| Sr. No. | Particular                                                                                                  | Amount (in Rs.) |
|---------|-------------------------------------------------------------------------------------------------------------|-----------------|
| (i)     | Two percent of average net profit of the company as per sub-section (5) of section 135                      | 19,83,653.00/-  |
| (ii)    | Total amount spent for the Financial Year                                                                   | 27,01,274.00/-  |
| (iii)   | Excess amount spent for the Financial Year [(ii)-(i)]                                                       | 7,17,621.00/-   |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | Nil             |
| (v)     | Amount available for set off in succeeding Financial Years [(iii)-(iv)]                                     | 7,17,621.00/-   |

**7. Details of Unspent CSR amount for the preceding three financial years:**

| Sr. No.        | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Balance Amount in Unspent CSR Account under sub—section (6) of Section 135 (in Rs.) | Amount spent in the reporting Financial Year (in Rs.) | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any. |                  | Amount remaining to be spent in succeeding financial years (in Rs.) | Deficiency, if any |
|----------------|--------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|------------------|---------------------------------------------------------------------|--------------------|
|                |                          |                                                                          |                                                                                     |                                                       | Amount (in Rs.)                                                                                                              | Date of Transfer |                                                                     |                    |
| Not Applicable |                          |                                                                          |                                                                                     |                                                       |                                                                                                                              |                  |                                                                     |                    |

**8. Whether any capital assets have been created or acquired through CSR spent in the financial year (asset-wise details): No**

**9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5): Not Applicable**

**Kamlesh C. Gandhi**  
**Chairman & Managing Director**  
**DIN: 00044852**

**Date : July 22, 2026**

**Place : Ahmedabad**



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**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the**  
**Companies (Appointment and Remuneration of Key Managerial Personnel)**  
**Rules, 2014]**

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

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

Based on our verification of the records of MASS RURAL HOUSING & MORTGAGE FINANCE LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2026 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliances mechanism in place to the extent , in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and record maintained by MASS RURAL HOUSING & MORTGAGE FINANCE LIMITED (CIN: U74900GJ2007PLC051383) for the financial year ended on March 31, 2026, according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made there under;
  - ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
2. The provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report:
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

- iv. The Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021;
- v. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; and
- vi. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- vii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

3. Other laws as applicable specifically to the Company:

- i. Reserve Bank of India Act, 1934.
  - ii. National Housing Bank (NHB) Act, 1987;
  - iii. Housing Finance Companies (NHB) Directions, 2010;
  - iv. Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (w.e.f. February 17, 2021)
4. The provisions and guidelines prescribed under the Securities Contracts (Regulation) Act, 1956 ('SCRA') and rules made there under were **not applicable** to the Company during the Financial Year under report.
5. The provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings were **not applicable** to the Company during the Financial Year under report.
6. We have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards issued by The Institute of Company Secretaries of India.

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

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

We further report that

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



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

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

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

We further report that during the audit period there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**Place: Ahmedabad**  
**Date: July 21, 2026**

**FOR PARTH P SHAH & ASSOCIATES**  
**PRACTICING COMPANY SECRETARIES**

**Parth P Shah**  
**Proprietor**  
**FCS No.: 11871**  
**C P No.: 18640**  
**Peer Review Certificate No.: 1949/2022**  
**UDIN: F011871H000904763**

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

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**ANNEXURE-A to MR-3**

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

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

**MANAGEMENT RESPONSIBILITY:**

- I. Maintenance of secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively is the responsibility of the management of the Company. our responsibility is to express an opinion on these secretarial records based on our audit;
- II. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for our opinion;
- III. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company, related party transactions figures and AS-18 disclosures of the Company provided to us or verified compliances of laws other than those mentioned above;
- IV. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
- V. We have obtained Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
- VI. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place: Ahmedabad**  
**Date: July 21, 2026**

**FOR PARTH P SHAH & ASSOCIATES**  
**PRACTICING COMPANY SECRETARIES**

**Parth P Shah**  
**Proprietor**  
**FCS No.: 11871**  
**C P No.: 18640**  
**Peer Review Certificate No.: 1949/2022**  
**UDIN: F011871H000904763**



## ANNEXURE - C TO DIRECTORS' REPORT

### **MRHMFL RURAL HOUSING & MORTGAGE FINANCE LIMITED**

#### **FORM NO. AOC -2**

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

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

**I. Details of Contracts or Arrangements or Transactions at Arms length basis for the year ended March 31, 2026.**

| SI No. | Particulars                                                                                                                                                                                                                                                                        | Details                                                                                                                                                                                                                                                                                                        |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a.     | Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration number | L65910GJ1995PLC026064                                                                                                                                                                                                                                                                                          |
| b.     | Name(s) of the related party & nature of relationship                                                                                                                                                                                                                              | MRHMFL Financial Services Limited (MFSL) Holding Company                                                                                                                                                                                                                                                       |
| c.     | Nature of contracts / arrangements / transaction                                                                                                                                                                                                                                   | Availing of Services                                                                                                                                                                                                                                                                                           |
| d.     | Duration of the contracts / arrangements / transaction                                                                                                                                                                                                                             | One Year                                                                                                                                                                                                                                                                                                       |
| e.     | Salient terms of the contracts or arrangements or transaction including actual / expected contractual amount, if any.                                                                                                                                                              | MFSL agrees to provide MRHMFL within the premises the amenities, services, facilities- Usage of commercial premises of MFSL, furniture's & fixtures including computers, telephone lines, networks, use of water and water supply, and other necessary amenities for carrying on business activities smoothly. |
| f.     | Date of approval by the Board                                                                                                                                                                                                                                                      | July 16, 2025                                                                                                                                                                                                                                                                                                  |
| g.     | Amount paid as advances, if any                                                                                                                                                                                                                                                    | No such amount was paid as advances.                                                                                                                                                                                                                                                                           |

| Sl. No. | Particulars                                                                                                                                                                                                                                                                        | Details                                                                                                                                                                                                                                       |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a.      | Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration number | L65910GJ1995PLC026064                                                                                                                                                                                                                         |
| b.      | Name(s) of the related party & nature of relationship                                                                                                                                                                                                                              | MAS Financial Services Limited Holding Company                                                                                                                                                                                                |
| c.      | Nature of contracts/arrangements/transaction                                                                                                                                                                                                                                       | Availing of Services                                                                                                                                                                                                                          |
| d.      | Duration of the contracts/arrangements/transaction                                                                                                                                                                                                                                 | Two Years                                                                                                                                                                                                                                     |
| e.      | Salient terms of the contracts or arrangements or transaction including actual / expected contractual amount, if any.                                                                                                                                                              | MRHMFL appoints MFSL as recovery agent to collect outstanding instalments and other dues from its customers and MFSL in consideration accepts appointment and agrees to provide the said service under the terms and conditions as set forth. |
| f.      | Date of approval by the Board                                                                                                                                                                                                                                                      | January 22, 2025                                                                                                                                                                                                                              |
| g.      | Amount paid as advances, if any                                                                                                                                                                                                                                                    | No such amount was paid as advances.                                                                                                                                                                                                          |



| Sl. No. | Particulars                                                                                                                                                                                                                                                                        | Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a.      | Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration number | L65910GJ1995PLC026064                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| b.      | Name(s) of the related party & nature of relationship                                                                                                                                                                                                                              | MAS Financial Services Limited Holding Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| c.      | Nature of contracts/arrangements/transaction                                                                                                                                                                                                                                       | Availing of Services                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| d.      | Duration of the contracts/arrangements/transaction                                                                                                                                                                                                                                 | One Year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| e.      | Salient terms of the contracts or arrangements or transaction including actual / expected contractual amount, if any.                                                                                                                                                              | The Executive Management of MAS Financial Services Limited will share several intellectual services to MAS Rural Housing & Mortgage Finance Limited to carry out the Operations of the Company effectively. Since the remuneration for their services is paid by MAS Financial Services Limited and considering various parameters to look in to the activities of the Company, MRHMFL will pay an amount decided by the Board of Directors as Cross Charge payment to share the Cost of Remuneration of the Executive Management. |
| f.      | Date of approval by the Board                                                                                                                                                                                                                                                      | October 29, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| g.      | Amount paid as advances, if any                                                                                                                                                                                                                                                    | No such amount was paid as advances.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

| Sl. No. | Particulars                                                                                                                                                                                                                                                                        | Details                                                                                                                                                         |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a.      | Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration number | L65910GJ1995PLC026064                                                                                                                                           |
| b.      | Name(s) of the related party & nature of relationship                                                                                                                                                                                                                              | MAS Financial Services Limited Holding Company                                                                                                                  |
| c.      | Nature of contracts/arrangements/transaction                                                                                                                                                                                                                                       | Providing Services                                                                                                                                              |
| d.      | Duration of the contracts/arrangements/transaction                                                                                                                                                                                                                                 | One Year                                                                                                                                                        |
| e.      | Salient terms of the contracts or arrangements or transaction including actual / expected contractual amount, if any.                                                                                                                                                              | MRHMFL is appointed as a servicer to collect and receive payments in respect of the Receivables and the Assigned Assets, and to provide certain other services. |
| f.      | Date of approval by the Board                                                                                                                                                                                                                                                      | April 23, 2025                                                                                                                                                  |
| g.      | Amount paid as advances, if any                                                                                                                                                                                                                                                    | No such amount was paid as advances.                                                                                                                            |



## II. Details of Contracts or Arrangements or Transactions not at Arm's length basis.

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

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

**Date** : July 22, 2026  
**Place** : Ahmedabad

**KAMLESH C. GANDHI**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN: 00044852**

## **POLICY ON RELATED PARTY TRANSACTIONS**

### **1) Prelude**

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

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

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

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

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

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

### **2) Objective of the Policy**

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



### **3) Applicability and Legal Framework**

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

### **4) Definitions**

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

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

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

### **5) Policy on Related Party Transactions:**

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

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

### **6) Identification of potential related parties and transactions**

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

### **7) Approval of Related Party Transactions**

#### **a) Prior Approval of Audit Committee**

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

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

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

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

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

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



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

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

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

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

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

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

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

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

#### **c) Approval of the Shareholders of the Company:**

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

## **8) Disclosures**

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

## **9) Related Party Transactions not approved under this Policy**

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

\*\*\*\*\*



## ANNEXURE - E

### Form AOC-1

*(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)*

**Statement containing salient features of the financial statement of subsidiaries / associate companies/joint ventures**

**Part "A": Subsidiaries / Associate Companies: Not applicable**

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

|    |                                                                                                                                                            |                                                                                                                  |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| 1. | Name of associates/Joint Ventures                                                                                                                          | MASFIN INSURANCE BROKING PRIVATE LIMITED                                                                         |
| 2. | Latest audited Balance Sheet Date                                                                                                                          | 31/03/2025                                                                                                       |
| 3. | Shares of Associate/Joint Ventures held by the company on the year end<br>Number<br>Amount of Investment in Associates/Joint Venture<br>Extend of Holding% | 3,00,000<br>30% of the Paid Up Capital                                                                           |
| 4. | Description of how there is significant influence                                                                                                          | The Executive Management of the Company is same (Common Directors)                                               |
| 5. | Reason why the associate/joint venture is not consolidated                                                                                                 | The accounts of the Associate Company are consolidated with our Holding Company – MAS Financial Services Limited |
| 6. | Net worth attributable to shareholding as per latest audited Balance Sheet                                                                                 | N.A.                                                                                                             |
| 7. | Profit/Loss for the year                                                                                                                                   |                                                                                                                  |
|    | (i) Considered in Consolidation                                                                                                                            | N.A.                                                                                                             |
|    | (ii) Not Considered in Consolidation                                                                                                                       | N.A.                                                                                                             |



- 
1. Names of associates or joint ventures which are yet to commence operations: MASFIN INSURANCE BROKING PRIVATE LIMITED
  2. Names of associates or joint ventures which have been liquidated or sold during the year: NIL

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

**KAMLESH C. GANDHI**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN: 00044852**

**Date** : July 22, 2026  
**Place** : Ahmedabad



## 1. Corporate Governance

The disclosures pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 under Corporate Governance are as follows:

### 1.1 Composition of Board

| Sl. No. | Name of Director                          | Director since | Capacity (i.e. Executive/ Non Executive/ Chairman/ Promoter nominee/ Independent) | DIN      | Number of Board Meetings |          | No. of other Directorships* | Remuneration in Rs.           |             |            | No. of shares held in and convertible instruments held in the NBFC |
|---------|-------------------------------------------|----------------|-----------------------------------------------------------------------------------|----------|--------------------------|----------|-----------------------------|-------------------------------|-------------|------------|--------------------------------------------------------------------|
|         |                                           |                |                                                                                   |          | Held                     | Attended |                             | Salary and other compensation | Sitting Fee | Commission |                                                                    |
| 1.      | Mr. Kamlesh Gandhi                        | 24/07/2007     | Chairman & Managing Director                                                      | 00044852 | 4                        | 4        | 6                           | 0.00                          | 0.00        | 0.00       | 29,02,882 Equity Shares                                            |
| 2.      | Mrs. Darshana Pandya                      | 14/12/2016     | Executive Director                                                                | 07610402 | 4                        | 4        | 4                           | 0.00                          | 0.00        | 0.00       | 100 Equity Shares                                                  |
| 3.      | Mr. Dhvanil K. Gandhi From April 29, 2026 | 29/04/2026     | Additional Whole-time Director                                                    | 10562922 | 0                        | 0        | 1                           | 0.00                          | 0.00        | 0.00       | Nil                                                                |
| 4.      | Mr. Subir Nag Upto December 29, 2025      | 30/12/2015     | Independent Director                                                              | 02169915 | 3                        | 3        | 3                           | 0.00                          | 1,05,000    | 0.00       | Nil                                                                |
| 5.      | Mrs. Daksha Shah                          | 17/01/2026     | Independent Director                                                              | 00376899 | 4                        | 4        | 2                           | 0.00                          | 2,95,000    | 0.00       | Nil                                                                |
| 6.      | Mr. Umesh Shah                            | 25/10/2023     | Independent Director                                                              | 07685672 | 4                        | 4        | 2                           | 0.00                          | 29,5,000    | 0.00       | Nil                                                                |
| 7.      | Mr. Vishal Vasu From October 29, 2025     | 29/10/2025     | Additional Independent Director                                                   | 02460597 | 4                        | 1        | 3                           | 0.00                          | 40,000      | 0.00       | Nil                                                                |

\* Excluding Directorship of MAS Rural Housing & Mortgage Finance Limited;

- Details of change in composition of the Board during the current and previous financial year.

| Sl. No. | Name of Director      | Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent) | Nature of change (resignation, appointment) | Effective date |
|---------|-----------------------|------------------------------------------------------------------------------------|---------------------------------------------|----------------|
| 1.      | Mr. Dhvanil K. Gandhi | Executive Director                                                                 | Appointment                                 | 29/04/2026     |
| 2.      | Mr. Subir Nag         | Independent Director                                                               | Cessation (Due to tenure completion)        | 29/12/2025     |
| 3.      | Mr. Vishal Vasu       | Independent Director                                                               | Appointment                                 | 29/10/2025     |

Note:

1. Where an independent director resigns before expiry of her/his term, the reasons for resignation as given by her/him shall be disclosed: Not applicable
2. Details of any relationship amongst the directors inter-se shall be disclosed: Not applicable

## 1.2 Committees of the Board and their composition

- (i) Names of the committees of the Board
  - Audit Committee
  - Nomination and Remuneration Committee:
  - Risk Management Committee

(ii) Summarized terms of reference of the Committees along with following details.

| Sr. No | Name of the Committee                 | Terms of Reference                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.     | Audit Committee                       | <p>i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;</p> <p>ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;</p> <p>iii) examination of the financial statement and the auditors' report thereon;</p> <p>iv) approval or any subsequent modification of transactions of the company with related parties;</p> <p>Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as may be prescribed;]</p> <p>Provided further that in case of transaction, other than transactions referred to in section 188, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board:</p> <p>v) scrutiny of inter-corporate loans and investments;</p> <p>vi) valuation of undertakings or assets of the company, wherever it is necessary;</p> <p>vii) evaluation of internal financial controls and risk management systems;</p> <p>viii) Monitoring the end use of funds raised through public offers and related matters.</p> |
| 2.     | Nomination and Remuneration Committee | <p>1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down under the provisions of Companies Act, 2013</p> <p>2. Recommend to the Board their</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

|    |                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |                           | <p>appointment and removal and shall carry out evaluation of every director's performance shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.</p> <p>3. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.</p> <p>4. The Nomination and Remuneration Committee while formulating the policy shall ensure that —</p> <p>a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;</p> <p>b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and</p> <p>c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:</p> |
| 3. | Risk Management Committee | <p>1. To review and assess the risk management system and policy of the Company from time to time and recommend for amendment of</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

|  |  |                                                                                                                                                                                                                        |
|--|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |  | <p>modification thereof;</p> <p>2. To frame, devise and monitor risk management plan and policy of the Company;</p> <p>3. To review and recommend potential risk involved in any new business plans and processes;</p> |
|--|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### 1. Audit Committee

| Sl. No. | Name of Director     | Member of Committee since | Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent) | Number of Meetings of the Committee |          | No. of shares held in the NBFC |
|---------|----------------------|---------------------------|------------------------------------------------------------------------------------|-------------------------------------|----------|--------------------------------|
|         |                      |                           |                                                                                    | Held                                | Attended |                                |
| 1.      | Mr. Umesh Shah       | January 17, 2024          | Independent Director                                                               | 4                                   | 4        | Nil                            |
| 2.      | Mr. Daksha Shah      | January 17, 2024          | Independent Director                                                               | 4                                   | 4        | Nil                            |
| 3.      | Mrs. Darshana Pandya | January 29, 2021          | Executive Director                                                                 | 4                                   | 4        | 100 Equity Shares              |

## 2. Nomination and Remuneration Committee

| Sl. No. | Name of Director                      | Member of Committee since | Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent) | Number of Meetings of the Committee |          | No. of shares held in the NBFC |
|---------|---------------------------------------|---------------------------|------------------------------------------------------------------------------------|-------------------------------------|----------|--------------------------------|
|         |                                       |                           |                                                                                    | Held                                | Attended |                                |
| 1.      | Mr. Umesh Shah                        | January 17, 2024          | Independent Director                                                               | 3                                   | 3        | Nil                            |
| 2.      | Mr. Daksha Shah                       | January 17, 2024          | Independent Director                                                               | 3                                   | 3        | Nil                            |
| 3.      | Mr. Subir Nag Up to December 29, 2025 | December 14, 2016         | Independent Director                                                               | 53                                  | 2        | Nil                            |
| 4.      | Mr. Vishal Vasu From October 29, 2025 | October 29, 2025          | Independent Director                                                               | 3                                   | 1        | Nil                            |

### 3. Risk Management Committee

| Sl. No. | Name of Director     | Member of Committee since | Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent) | Number of Meetings of the Committee |          | No. of shares held in the NBFC |
|---------|----------------------|---------------------------|------------------------------------------------------------------------------------|-------------------------------------|----------|--------------------------------|
|         |                      |                           |                                                                                    | Held                                | Attended |                                |
| 1.      | Mrs. Darshana Pandya | March 7, 2017             | Executive Director                                                                 | 4                                   | 4        | 100 Equity Shares              |
| 2.      | Mr. Umesh Shah       | January 17, 2024          | Independent Director                                                               | 4                                   | 4        | Nil                            |
| 3.      | Mr. Daksha Shah      | January 17, 2024          | Independent Director                                                               | 4                                   | 4        | Nil                            |

#### 1.3 General Body Meetings

- Details of the date, place and special resolutions passed at the General Body Meetings

| Sl. No. | Type of Meeting (Annual/ Extra Ordinary) | Date and Place                                                                                                                                                      | Special resolutions passed |
|---------|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| 1.      | Annual General Meeting                   | The Annual General Meeting of the Company was held on August 20, 2025 at 5 <sup>th</sup> Floor, Narayan Chambers, B/H Patang Hotel, Ashram Road, Ahmedabad - 380009 | NA                         |

#### 1.4 Details of non-compliance with requirements of Companies Act, 2013

During the year, the Company has complied with all the requirements of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.

## 1.5 Details of penalties and strictures

NBFCs should disclose details of penalties or stricture imposed on it by the Reserve Bank or any other statutory authority or regulator: Not applicable

## 2. Breach of covenant

There is no breach in terms of covenants in respect of loans availed by us including incidence of default.

## 3. Divergence in Asset Classification and Provisioning

- i. The additional provisioning requirements assessed by the Reserve Bank exceeds 5 percent of the reported profits before tax and impairment loss on financial instruments for the reference period: Not applicable
- ii. The additional Gross NPAs identified by the Reserve Bank exceeds 5 percent of the reported Gross NPAs for the reference period.

| Sr. No. | Particulars                                                                                                                       | Amount         |
|---------|-----------------------------------------------------------------------------------------------------------------------------------|----------------|
| 1.      | Gross NPAs as on March 31, 2026 as reported by the NBFC                                                                           | Not applicable |
| 2.      | Gross NPAs as on March 31, 2026 as assessed by the Reserve Bank                                                                   |                |
| 3.      | Divergence in Gross NPAs (2-1)                                                                                                    |                |
| 4.      | Net NPAs as on March 31, 2026 as reported by the NBFC                                                                             |                |
| 5.      | Net NPAs as on March 31, 2026 as assessed by the Reserve Bank                                                                     |                |
| 6.      | Divergence in Net NPAs (5-4)                                                                                                      |                |
| 7.      | Provisions for NPAs as on March 31, 2026 as reported by the NBFC                                                                  |                |
| 8.      | Provisions for NPAs as on March 31, 2026 as assessed by the Reserve Bank                                                          |                |
| 9.      | Divergence in provisioning (8-7)                                                                                                  |                |
| 10.     | Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 2026                         |                |
| 11.     | Reported Net Profit after Tax (PAT) for the year ended March 31, 2026                                                             |                |
| 12.     | Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2026 after considering the divergence in provisioning |                |

\* March 31, 20XX is the close of the reference period in respect of which divergences were assessed.

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF MAS RURAL HOUSING AND MORTGAGE FINANCE LIMITED**

Report on the Audit of the Standalone Financial Statements

#### **Opinion**

We have audited the accompanying standalone Ind AS financial statements of **MAS Rural Housing and Mortgage Finance Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis of Opinion**

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibility under those Standards is further described in Auditor's Responsibility for the Audit of the standalone financial statements section of our report. We are independent of the company in accordance with the code of ethics issued by ICAI together with the independence requirement that is relevant to our audit of standalone financial statements under the provisions of the Act and the rule made there, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters

were addressed in the context of our audit, of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion, on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

| Key audit matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Auditor's Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <b>1. Impairment of Loans</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p>Under Ind AS 109, Financial Instruments, allowance for loan losses is determined using expected credit loss ('ECL') estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are:</p> <ul style="list-style-type: none"> <li>• Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.</li> <li>• Model estimations - Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD") and Loss Given Default ("LGD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach.</li> <li>• Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them especially when considering the current uncertain economic</li> </ul> | <p><b><u>Principal Audit Procedures</u></b></p> <p>Procedures performed by us have been enumerated herein below:</p> <p>We performed end to end process walkthroughs to identify the key systems, applications and controls used in ECL processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key systems used in ECL process.</p> <p>Key aspects of our controls testing involved following:</p> <ul style="list-style-type: none"> <li>• Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models.</li> <li>• Testing the design and operating effectiveness of the key controls over the application of the staging criteria.</li> <li>• Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights.</li> <li>• Testing management's controls over authorization and calculation of post model adjustments and management overlays.</li> <li>• Testing management's controls on</li> </ul> |

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| <p>Environment.</p> <ul style="list-style-type: none"> <li>Qualitative adjustments – Adjustments to the model driven ECL results are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. These adjustments are inherently uncertain and significant management judgement is involved considering internal assessment of emerging forward looking economic factors and related uncertainties. The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company. Given the size of loan portfolio relative to the balance sheet and the impact of impairment allowance on the standalone financial statements, we have considered this as a key audit matter.</li> </ul> <p><b>Disclosures:</b><br/>The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results.</p> | <p>compliance with Ind AS 109 disclosures related to ECL.</p> <ul style="list-style-type: none"> <li>Testing key controls operating over the information technology system in relation to loan impairment including system access and system change management, program development and computer operations.</li> </ul> <p><b><u>Test of Details:</u></b><br/>Key aspects of our testing included:</p> <ul style="list-style-type: none"> <li>Sample testing over key inputs, data and assumptions impacting ECL calculations to assess completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied.</li> <li>Model calculations testing through re-performance, where possible.</li> <li>Test of details of post model adjustments, considering the size and complexity of management overlays, to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data.</li> <li>Assessing disclosures - We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining ECL. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear.</li> </ul> |
| <p><b>2. Information Technology - IT Systems and controls</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <p>The Company is dependent on its Information Technology ("IT") systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environments. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>In course of audit, our focus was on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. We performed a range of audit procedures, which included:</p> <ul style="list-style-type: none"> <li>Selectively recomputing interest calculations and maturity dates;</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

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| <p>data. On account of the pervasive use of its IT systems, the testing of the general computer controls of the IT systems used in financial reporting was considered to be a Key Audit Matter</p> | <ul style="list-style-type: none"> <li>• Selectively re-evaluating masters updation, interface with resultant reports;</li> <li>• Testing of the system generated reports and accounting entries manually for core financial reporting matters (i.e. verification around the computer system)</li> <li>• Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission</li> <li>• Other areas that were independently assessed included password policies, system configurations, system interface controls, controls over changes to applications and databases.</li> </ul> |
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### Other Information

The company's management and board of directors are responsible for the other information. The other information comprises Board's Report on corporate governance and Business Responsibility report but does not include the standalone financial statement and our auditor's report thereon.

Our opinion on the financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit procedures or otherwise appear to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report on that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, Profit (including other comprehensive income), changes in equity and cash flows of the Company in

accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The Board of directors is also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether standalone financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these standalone financial statements.

As a part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedure responsive to those risks, and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional, omission, misrepresentation, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether

the company has an adequate internal financial control system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matter (OM)

Exemption has been claimed by the company under Companies Act, 2013 as well as IND AS Frameworks from the requirement of preparation of consolidated financial statements as it meets the conditions prescribed thereon.

Accordingly, our present opinion on the current financial statements, as presented herein, remains unmodified.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**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 which to the best of our knowledge and belief was 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 including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 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 with reference to financial statements 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 the requirements of section 197(16) of the Act, as amended;

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. There is no pending litigation on the company therefore the same is not required to be disclosed.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. As stated in Note 34 to the standalone financial statements
    - (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
    - (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing

Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi. Based on our examination, which included test checks, the company has used accounting software for maintaining its books of account for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software except that, audit trail feature was enabled at database level for accounting software to log any direct data changes. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tempered with in respect of such accounting software where such feature is enabled.

Additionally, the audit trail of prior years has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

Date: 22<sup>nd</sup> April 2026  
Place: Ahmedabad  
UDIN: 26139533FIHGYP8495

For M A A K & Associates  
(Chartered Accountants).  
FRN: 135024W

Kenan M Satyawadi  
Partner  
M. No.: 139533

**Annexure A to the Independent Auditors' Report of MAS Rural Housing & Mortgage Finance Limited**

**(Referred to in our report of even date)**

With reference to Annexure A referred to in the Independent Auditors' report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March 2026, we report the following:

**I. In Respect of Fixed Assets**

(a)

- (A) As per the information provided by the management, the Company has maintained proper records showing full particulars including quantitative details and the situation of Fixed Assets on the basis of available information.
- (B) The Company has maintained proper records showing full particulars of intangible assets.

- (b) As per the information and explanations given to us, The Company has a program of physical verification of its Property, Plant and Equipment and right of use assets so as to cover all the items of Property, Plant and Equipment in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment and right of use assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification
- (c) According to the information and explanations given to us and based on the examination of the lease agreement provided to us, we report that, in respect of the immovable properties taken on lease and disclosed under "Right of use asset" in the financial statements, the lease agreements are in the name of the Company, where the Company is lessee in the agreement.
- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year, the clause for revaluation of Property, Plant and Equipment (including Right of Use assets) or intangible assets or both is not applicable.
- (e) According to the information and explanations given to us and the records examined by us and based on the examination, no proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under. Refer Note 49 to the standalone financial statements.

**II. In Respect of Inventories**

- (a) The Company is a non-banking finance company ('NBFC') and does not hold any inventories. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable.

- (b) During the year, the company has availed sanctioned working capital limit in excess of Rs. 5 Crores from banks on the basis of security of current assets. Based on our examination of the records of the Company, the quarterly returns/ statements filed by the Company with the said bank are materially in agreement with the books of accounts maintained by the Company.

**III. Compliance under section 189 of The Companies Act, 2013**

- (a) Since the Company's principal business is to give loans. Accordingly, the reporting under clause 3(iii) (a) of the Order is not applicable to it.
- (b) In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.
- (c) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its borrowers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 8 to the Standalone Financial Statements for summarized details of such loans/ advances which are not repaid by borrowers as per stipulations. According to the information and explanations given to us, reasonable steps are taken by the Company for recovery thereof.
- (d) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and /or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 8 to the Standalone Financial Statements for summarized details of such loans/advances which are not repaid by borrowers as per stipulations. According to the information and explanations given to us, reasonable steps are taken by the Company for recovery thereof.
- (e) Since the Company's principal business is to give loans, the reporting under clause 3(iii)(e) of the Order are not applicable to it.
- (f) Based on our audit procedures and the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

**IV. Compliance under sections 185 and 186 of The Companies Act, 2013**

According to the information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments, and providing guarantees and securities, as applicable.

**V. Compliance under section 73 to 76 of The Companies Act, 2013 and Rules framed thereunder while accepting Deposits**

As per the information and explanation given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

**VI. Maintenance of cost records**

The Company is not required to maintain cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.

**VII. Deposit of Statutory Dues**

- (a) The company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax and wealth tax, service tax, customs duty, excise duty, Goods and Services tax, Cess and other statutory dues applicable to the Company with the appropriate authorities except for a delay in the payment of advance tax.
- (b) No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, no dues are outstanding of employees' state insurance, income-tax, sales-tax, duty of custom, duty of excise, Cess and other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

**VIII. Unrecorded income disclosed in tax assessments**

There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

**IX. Repayment of Loans and Borrowings**

According to the information and explanations given to us and on the basis of our examination of the books of account, we report that

- (a) The Company has not defaulted in repayment of loans or borrowings or interest thereon from any financial institution, banks, government or due to debenture holders during the year.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or other lender.
- (c) The Company has utilized the money obtained by way of term loans from

banks and other financial institutions during the year for the purposes for which they were obtained. Unutilized funds are held by the Company in the form of deposits or in current accounts till the time of subsequent utilization.

- (d) The funds raised on short term basis have not been utilized for the long-term purpose.
- (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its associate company.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its associate company.

**X. Utilization of Money Raised by Public Offers for which they raised**

- (a) The Company has not raised money by way of an initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

**XI. Reporting of Fraud during the Year**

- (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the Management, there were no whistleblower complaints received by the Company during the year.

**XII. Compliance by Nidhi Company Regarding Net Owned Fund to Deposits Ratio**

As per information and records available, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

**XIII. Related party compliance with Section 177 and 188 of companies Act – 2013**

According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

**XIV. Internal Audit Systems**

- (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, during the course of our audit, the reports of the internal auditor issued till date for the period under audit in accordance with

the guidance provided in SA 610 "Using the work of Internal Auditors".

**XV. Non-cash transactions**

According to 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 as referred to in section 192 of the Companies Act, 2013.

**XVI. Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934**

According to the information and explanations given to us and based on the examination of the records of the Company, we report that:

- (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, Clause 3 (xvi) (a) of the Order is not applicable to the Company.
- (b) The Company is Housing Finance Company Registered with National Housing Bank and is not required to obtain a Certificate of Registration (CoR) from Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company (CIC) as defined in regulations made by Reserve Bank of India and accordingly, clause 3 (xvi) (c) of the Order is not applicable to the Company.
- (d) According to information and explanations given to us, we report that the Group does not have any Core Investment Company (CIC).

**XVII. Cash Losses**

The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

**XVIII. Resignation of Statutory Auditor**

There has been no resignation of the statutory auditors of the Company during the year.

**XIX. Material Uncertainty**

On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

**XX. Unspent CSR expenditure**

In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx) (a) and 3(xx) (b) of the Order are not applicable.

Date: 22<sup>nd</sup> April 2026  
Place: Ahmedabad  
UDIN: 26139533FIHGY8495

For M A A K & Associates  
(Chartered Accountants).  
FRN: 135024W

Kenan M Satyawadi  
Partner  
M. No.: 139533

## **Annexure B to the Auditor's Report**

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

We have audited the internal financial controls over financial reporting of **MAS RURAL HOUSING AND MORTGAGE FINANCE LIMITED** ("the Company") as of March 31<sup>st</sup>, 2026 in conjunction with our audit of the standalone 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent 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 were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 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 standalone 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 standalone 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<sup>st</sup>, 2026, 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.

Date: 22<sup>nd</sup> April 2026  
Place: Ahmedabad  
UDIN: 26139533FIHGY8495

For M A A K & Associates  
(Chartered Accountants).  
FRN: 135024W

Kenan M Satyawadi  
Partner  
M. No.: 139533

**M A S RURAL HOUSING & MORTGAGE FINANCE LIMITED****STANDALONE BALANCE SHEET AS AT 31 MARCH 2026**

(₹ in lakhs)

| Particulars                                                                                      | Note No. | As at<br>31 March 2026 | As at<br>31 March 2025 |
|--------------------------------------------------------------------------------------------------|----------|------------------------|------------------------|
| <b>ASSETS</b>                                                                                    |          |                        |                        |
| <b>Financial assets</b>                                                                          |          |                        |                        |
| Cash and cash equivalents                                                                        | 5        | 1,337.67               | 1,050.10               |
| Bank Balance other than cash and cash equivalents                                                | 6        | 2,163.61               | 2,201.48               |
| Trade Receivables                                                                                | 7        | 1.44                   | 1.06                   |
| Loans                                                                                            | 8        | 68,454.94              | 56,023.30              |
| Investments                                                                                      | 9        | 1,623.39               | 888.74                 |
| Other Financial assets                                                                           | 10       | 305.60                 | 335.14                 |
| <b>Total Financial Assets</b>                                                                    |          | <b>73,886.65</b>       | <b>60,499.82</b>       |
| <b>Non-Financial Assets</b>                                                                      |          |                        |                        |
| Deferred tax Assets (Net)                                                                        | 11       | 211.28                 | 187.15                 |
| Property, Plant and Equipment                                                                    | 12       | 294.03                 | 240.83                 |
| Right-of-use Asset                                                                               | 12       | 97.06                  | 53.49                  |
| Other Intangible assets                                                                          | 12       | 0.57                   | 0.44                   |
| Other non-financial assets                                                                       | 13       | 71.90                  | 120.48                 |
| <b>Total Non-Financial Assets</b>                                                                |          | <b>674.84</b>          | <b>602.39</b>          |
| <b>Total Assets</b>                                                                              |          | <b>74,561.49</b>       | <b>61,102.21</b>       |
| <b>LIABILITIES AND EQUITY</b>                                                                    |          |                        |                        |
| <b>LIABILITIES</b>                                                                               |          |                        |                        |
| <b>Financial Liabilities</b>                                                                     |          |                        |                        |
| Payables                                                                                         |          |                        |                        |
| (I) Trade Payables                                                                               |          |                        |                        |
| (i) total outstanding dues of micro enterprises and small enterprises                            |          | 0.88                   | 5.29                   |
| (ii) total outstanding dues of trade payables other than micro enterprises and small enterprises | 14       | 203.04                 | 824.80                 |
| (II) Other Payables                                                                              |          |                        |                        |
| (i) total outstanding dues of micro enterprises and small enterprises                            |          | -                      | -                      |
| (ii) total outstanding dues of other payables other than micro enterprises and small enterprises |          | -                      | -                      |
| Borrowings (Other than Debt Securities)                                                          | 15       | 55,164.37              | 45,513.14              |
| Lease liability                                                                                  |          | 105.60                 | 56.96                  |
| Other financial liabilities                                                                      | 16       | 566.87                 | 464.26                 |
| <b>Total Financial Liabilities</b>                                                               |          | <b>56,040.76</b>       | <b>46,864.45</b>       |
| <b>Non-Financial Liabilities</b>                                                                 |          |                        |                        |
| Current tax liabilities (Net)                                                                    |          | 9.59                   | 45.56                  |
| Provisions                                                                                       | 17       | 5.46                   | 2.95                   |
| Other non-financial liabilities                                                                  | 18       | 60.97                  | 72.00                  |
| <b>Total Non-Financial Liabilities</b>                                                           |          | <b>76.02</b>           | <b>120.51</b>          |
| <b>Total Liabilities</b>                                                                         |          | <b>56,116.78</b>       | <b>46,984.96</b>       |
| <b>EQUITY</b>                                                                                    |          |                        |                        |
| Equity Share Capital                                                                             | 19       | 2,629.73               | 2,444.34               |
| Instruments entirely equity in nature                                                            | 20       | 1,333.34               | 1,666.67               |
| Other Equity                                                                                     | 21       | 14,481.64              | 10,006.24              |
| <b>Total Equity</b>                                                                              |          | <b>18,444.71</b>       | <b>14,117.25</b>       |
| <b>Total Liabilities and Equity</b>                                                              |          | <b>74,561.49</b>       | <b>61,102.21</b>       |
| The notes referred to above form an integral part of these financial statements                  |          |                        |                        |

In terms of our report attached  
**For M A K & Associates**  
Chartered Accountants  
(FRN: 135024W)

For and on behalf of the Board of Directors of  
**M A S Rural Housing and Mortgage Finance Limited**

**Kenan M Satyawadi**  
Partner  
Membership No. 139533

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

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

**Darshil Hiranandani**  
(Company Secretary & Chief Compliance Officer)  
(Membership No: A47986)

**Chintan J. Pandya**  
(Chief Financial Officer & Chief Operating Officer)

Place: Ahmedabad  
Date: 22 April 2026

Place: Ahmedabad  
Date: 22 April 2026

# **MA&A RURAL HOUSING & MORTGAGE FINANCE LIMITED**

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2026

(₹ in lakhs)

|       | Particulars                                                                     | Note No. | Year ended<br>31 March 2026 | Year ended<br>31 March 2025 |
|-------|---------------------------------------------------------------------------------|----------|-----------------------------|-----------------------------|
| I.    | <b>Revenue from operations</b>                                                  |          |                             |                             |
|       | Interest Income                                                                 | 22       | 8,916.11                    | 7,062.91                    |
|       | Gain on assignment of financial assets                                          |          | 651.30                      | 628.96                      |
|       | Fees and commission Income                                                      |          | 388.85                      | 236.91                      |
|       | <b>Total Revenue from operations</b>                                            |          | <b>9,956.26</b>             | <b>7,928.78</b>             |
|       | Other Income                                                                    | 23       | 235.52                      | 179.49                      |
|       | <b>Total Income</b>                                                             |          | <b>10,191.78</b>            | <b>8,108.27</b>             |
| II.   | <b>Expenses</b>                                                                 |          |                             |                             |
|       | Finance Costs                                                                   | 24       | 4,801.61                    | 4,041.63                    |
|       | Impairment on financial instruments                                             | 25       | 345.40                      | 225.32                      |
|       | Employee Benefit Expenses                                                       | 26       | 2,371.44                    | 1,883.73                    |
|       | Depreciation, Amortization and Impairment                                       | 27       | 86.82                       | 69.67                       |
|       | Other expenses                                                                  | 28       | 901.35                      | 679.23                      |
|       | <b>Total Expenses</b>                                                           |          | <b>8,506.62</b>             | <b>6,899.58</b>             |
| III.  | <b>Profit before exceptional items and tax (I - II)</b>                         |          | 1,685.16                    | 1,208.69                    |
|       | Exceptional items                                                               |          | 58.18                       | -                           |
| IV.   | <b>Profit Before Tax</b>                                                        |          | <b>1,626.98</b>             | <b>1,208.69</b>             |
| V.    | <b>Tax Expense:</b>                                                             |          |                             |                             |
|       | Current Tax                                                                     | 11       | 438.90                      | 300.60                      |
|       | Short / (Excess) Provision For Tax Relating to Prior Years                      | 11       | (5.50)                      | (16.71)                     |
|       | <b>Net current tax expense</b>                                                  |          | <b>433.40</b>               | <b>283.89</b>               |
|       | Deferred tax credit                                                             | 11       | (52.10)                     | (31.32)                     |
|       | <b>Net tax expense</b>                                                          |          | <b>381.30</b>               | <b>252.57</b>               |
| VI.   | <b>Profit for the year (III - IV)</b>                                           |          | <b>1,245.68</b>             | <b>956.12</b>               |
| VII.  | <b>Other comprehensive income / (expense)</b>                                   |          |                             |                             |
|       | (A) Items that will not be reclassified to profit or loss:                      |          |                             |                             |
|       | Remeasurement of the defined benefit liabilities                                |          | (4.61)                      | (2.96)                      |
|       | Income tax impact on above                                                      |          | 1.26                        | 0.75                        |
|       | Total                                                                           |          | (3.35)                      | (2.21)                      |
|       | (B) Items that will be reclassified to profit or loss:                          |          |                             |                             |
|       | Loans and Advances through other comprehensive Income                           |          | 125.24                      | 121.60                      |
|       | Income tax impact on above                                                      |          | (29.23)                     | (30.61)                     |
|       | Total                                                                           |          | 96.01                       | 90.99                       |
|       | <b>Other comprehensive income / (expense)</b>                                   |          | <b>92.66</b>                | <b>88.78</b>                |
| VIII. | <b>Total comprehensive income for the year (V + VI)</b>                         |          | <b>1,338.34</b>             | <b>1,044.90</b>             |
| IX.   | <b>Earnings per equity share (of ₹ 10 each):</b>                                | 29       |                             |                             |
|       | Basic (in ₹)                                                                    |          | 5.06                        | 4.14                        |
|       | Diluted (in ₹)                                                                  |          | 5.06                        | 4.14                        |
|       | The notes referred to above form an integral part of these financial statements |          |                             |                             |

In terms of our report attached  
**For M A A K & Associates**  
Chartered Accountants  
(FRN: 135024W)

**For and on behalf of the Board of Directors of**  
 **Rural Housing and Mortgage Finance Limited**

**Kenan M Satyawadi**  
Partner  
Membership No.139533

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

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

**Darshil Hiranandani**  
(Company Secretary & Chief Compliance Officer)  
(Membership No: A47986)

**Chintan J. Pandya**  
(Chief Financial Officer & Chief Operating Officer)

Place: Ahmedabad  
Date: 22 April 2026

Place: Ahmedabad  
Date: 22 April 2026

# M A S RURAL HOUSING & MORTGAGE FINANCE LIMITED

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2026

(₹ in lakhs)

### A. Equity Share Capital

|                                                             |          |
|-------------------------------------------------------------|----------|
| Equity Share of ₹ 10 each issued, subscribed and fully paid |          |
| Balance at 31 March 2025                                    | 2,286.86 |
| Changes in equity share capital during the year             | 157.48   |
| Balance at 31 March 2026                                    | 2,444.34 |
| Changes in equity share capital during the year             | 185.39   |
| Balance at 31 March 2027                                    | 2,629.73 |

### B. Instruments entirely Equity in Nature

|                                                      |          |
|------------------------------------------------------|----------|
| 6% Optionally Convertible Preference Shares ("OCPS") |          |
| Balance at 31 March 2025                             | 2,000.00 |
| Changes during the year                              | (333.33) |
| Balance at 31 March 2026                             | 1,666.67 |
| Changes during the year                              | (333.33) |
| Balance at 31 March 2027                             | 1,333.34 |

### C. Other Equity

| Particulars                                                    | Reserves and Surplus                              |                                                         |                    |                                                           |                                                               |                   | OCI                            | Total     |
|----------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------------|--------------------|-----------------------------------------------------------|---------------------------------------------------------------|-------------------|--------------------------------|-----------|
|                                                                | Statutory Reserve fund u/s. 29-C of NHB Act, 1987 | Special Reserve u/s 36(i)(viii) of Income Tax Act, 1961 | Securities Premium | Equity component of compound financial instruments - OCPS | Employee cost on discount on shares issued by Holding Company | Retained Earnings | Loans and advances through OCI |           |
| Balance at 31 March 2025                                       | 158.02                                            | 1,021.86                                                | 3,048.14           | 73.76                                                     | 6.80                                                          | 2,234.84          | 253.25                         | 6,796.67  |
| Profit for the year                                            | -                                                 | -                                                       | -                  | -                                                         | -                                                             | 956.12            | -                              | 956.12    |
| Re-measurement of defined benefit plans (net of taxes)         | -                                                 | -                                                       | -                  | -                                                         | -                                                             | (2.21)            | -                              | (2.21)    |
| Other comprehensive income (net of taxes)                      | -                                                 | -                                                       | -                  | -                                                         | -                                                             | -                 | 209.87                         | 209.87    |
| Dividend on Equity Shares                                      | -                                                 | -                                                       | -                  | -                                                         | -                                                             | (10.06)           | -                              | (10.06)   |
| Dividend on OCPS                                               | -                                                 | -                                                       | -                  | -                                                         | -                                                             | (120.00)          | -                              | (120.00)  |
| Issue of Equity Shares                                         | -                                                 | -                                                       | 2,175.85           | -                                                         | -                                                             | -                 | -                              | 2,175.85  |
| Transfer to Statutory Reserve fund u/s. 29-C of NHB Act, 1987  | 79.80                                             | -                                                       | -                  | -                                                         | -                                                             | (79.80)           | -                              | -         |
| Transfer to Special Reserve u/s 36(i)(viii) of Income Tax Act, | -                                                 | 190.00                                                  | -                  | -                                                         | -                                                             | (190.00)          | -                              | -         |
| Balance at 31 March 2026                                       | 237.82                                            | 1,211.86                                                | 5,223.99           | 73.76                                                     | 6.80                                                          | 2,788.89          | 463.12                         | 10,006.24 |
| Profit for the year                                            | -                                                 | -                                                       | -                  | -                                                         | -                                                             | 1,245.68          | -                              | 1,245.68  |
| Issue of Equity Shares and Conversion of OCPS                  | -                                                 | -                                                       | 3,147.94           | -                                                         | -                                                             | -                 | -                              | 3,147.94  |
| Re-measurement of defined benefit plans (net of taxes)         | -                                                 | -                                                       | -                  | -                                                         | -                                                             | (3.35)            | -                              | (3.35)    |
| Other comprehensive income (net of taxes)                      | -                                                 | -                                                       | -                  | -                                                         | -                                                             | -                 | 204.19                         | 204.19    |
| Dividend on Equity Shares                                      | -                                                 | -                                                       | -                  | -                                                         | -                                                             | (10.02)           | -                              | (10.02)   |
| Dividend on OCPS                                               | -                                                 | -                                                       | -                  | -                                                         | -                                                             | (109.04)          | -                              | (109.04)  |
| Transfer to Statutory Reserve fund u/s. 29-C of NHB Act, 1987  | 151.70                                            | -                                                       | -                  | -                                                         | -                                                             | (151.70)          | -                              | -         |
| Transfer to Special Reserve u/s 36(i)(viii) of Income Tax Act, | -                                                 | 240.00                                                  | -                  | -                                                         | -                                                             | (240.00)          | -                              | -         |
| Balance at 31 March 2027                                       | 389.52                                            | 1,451.86                                                | 8,371.93           | 73.76                                                     | 6.80                                                          | 3,520.46          | 667.31                         | 14,481.64 |

In terms of our report attached  
**For M A A K & Associates**  
Chartered Accountants  
(FRN: 135024W)

For and on behalf of the Board of Directors of  
**M A S Rural Housing and Mortgage Finance Limited**

**Kenan M Satyawadi**  
Partner  
Membership No.139533

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

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

**Darshil Hiranandani**  
(Company Secretary & Chief Compliance Officer)  
(Membership No: A47986)

**Chintan J. Pandya**  
(Chief Financial Officer & Chief Operating Officer)

Place: Ahmedabad  
Date: 22 April 2026

Place: Ahmedabad  
Date: 22 April 2026

# **RURAL HOUSING & MORTGAGE FINANCE LIMITED**

## STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

(₹ in lakhs)

|           | Particulars                                                                  | Year ended<br>31 March 2026 |                    | Year ended<br>31 March 2025 |                    |
|-----------|------------------------------------------------------------------------------|-----------------------------|--------------------|-----------------------------|--------------------|
|           |                                                                              |                             |                    |                             |                    |
| <b>A.</b> | <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                   |                             |                    |                             |                    |
|           | <b>Net Profit Before Tax</b>                                                 |                             | <b>1,626.98</b>    |                             | <b>1,208.69</b>    |
|           | Adjustments for :                                                            |                             |                    |                             |                    |
|           | Depreciation and Amortisation                                                | 86.82                       |                    | 69.67                       |                    |
|           | Finance Costs                                                                | 4,801.61                    |                    | 4,041.63                    |                    |
|           | Impairment on financial assets                                               | 345.40                      |                    | 225.32                      |                    |
|           | Interest Income                                                              | (8,916.11)                  | <b>(3,682.28)</b>  | (6,960.43)                  | <b>(2,623.81)</b>  |
|           | <b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>                       |                             | <b>(2,055.30)</b>  |                             | <b>(1,415.12)</b>  |
|           | Changes in Working Capital:                                                  |                             |                    |                             |                    |
|           | Adjustments for (increase)/decrease in operating assets:                     |                             |                    |                             |                    |
|           | Loans and Advances                                                           | (12,380.90)                 |                    | (10,467.25)                 |                    |
|           | Trade Receivables                                                            | (0.38)                      |                    | 0.87                        |                    |
|           | Deposits given as Collateral                                                 | 1.19                        |                    | 7.57                        |                    |
|           | Bank balance other than cash and cash equivalents                            | 0.19                        |                    | 2.45                        |                    |
|           | Other financial and non-financial asset                                      | 43.97                       |                    | (22.37)                     |                    |
|           | Adjustments for increase/(decrease) in operating liabilities:                |                             |                    |                             |                    |
|           | Trade Payables                                                               | (626.17)                    |                    | 272.48                      |                    |
|           | Security Deposits from Borrowers                                             | (59.70)                     |                    | (67.03)                     |                    |
|           | Advance from Borrowers                                                       | (0.99)                      |                    | (8.54)                      |                    |
|           | Other financial and non-financial liabilities                                | 152.27                      |                    | 72.60                       |                    |
|           | Provisions                                                                   | 2.51                        | <b>(12,868.01)</b> | 1.14                        | <b>(10,208.08)</b> |
|           | <b>CASH GENERATED FROM / (USED IN) OPERATIONS</b>                            |                             | <b>(14,923.31)</b> |                             | <b>(11,623.20)</b> |
|           | Finance Costs paid                                                           | (4,958.94)                  |                    | (4,051.29)                  |                    |
|           | Income Tax Paid (Net)                                                        | (469.37)                    |                    | (279.74)                    |                    |
|           | Interest Income Received                                                     | 8,447.03                    | <b>3,018.72</b>    | 6,651.92                    | <b>2,320.89</b>    |
|           | <b>NET CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)</b>     |                             | <b>(11,904.59)</b> |                             | <b>(9,302.31)</b>  |
| <b>B.</b> | <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                   |                             |                    |                             |                    |
|           | Capital expenditure on Property, Plant & Equipments and Intangible Assets    | (120.05)                    |                    | (41.79)                     |                    |
|           | Change in Earmarked balances with banks and other free deposit               | 37.68                       |                    | (2,053.60)                  |                    |
|           | Purchase of investments                                                      | (16,786.12)                 |                    | (5,968.08)                  |                    |
|           | Redemption of investments                                                    | 16,386.19                   |                    | 5,273.72                    |                    |
|           | <b>NET CASH FLOW GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)</b>     |                             | <b>(482.30)</b>    |                             | <b>(2,789.75)</b>  |
| <b>C.</b> | <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                   |                             |                    |                             |                    |
|           | Proceeds from issue of equity shares                                         | 3,000.00                    |                    | 2,000.00                    |                    |
|           | Repayment of principal component of lease liability                          | (15.04)                     |                    | (7.40)                      |                    |
|           | Proceeds from borrowings                                                     | 23,587.00                   |                    | 17,500.00                   |                    |
|           | Repayments of borrowings                                                     | (13,212.13)                 |                    | (10,215.06)                 |                    |
|           | Net Increase / (Decrease) in Working Capital Borrowings                      | (566.31)                    |                    | 566.31                      |                    |
|           | Dividends paid                                                               | (119.06)                    |                    | (130.06)                    |                    |
|           | <b>NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)</b>     |                             | <b>12,674.46</b>   |                             | <b>9,713.79</b>    |
|           | <b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>        |                             | <b>287.57</b>      |                             | <b>(2,378.27)</b>  |
|           | Cash and Cash Equivalents at the beginning of the year                       |                             | 1,050.10           |                             | 3,428.37           |
|           | <b>Cash and Cash Equivalents at the end of the year (Refer Note 1 below)</b> |                             | <b>1,337.67</b>    |                             | <b>1,050.10</b>    |

**M A A S RURAL HOUSING & MORTGAGE FINANCE LIMITED****STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026**

(₹ in lakhs)

| Notes |                                                                                                                                                                                                                                              |                                                                  |                                                                |                              |
|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------------|------------------------------|
|       | Particulars                                                                                                                                                                                                                                  | As at<br>31 March 2026                                           | As at<br>31 March 2025                                         |                              |
| 1     | Cash and bank balances at the end of the year comprises:<br>(a) Cash on Hand<br>(b) Balances with banks<br><b>Total</b><br>Bank deposits with original maturity of 3 months or less<br><b>Cash and Cash Equivalents as per Balance Sheet</b> | 14.03<br>1,233.40<br><b>1,247.43</b><br>90.24<br><b>1,337.67</b> | 32.79<br>988.73<br><b>1,021.52</b><br>28.58<br><b>1,050.10</b> |                              |
| 2     | The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 on Statement of Cash Flows specified under Section 133 of the Companies Act, 2013.                              |                                                                  |                                                                |                              |
| 3     | The Company as at 31 March 2026 has undrawn borrowing facilities amounting to ₹ 1200 lakhs that may be available for future operating activities and to settle capital commitments.                                                          |                                                                  |                                                                |                              |
| 4     | <b>Change in liabilities arising from financing activities</b>                                                                                                                                                                               |                                                                  |                                                                |                              |
|       | <b>Particulars</b>                                                                                                                                                                                                                           | <b>As at<br/>31 March 2025</b>                                   | <b>Cash Flows</b>                                              | <b>Non-cash<br/>changes*</b> |
|       | Borrowings other than debt securities                                                                                                                                                                                                        | 45,513.14                                                        | 9,808.56                                                       | (157.33)                     |
|       | <b>Total liabilities from financing activities</b>                                                                                                                                                                                           | <b>45,513.14</b>                                                 | <b>9,808.56</b>                                                | <b>(157.33)</b>              |
|       | <b>Particulars</b>                                                                                                                                                                                                                           | <b>As at<br/>31 March 2024</b>                                   | <b>Cash Flows</b>                                              | <b>Non-cash<br/>changes*</b> |
|       | Borrowings other than debt securities                                                                                                                                                                                                        | 37,651.81                                                        | 7,870.98                                                       | (9.66)                       |
|       | <b>Total liabilities from financing activities</b>                                                                                                                                                                                           | <b>37,651.81</b>                                                 | <b>7,870.98</b>                                                | <b>(9.66)</b>                |
|       | * Non-cash changes includes the effect of recording and reclassification of financial liability at amortized cost, amortization of processing fees, etc.                                                                                     |                                                                  |                                                                |                              |
|       | The notes referred to above form an integral part of these financial statements                                                                                                                                                              |                                                                  |                                                                |                              |

In terms of our report attached

**For M A A K & Associates**

Chartered Accountants

(FRN: 135024W)

**For and on behalf of the Board of Directors of****M A A S Rural Housing and Mortgage Finance Limited****Kenan M Satyawadi**

Partner

Membership No.139533

**Darshana S. Pandya**

(Director &amp; Chief Operating Officer)

(DIN - 07610402)

**Kamlesh C. Gandhi**

(Chairman &amp; Managing Director)

(DIN - 00044852)

**Darshil Hiranandani**

(Company Secretary &amp; Chief Compliance Officer)

(Membership No: A47986)

**Chintan J. Pandya**

(Chief Financial Officer &amp; Chief Operating Officer)

Place: Ahmedabad

Date: 22 April 2026

Place: Ahmedabad

Date: 22 April 2026

# **INDIA RURAL HOUSING & MORTGAGE FINANCE LIMITED**

## **NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

### **1. CORPORATE INFORMATION**

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

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

### **2. BASIS OF PREPARATION**

#### **2.1 Statement of compliance**

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (the "Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the "Act") and the guidelines issued by NHB and Reserve Bank of India ("RBI") to the extent applicable.

Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

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

#### **2.2 Basis of measurement**

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

**2.3 Functional and presentation currency**

The standalone financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Company operates (the "functional currency"). Amounts in the standalone financial statements are presented in lakhs rounded off to two decimal places as permitted by Schedule III to the Act, except when otherwise indicated.

**2.4 Use of estimates and judgements**

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

**Judgements**

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

**i) Business model assessment**

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

**Estimates and assumptions**

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

**i) Fair value of financial instruments**

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value refer note 3.8 and note 42.

**ii) Effective Interest Rate ("EIR") method**

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

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

**iii) Impairment of financial asset**

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

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

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

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

**iv) Provisions and other contingent liabilities**

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

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

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

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

**v) Provision for income tax and deferred tax assets**

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

**vi) Defined Benefit Plans**

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

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

# **INDIA RURAL HOUSING & MORTGAGE FINANCE LIMITED**

## **NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

### **2.5 Presentation of the standalone financial statements**

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 40.

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

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

### **3. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

| Sr No. | Material Accounting Policies           | Reference In Balance Sheet & Profit And Loss Notes |
|--------|----------------------------------------|----------------------------------------------------|
| 1      | Recognition of interest income         | 22                                                 |
| 2      | Impairment of financial assets         | 8.2, 25, 44                                        |
| 3      | Property, plant and equipment          | 12(a)                                              |
| 4      | Financial instrument                   | 42                                                 |
| 5      | Intangible assets                      | 12(b)                                              |
| 6      | Leases                                 | 12(c), 45                                          |
| 7      | Retirement and other employee benefits | 26, 41                                             |
| 8      | Finance cost                           | 24                                                 |

#### **3.1 Recognition of Interest Income**

##### **[A] EIR method**

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

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

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

##### **[B] Interest income**

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

### **3.2 Financial Instrument - Initial Recognition**

#### **[A] Date of recognition**

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

#### **[B] Initial measurement of financial instruments**

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

#### **[C] Measurement categories of financial assets and liabilities**

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

- i) Amortised cost
- ii) FVOCI
- iii) FVTPL

### **3.3 Financial assets and liabilities**

#### **[A] Financial Assets**

##### **Business model assessment**

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

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

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

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

##### **SPPI test**

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

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

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

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

Accordingly, the financial assets are measured as follows:

**i) Financial assets carried at amortised cost**

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

**ii) Financial assets measured at FVOCI**

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

**iii) Financial assets at FVTPL**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

**[B] Financial Liability**

**i) Initial recognition and measurement**

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

**ii) Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method.

### **3.4 Reclassification of financial assets**

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

### **3.5 Derecognition of financial assets and liabilities**

**[A] Derecognition of financial assets due to substantial modification of terms and conditions**

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

**[B] Derecognition of financial assets other than due to substantial modification**

**i) Financial assets**

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

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset.

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

**ii) Financial liability**

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

### **3.6 Impairment of financial assets**

#### **[A] Overview of the ECL principles**

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

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

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

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

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

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

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

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

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

#### **[B] The calculation of ECLs**

##### **For retail loans**

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

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

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

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

##### **For Retail Asset Channel ("RAC") loan portfolio**

For RAC loan portfolio, the Company has developed internal rating based approach for the purpose of ECL. The credit rating framework of the Company consists of various parameters based on which RAC loan portfolio is evaluated and credit rating is assigned.

The Company has developed its PD matrix based on the benchmarking of various external reports, ratings and Basel norms. This PD matrix is calibrated with its historical data and major events at a regular time interval in accordance with its ECL policy.

The LGD has been considered based on Basel-II Framework for all the level of RAC credit rating portfolio.

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

The mechanics of the ECL method are summarised below:

- Stage 1:** The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.
- Stage 2:** When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3:** For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%. Credit impairment loans are determined at borrower level.

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

#### **Significant increase in credit risk**

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

#### **Definition of default**

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

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

#### **[C] Loans and advances measured at FVOCI**

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

#### **[D] Forward looking information**

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

### **3.7 Write-offs**

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

**3.8 Determination of fair value**

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

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

- Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;
- Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and
- Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

**3.9 Recognition of other income and expenses**

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

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

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

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

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

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

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

**[A] Interest income on Bank deposits & Other Income**

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

**[B] Fees and commission income**

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

**[C] Finance costs**

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

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

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

**3.10 Cash and cash equivalents**

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

**3.11 Property, plant and Equipments**

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

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

The estimated useful lives are, as follows:

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

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

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

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

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets. Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date. Capital work-in-progress is stated at cost, net of impairment loss, if any.

**3.12 Intangible Assets**

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

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

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

The estimated useful lives are as follows:

- i) Software: 3 years
- ii) Trademark: 10 years

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

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

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

**3.14 Leasing**

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

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less

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

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

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

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

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

**3.15 Retirement and other employee benefits****Defined contribution plans**

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

**Defined benefit plans**

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

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

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

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

**Short-term employee benefits**

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

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

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

**3.16 Provisions, contingent liabilities and contingent assets**

**[A] Provisions**

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

**[B] Contingent liability**

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

**[C] Contingent Asset**

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

**3.17 Taxes**

**[A] Current tax**

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

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

**[B] Deferred tax**

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

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

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

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

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

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

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

**3.18 Earnings Per Share**

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

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

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

**3.19 Dividends on ordinary shares**

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

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

**3.20 (I) Foreign Currency Transactions**

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency at rates of exchange on the reporting date.

Exchange difference on restatement of all other monetary items is recognised in the Statement of Profit and Loss.

**(II) Derivatives**

A derivative is a financial instrument or other contract with all three of the following characteristics:

i) Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').

ii) It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.

iii) It is settled at a future date.

The Company enters into derivative transactions with various counterparties to hedge its foreign currency exchange rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes forward contracts.

Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are recognised in the Statement of Profit and Loss.

**4. STANDARDS ISSUED BUT NOT YET EFFECTIVE**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2026, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

# **RURAL HOUSING & MORTGAGE FINANCE LIMITED**

## **NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2026**

(₹ in lakhs)

|                                                                                                                                                             | Particulars                                                                              | As at<br>31 March 2026                                            | As at<br>31 March 2025         |                  |                  |                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------|------------------|------------------|------------------------------|
| 5                                                                                                                                                           | <b>Cash and Cash Equivalents</b>                                                         |                                                                   |                                |                  |                  |                              |
|                                                                                                                                                             | Cash on Hand                                                                             | 14.03                                                             | 32.79                          |                  |                  |                              |
|                                                                                                                                                             | Balances with Banks:                                                                     |                                                                   |                                |                  |                  |                              |
|                                                                                                                                                             | In Current/ Cash Credit Accounts                                                         | 1,233.40                                                          | 988.73                         |                  |                  |                              |
|                                                                                                                                                             | In Fixed Deposit Accounts                                                                |                                                                   |                                |                  |                  |                              |
|                                                                                                                                                             | Bank deposits with original maturity of less than 3 months                               | 90.24                                                             | 28.58                          |                  |                  |                              |
|                                                                                                                                                             | <b>Total Cash and Cash Equivalents</b>                                                   | <b>1,337.67</b>                                                   | <b>1,050.10</b>                |                  |                  |                              |
| 6                                                                                                                                                           | <b>Bank Balance other than cash and cash equivalents</b>                                 |                                                                   |                                |                  |                  |                              |
|                                                                                                                                                             | In Current Accounts (Refer Note 1 below)                                                 | -                                                                 | 0.19                           |                  |                  |                              |
|                                                                                                                                                             | In Fixed Deposit Accounts                                                                |                                                                   |                                |                  |                  |                              |
|                                                                                                                                                             | Deposits given as security against borrowings and other commitments (Refer Note 2 below) | 2,163.61                                                          | 2,201.29                       |                  |                  |                              |
|                                                                                                                                                             | <b>Total Bank Balance other than cash and cash equivalents</b>                           | <b>2,163.61</b>                                                   | <b>2,201.48</b>                |                  |                  |                              |
| Notes:                                                                                                                                                      |                                                                                          |                                                                   |                                |                  |                  |                              |
| 1. Balance represents balance with banks in earmarked account i.e. "Collection and Payout Account".                                                         |                                                                                          |                                                                   |                                |                  |                  |                              |
| 2. Represents bank deposits against overdraft facility except balance amounting to ₹ 163.61 lakhs as regular deposit.                                       |                                                                                          |                                                                   |                                |                  |                  |                              |
| 7                                                                                                                                                           | <b>Trade Receivables</b>                                                                 |                                                                   |                                |                  |                  |                              |
|                                                                                                                                                             | <b>Particulars</b>                                                                       | <b>As at<br/>31 March 2026</b>                                    | <b>As at<br/>31 March 2025</b> |                  |                  |                              |
|                                                                                                                                                             | Trade receivables considered good - secured                                              | -                                                                 | -                              |                  |                  |                              |
|                                                                                                                                                             | Trade receivables considered good - unsecured                                            | 1.44                                                              | 1.06                           |                  |                  |                              |
|                                                                                                                                                             | Trade receivables which have significant increase in credit risk                         | -                                                                 | -                              |                  |                  |                              |
|                                                                                                                                                             | Trade receivables - credit impaired                                                      | -                                                                 | -                              |                  |                  |                              |
|                                                                                                                                                             | <b>Total trade receivables</b>                                                           | <b>1.44</b>                                                       | <b>1.06</b>                    |                  |                  |                              |
| Notes:                                                                                                                                                      |                                                                                          |                                                                   |                                |                  |                  |                              |
| 1. Impairment allowance recognised on trade receivables is ₹ Nil (31 March 2025: ₹ Nil).                                                                    |                                                                                          |                                                                   |                                |                  |                  |                              |
| 2. There is no due by directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member. |                                                                                          |                                                                   |                                |                  |                  |                              |
| <b>Trade Receivables aging schedule</b>                                                                                                                     |                                                                                          |                                                                   |                                |                  |                  |                              |
|                                                                                                                                                             | <b>Particulars</b>                                                                       | <b>Outstanding for following periods from due date of payment</b> |                                |                  |                  | <b>Total</b>                 |
|                                                                                                                                                             |                                                                                          | <b>Less than 6<br/>months</b>                                     | <b>6 months - 1<br/>year</b>   | <b>1-2 years</b> | <b>2-3 years</b> | <b>More than 3<br/>years</b> |
|                                                                                                                                                             | <b>As at 31 March 2026</b>                                                               |                                                                   |                                |                  |                  |                              |
|                                                                                                                                                             | (i) Undisputed Trade receivables – considered good                                       | 1.44                                                              | -                              | -                | -                | -                            |
|                                                                                                                                                             | (ii) Undisputed Trade Receivables – which have significant increase in credit risk       | -                                                                 | -                              | -                | -                | -                            |
|                                                                                                                                                             | (iii) Undisputed Trade Receivables – credit impaired                                     | -                                                                 | -                              | -                | -                | -                            |
|                                                                                                                                                             | (iv) Disputed Trade Receivables – considered good                                        | -                                                                 | -                              | -                | -                | -                            |
|                                                                                                                                                             | (v) Disputed Trade Receivables – which have significant increase in credit risk          | -                                                                 | -                              | -                | -                | -                            |
|                                                                                                                                                             | (vi) Disputed Trade Receivables – credit impaired                                        | -                                                                 | -                              | -                | -                | -                            |
|                                                                                                                                                             | <b>As at 31 March 2025</b>                                                               |                                                                   |                                |                  |                  |                              |
|                                                                                                                                                             | (i) Undisputed Trade receivables – considered good                                       | 0.94                                                              | -                              | 0.12             | -                | -                            |
|                                                                                                                                                             | (ii) Undisputed Trade Receivables – which have significant increase in credit risk       | -                                                                 | -                              | -                | -                | -                            |
|                                                                                                                                                             | (iii) Undisputed Trade Receivables – credit impaired                                     | -                                                                 | -                              | -                | -                | -                            |
|                                                                                                                                                             | (iv) Disputed Trade Receivables – considered good                                        | -                                                                 | -                              | -                | -                | -                            |
|                                                                                                                                                             | (v) Disputed Trade Receivables – which have significant increase in credit risk          | -                                                                 | -                              | -                | -                | -                            |
|                                                                                                                                                             | (vi) Disputed Trade Receivables – credit impaired                                        | -                                                                 | -                              | -                | -                | -                            |

# **RURAL HOUSING & MORTGAGE FINANCE LIMITED**

## **NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2026**

(₹ in lakhs)

| Particulars                        | As at 31 March 2026 |                   |                  | As at 31 March 2025 |                   |                  |
|------------------------------------|---------------------|-------------------|------------------|---------------------|-------------------|------------------|
|                                    | At FVOCI            | At amortised cost | Total            | At FVOCI            | At amortised cost | Total            |
| <b>8 Loans</b>                     |                     |                   |                  |                     |                   |                  |
| (A) Term Loans                     | 43,616.51           | 24,569.61         | 68,186.12        | 35,371.09           | 20,488.64         | 55,859.73        |
| Add: Accrued Interest              | 342.42              | 220.00            | 562.42           | 242.21              | 185.83            | 428.04           |
| <b>(A) Term Loans - Gross</b>      | <b>43,958.93</b>    | <b>24,789.61</b>  | <b>68,748.54</b> | <b>35,613.30</b>    | <b>20,674.47</b>  | <b>56,287.77</b> |
| Less: Impairment loss allowance    | -                   | (293.60)          | (293.60)         | -                   | (264.47)          | (264.47)         |
| <b>Total (A) - Net</b>             | <b>43,958.93</b>    | <b>24,496.01</b>  | <b>68,454.94</b> | <b>35,613.30</b>    | <b>20,410.00</b>  | <b>56,023.30</b> |
| (B) (i) Secured by tangible assets | 43,958.93           | 24,789.61         | 68,748.54        | 35,605.13           | 20,666.74         | 56,271.87        |
| (ii) Unsecured                     | -                   | -                 | -                | 8.17                | 7.73              | 15.90            |
| <b>Total (B)-Gross</b>             | <b>43,958.93</b>    | <b>24,789.61</b>  | <b>68,748.54</b> | <b>35,613.30</b>    | <b>20,674.47</b>  | <b>56,287.77</b> |
| Less: Impairment loss allowance    | -                   | (293.60)          | (293.60)         | -                   | (264.47)          | (264.47)         |
| <b>Total (B)-Net</b>               | <b>43,958.93</b>    | <b>24,496.01</b>  | <b>68,454.94</b> | <b>35,613.30</b>    | <b>20,410.00</b>  | <b>56,023.30</b> |
| (C) (I) Loans in India             |                     |                   |                  |                     |                   |                  |
| (i) Public Sector                  | -                   | -                 | -                | -                   | -                 | -                |
| (ii) Private Sector                | 43,958.93           | 24,789.61         | 68,748.54        | 35,613.30           | 20,674.47         | 56,287.77        |
| <b>Total (C)-Gross</b>             | <b>43,958.93</b>    | <b>24,789.61</b>  | <b>68,748.54</b> | <b>35,613.30</b>    | <b>20,674.47</b>  | <b>56,287.77</b> |
| Less: Impairment loss allowance    | -                   | (293.60)          | (293.60)         | -                   | (264.47)          | (264.47)         |
| <b>Total (C) (I) -Net</b>          | <b>43,958.93</b>    | <b>24,496.01</b>  | <b>68,454.94</b> | <b>35,613.30</b>    | <b>20,410.00</b>  | <b>56,023.30</b> |
| (C) (II) Loans outside India       | -                   | -                 | -                | -                   | -                 | -                |
| Less: Impairment loss allowance    | -                   | -                 | -                | -                   | -                 | -                |
| <b>Total (C) (II)- Net</b>         |                     |                   | -                |                     |                   | -                |
| <b>Total C(I) and C(II)</b>        | <b>43,958.93</b>    | <b>24,496.01</b>  | <b>68,454.94</b> | <b>35,613.30</b>    | <b>20,410.00</b>  | <b>56,023.30</b> |

Loans or advances in the nature of loans are granted to promoters, directors, KMPs, and the related parties, either severally or jointly with any other person

| Particulars     | As at 31 March 2026 | % to the total Loans and Advances in the nature of loans | As at 31 March 2025 | % to the total Loans and Advances in the nature of loans |
|-----------------|---------------------|----------------------------------------------------------|---------------------|----------------------------------------------------------|
| Promoter        | -                   | 0.00%                                                    | -                   | 0.00%                                                    |
| Directors       | -                   | 0.00%                                                    | -                   | 0.00%                                                    |
| KMPs            | -                   | 0.00%                                                    | -                   | 0.00%                                                    |
| Related parties | -                   | 0.00%                                                    | -                   | 0.00%                                                    |

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

| Particulars                                         | As at 31 March 2026 | As at 31 March 2025 |
|-----------------------------------------------------|---------------------|---------------------|
| 3. Percentage of loans against gold to total assets | 0.00%               | 0.00%               |

### 8.1 An analysis of changes in the gross carrying amount of loans is given below\*

| Particulars                                                                    | As at 31 March 2026 |                 |               |                  | As at 31 March 2025 |                 |               |                  |
|--------------------------------------------------------------------------------|---------------------|-----------------|---------------|------------------|---------------------|-----------------|---------------|------------------|
|                                                                                | Stage 1             | Stage 2         | Stage 3       | Total            | Stage 1             | Stage 2         | Stage 3       | Total            |
| <b>Gross carrying amount opening balance</b>                                   | 53,391.19           | 2,558.19        | 648.56        | 56,597.94        | 43,028.71           | 2,466.73        | 477.23        | 45,972.67        |
| Changes in opening credit exposures (net of repayment and excluding write off) | (14,104.43)         | (377.77)        | (21.86)       | (14,504.06)      | (13,199.11)         | (415.60)        | (1.02)        | (13,615.73)      |
| New assets originated (net of repayment)**                                     | 27,045.96           | 182.37          | -             | 27,228.33        | 24,287.03           | 98.89           | -             | 24,385.92        |
| Transfers from Stage 1                                                         | (2,398.85)          | 1,982.26        | 416.59        | -                | (1,802.85)          | 1,623.88        | 178.97        | -                |
| Transfers from Stage 2                                                         | 1,031.73            | (1,146.83)      | 115.10        | -                | 1,067.37            | (1,206.22)      | 138.85        | -                |
| Transfers from Stage 3                                                         | 70.97               | 12.58           | (83.55)       | -                | 16.35               | 1.96            | (18.31)       | -                |
| Amounts written off (net of recoveries)                                        | (32.77)             | (28.42)         | (230.66)      | (291.85)         | (6.31)              | (11.45)         | (127.16)      | (144.92)         |
| <b>Gross carrying amount closing balance</b>                                   | <b>65,003.80</b>    | <b>3,182.38</b> | <b>844.18</b> | <b>69,030.36</b> | <b>53,391.19</b>    | <b>2,558.19</b> | <b>648.56</b> | <b>56,597.94</b> |

\* The above classification also includes balance of spread receivable on assigned portfolio. (Refer note no. 10)

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

**8.2 Reconciliation of ECL balance is given below:**

| Particulars                                                                    | As at 31 March 2026 |               |               |               | As at 31 March 2025 |               |               |               |
|--------------------------------------------------------------------------------|---------------------|---------------|---------------|---------------|---------------------|---------------|---------------|---------------|
|                                                                                | Stage 1             | Stage 2       | Stage 3       | Total         | Stage 1             | Stage 2       | Stage 3       | Total         |
| <b>ECL allowance - opening balance</b>                                         | 228.67              | 266.36        | 223.36        | 718.39        | 91.06               | 349.63        | 145.09        | 585.78        |
| Changes in opening credit exposures (net of repayment and excluding write off) | 247.63              | (137.09)      | (37.53)       | 73.01         | 261.42              | (206.22)      | 9.22          | 64.42         |
| New assets originated (net of repayment)**                                     | 131.04              | 14.86         | -             | 145.90        | 100.74              | 10.51         | -             | 111.25        |
| Transfers from Stage 1                                                         | (297.63)            | 158.65        | 138.98        | -             | (229.24)            | 168.41        | 60.83         | -             |
| Transfers from Stage 2                                                         | 4.93                | (43.00)       | 38.07         | -             | 4.64                | (52.94)       | 48.30         | -             |
| Transfers from Stage 3                                                         | 0.34                | 1.10          | (1.44)        | -             | 0.08                | 0.20          | (0.28)        | -             |
| Amounts written off (net of recoveries)                                        | (0.18)              | (4.15)        | (77.29)       | (81.62)       | (0.03)              | (3.23)        | (39.80)       | (43.06)       |
| <b>ECL allowance - closing balance</b>                                         | <b>314.80</b>       | <b>256.73</b> | <b>284.15</b> | <b>855.68</b> | <b>228.67</b>       | <b>266.36</b> | <b>223.36</b> | <b>718.39</b> |

The contractual amount outstanding on loans that have been written off during the year, but were still subject to enforcement activity is ₹ 291.85 lakhs at 31 March 2026 (31 March 2025: ₹ 144.92 lakhs).

**8.3 Credit quality of loan assets**

The table below shows the gross carrying amount of loans based on the Company's internal grading model and year-end stage classification of loans. The amounts presented are gross of impairment allowances. Details of the Company's internal grades are explained in note 44.1.

| Particulars            | As at 31 March 2026 |                 |               |                  | As at 31 March 2025 |                 |               |                  |
|------------------------|---------------------|-----------------|---------------|------------------|---------------------|-----------------|---------------|------------------|
|                        | Stage 1             | Stage 2         | Stage 3       | Total            | Stage 1             | Stage 2         | Stage 3       | Total            |
| <b>Internal grade</b>  |                     |                 |               |                  |                     |                 |               |                  |
| <b>Performing</b>      |                     |                 |               |                  |                     |                 |               |                  |
| High quality assets    | 65,003.80           | -               | -             | 65,003.80        | 53,391.20           | -               | -             | 53,391.20        |
| Quality assets         | -                   | 1,207.55        | -             | 1,207.55         | -                   | 1,057.42        | -             | 1,057.42         |
| Standard assets        | -                   | 1,974.83        | -             | 1,974.83         | -                   | 1,500.77        | -             | 1,500.77         |
| <b>Non- performing</b> | -                   | -               | -             | -                | -                   | -               | -             | -                |
| Sub standard assets    | -                   | -               | 525.44        | 525.44           | -                   | -               | 134.46        | 134.46           |
| Low quality assets     | -                   | -               | 318.74        | 318.74           | -                   | -               | 514.09        | 514.09           |
| <b>Total</b>           | <b>65,003.80</b>    | <b>3,182.38</b> | <b>844.18</b> | <b>69,030.36</b> | <b>53,391.20</b>    | <b>2,558.19</b> | <b>648.55</b> | <b>56,597.94</b> |

**9**

| Particulars                             | As at 31 March 2026 |              |                 | As at 31 March 2025 |              |               |
|-----------------------------------------|---------------------|--------------|-----------------|---------------------|--------------|---------------|
|                                         | At FVTPL            | At cost      | Total           | At FVTPL            | At cost      | Total         |
| <b>Investments</b>                      |                     |              |                 |                     |              |               |
| Investments in:                         |                     |              |                 |                     |              |               |
| Associate Company (Refer note below)    | -                   | 30.00        | 30.00           | -                   | 15.00        | 15.00         |
| Non convertible Debentures              | 1,593.39            | -            | 1,593.39        | 873.74              | -            | 873.74        |
| <b>Total – Gross (A)</b>                | <b>1,593.39</b>     | <b>30.00</b> | <b>1,623.39</b> | <b>873.74</b>       | <b>15.00</b> | <b>888.74</b> |
| (i) Investments outside India           | -                   | -            | -               | -                   | -            | -             |
| (ii) Investments in India               | 1,593.39            | 30.00        | 1,623.39        | 873.74              | 15.00        | 888.74        |
| <b>Total (B)</b>                        | <b>1,593.39</b>     | <b>30.00</b> | <b>1,623.39</b> | <b>873.74</b>       | <b>15.00</b> | <b>888.74</b> |
| Less: Allowance for Impairment Loss (C) | -                   | -            | -               | -                   | -            | -             |
| <b>Total – Net D= (A)-(C)</b>           | <b>1,593.39</b>     | <b>30.00</b> | <b>1,623.39</b> | <b>873.74</b>       | <b>15.00</b> | <b>888.74</b> |

**Investment in Associate Company**

Investment in equity shares of MASFIN Insurance Broking Private Limited

| As at<br>31 March<br>2026 | As at<br>31 March<br>2025 |
|---------------------------|---------------------------|
| 30.00                     | 15.00                     |

Note - During the year, the Company has invested an amount of Rs. 15 lakhs in equity shares of Masfin Insurance Broking Private Limited being 1,50,000 Equity shares of face value of Rs. 10 each.

# **RURAL HOUSING & MORTGAGE FINANCE LIMITED**

## **NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2026**

(₹ in lakhs)

|      | Particulars                                                                                                                                                                                                                                                                                                                                       | As at<br>31 March 2026              | As at<br>31 March 2025              |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| 10   | <b>Other Financial Assets</b>                                                                                                                                                                                                                                                                                                                     |                                     |                                     |
|      | Security deposits                                                                                                                                                                                                                                                                                                                                 | 23.78                               | 24.97                               |
|      | Spread Receivable on Assigned Assets                                                                                                                                                                                                                                                                                                              | 281.82                              | 310.17                              |
|      | <b>Total Other Financial Assets</b>                                                                                                                                                                                                                                                                                                               | <b>305.60</b>                       | <b>335.14</b>                       |
| 11   | <b>Current Tax &amp; Deferred Tax</b>                                                                                                                                                                                                                                                                                                             |                                     |                                     |
| 11.1 | <b>Current Tax</b>                                                                                                                                                                                                                                                                                                                                |                                     |                                     |
|      | <b>The components of current tax expense are:</b>                                                                                                                                                                                                                                                                                                 | <b>Year ended<br/>31 March 2026</b> | <b>Year ended<br/>31 March 2025</b> |
|      | Current tax                                                                                                                                                                                                                                                                                                                                       | 438.90                              | 300.60                              |
|      | Adjustment in respect of current income tax of prior years                                                                                                                                                                                                                                                                                        | (5.50)                              | (16.71)                             |
|      | Deferred tax                                                                                                                                                                                                                                                                                                                                      | (52.10)                             | (31.32)                             |
|      | <b>Total tax charge</b>                                                                                                                                                                                                                                                                                                                           | <b>381.30</b>                       | <b>252.57</b>                       |
|      | Current tax                                                                                                                                                                                                                                                                                                                                       | 433.40                              | 283.89                              |
|      | Deferred tax                                                                                                                                                                                                                                                                                                                                      | (52.10)                             | (31.32)                             |
| 11.2 | <b>Reconciliation of the total tax charge</b>                                                                                                                                                                                                                                                                                                     |                                     |                                     |
|      | The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2026 and 31 March 2025 is, as follows: |                                     |                                     |
|      | <b>Particulars</b>                                                                                                                                                                                                                                                                                                                                | <b>Year ended<br/>31 March 2026</b> | <b>Year ended<br/>31 March 2025</b> |
|      | Accounting profit before tax                                                                                                                                                                                                                                                                                                                      | 1,626.98                            | 1,208.69                            |
|      | Applicable Tax Rate                                                                                                                                                                                                                                                                                                                               | 25.17%                              | 25.17%                              |
|      | <b>Computed Tax Expense</b>                                                                                                                                                                                                                                                                                                                       | <b>409.48</b>                       | <b>304.20</b>                       |
|      | <b>Tax effect of :</b>                                                                                                                                                                                                                                                                                                                            |                                     |                                     |
|      | Non deductible items                                                                                                                                                                                                                                                                                                                              | 16.53                               | 3.99                                |
|      | Additional Deduction                                                                                                                                                                                                                                                                                                                              | (59.08)                             | (44.06)                             |
|      | Adjustment in respect of current income tax of prior years                                                                                                                                                                                                                                                                                        | (5.50)                              | (16.71)                             |
|      | Others                                                                                                                                                                                                                                                                                                                                            | 19.87                               | 5.15                                |
|      | <b>Tax Expenses recognised in Statement of Profit and Loss</b>                                                                                                                                                                                                                                                                                    | <b>381.30</b>                       | <b>252.57</b>                       |
|      | Effective Tax Rate                                                                                                                                                                                                                                                                                                                                | 23.44%                              | 20.90%                              |
| 11.3 | <b>Deferred Tax</b>                                                                                                                                                                                                                                                                                                                               |                                     |                                     |
|      | <b>Particulars</b>                                                                                                                                                                                                                                                                                                                                | <b>As at<br/>31 March 2026</b>      | <b>As at<br/>31 March 2025</b>      |
|      | <b>Deferred Tax Asset / Liability (Net)</b>                                                                                                                                                                                                                                                                                                       |                                     |                                     |
|      | The movement on the deferred tax account is as follows:                                                                                                                                                                                                                                                                                           |                                     |                                     |
|      | At the start of the year DTA / (DTL)                                                                                                                                                                                                                                                                                                              | 187.15                              | 185.69                              |
|      | Credit/(Charge) for Loans and advances through OCI                                                                                                                                                                                                                                                                                                | (29.23)                             | (30.61)                             |
|      | Credit/(Charge) for Remeasurement of the defined benefit liabilities through OCI                                                                                                                                                                                                                                                                  | 1.26                                | 0.75                                |
|      | Credit/(Charge) to Statement of Profit and Loss                                                                                                                                                                                                                                                                                                   | 52.10                               | 31.32                               |
|      | <b>At the end of year DTA / (DTL)</b>                                                                                                                                                                                                                                                                                                             | <b>211.28</b>                       | <b>187.15</b>                       |

# **RURAL HOUSING & MORTGAGE FINANCE LIMITED**

## **NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2026**

(₹ in lakhs)

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

| Particulars                                                                                   | As at<br>31 March 2025 | Credit/(Charge)<br>to Other Equity | Credit/(Charge)<br>to Profit or Loss | Recognised in<br>OCI | As at<br>31 March 2026 |
|-----------------------------------------------------------------------------------------------|------------------------|------------------------------------|--------------------------------------|----------------------|------------------------|
| <b>Component of Deferred tax asset / (liability)</b>                                          |                        |                                    |                                      |                      |                        |
| Deferred tax asset / (liability) in relation to:                                              |                        |                                    |                                      |                      |                        |
| Difference between written down value of fixed assets as per books of accounts and income tax | 1.67                   | -                                  | 1.39                                 | -                    | 3.06                   |
| Impact of fair value of assets                                                                | (4.03)                 | -                                  | 0.99                                 | (29.23)              | (32.27)                |
| Income taxable on realised basis                                                              | (15.98)                | -                                  | 23.60                                | -                    | 7.62                   |
| Deferred tax on prepaid finance charges                                                       | 28.41                  | -                                  | (8.05)                               | -                    | 20.36                  |
| Impairment on financial assets                                                                | 180.80                 | -                                  | 20.28                                | -                    | 201.08                 |
| Recognition of right to use asset                                                             | (12.26)                | -                                  | (10.55)                              | -                    | (22.81)                |
| Recognition of lease liability                                                                | 14.34                  | -                                  | 10.48                                | -                    | 24.82                  |
| Expenses allowable on payment basis                                                           | (5.80)                 | -                                  | 13.96                                | 1.26                 | 9.42                   |
| <b>Total</b>                                                                                  | <b>187.15</b>          | <b>-</b>                           | <b>52.10</b>                         | <b>(27.97)</b>       | <b>211.28</b>          |

| Particulars                                                                                   | As at<br>31 March 2024 | Credit/(Charge)<br>to Other Equity | Credit/(Charge)<br>to Profit or Loss | Recognised in<br>OCI | As at<br>31 March 2025 |
|-----------------------------------------------------------------------------------------------|------------------------|------------------------------------|--------------------------------------|----------------------|------------------------|
| <b>Component of Deferred tax asset / (liability)</b>                                          |                        |                                    |                                      |                      |                        |
| Deferred tax asset / (liability) in relation to:                                              |                        |                                    |                                      |                      |                        |
| Difference between written down value of fixed assets as per books of accounts and income tax | 1.51                   | -                                  | 0.16                                 | -                    | 1.67                   |
| Impact of fair value of assets                                                                | 27.57                  | -                                  | (0.99)                               | (30.61)              | (4.03)                 |
| Income taxable on realised basis                                                              | (12.24)                | -                                  | (3.74)                               | -                    | (15.98)                |
| Deferred tax on prepaid finance charges                                                       | 15.31                  | -                                  | 13.10                                | -                    | 28.41                  |
| Impairment on financial assets                                                                | 147.43                 | -                                  | 33.37                                | -                    | 180.80                 |
| Recognition of right to use asset                                                             | (8.21)                 | -                                  | (4.05)                               | -                    | (12.26)                |
| Recognition of lease liability                                                                | 9.71                   | -                                  | 4.63                                 | -                    | 14.34                  |
| Expenses allowable on payment basis                                                           | 4.61                   | -                                  | (11.16)                              | 0.75                 | (5.80)                 |
| <b>Total</b>                                                                                  | <b>185.69</b>          | <b>-</b>                           | <b>31.32</b>                         | <b>(29.86)</b>       | <b>187.15</b>          |

# **HFL RURAL HOUSING & MORTGAGE FINANCE LIMITED**

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2026**

(₹ in lakhs)

## **12 Property, Plant and Equipments and Intangible assets**

| Nature of Assets                   | Tangible Assets (a) |                        |               |               | Other Intangible Assets (b) |             |             |
|------------------------------------|---------------------|------------------------|---------------|---------------|-----------------------------|-------------|-------------|
|                                    | Office Equipments   | Furniture and Fixtures | Vehicles      | Total         | Software                    | Trademark   | Total       |
| <b>At Cost</b>                     |                     |                        |               |               |                             |             |             |
| <b>As at 31 March 2024</b>         | 186.04              | 92.49                  | 82.72         | 361.25        | 3.08                        | 0.10        | 3.18        |
| Additions                          | 35.32               | 5.92                   | -             | 41.24         | 0.55                        | -           | 0.55        |
| Disposals                          | -                   | -                      | -             | -             | -                           | -           | -           |
| <b>As at 31 March 2025</b>         | <b>221.36</b>       | <b>98.41</b>           | <b>82.72</b>  | <b>402.49</b> | <b>3.63</b>                 | <b>0.10</b> | <b>3.73</b> |
| Additions                          | 23.67               | 12.46                  | 83.49         | 119.62        | 0.43                        | -           | 0.43        |
| Disposals                          | -                   | -                      | -             | -             | -                           | -           | -           |
| <b>As at 31 March 2026</b>         | <b>245.03</b>       | <b>110.87</b>          | <b>166.21</b> | <b>522.11</b> | <b>4.06</b>                 | <b>0.10</b> | <b>4.16</b> |
| <b>Depreciation/Amortisation</b>   |                     |                        |               |               |                             |             |             |
| <b>As at 31 March 2024</b>         | 81.85               | 15.79                  | 4.21          | 101.85        | 3.07                        | 0.05        | 3.12        |
| Depreciation / Amortization Charge | 40.77               | 9.23                   | 9.81          | 59.81         | 0.16                        | 0.01        | 0.17        |
| Disposal                           | -                   | -                      | -             | -             | -                           | -           | -           |
| <b>As at 31 March 2025</b>         | <b>122.62</b>       | <b>25.02</b>           | <b>14.02</b>  | <b>161.66</b> | <b>3.23</b>                 | <b>0.06</b> | <b>3.29</b> |
| Depreciation / Amortization Charge | 43.17               | 9.32                   | 13.93         | 66.42         | 0.29                        | 0.01        | 0.30        |
| Disposal                           | -                   | -                      | -             | -             | -                           | -           | -           |
| <b>As at 31 March 2026</b>         | <b>165.79</b>       | <b>34.34</b>           | <b>27.95</b>  | <b>228.08</b> | <b>3.52</b>                 | <b>0.07</b> | <b>3.59</b> |
| <b>Net Block Value:</b>            |                     |                        |               |               |                             |             |             |
| <b>As at 31 March 2025</b>         | <b>98.74</b>        | <b>73.39</b>           | <b>68.70</b>  | <b>240.83</b> | <b>0.40</b>                 | <b>0.04</b> | <b>0.44</b> |
| <b>As at 31 March 2026</b>         | <b>79.24</b>        | <b>76.53</b>           | <b>138.26</b> | <b>294.03</b> | <b>0.54</b>                 | <b>0.03</b> | <b>0.57</b> |

**Note:** No revaluation of any class of asset is carried out during the year.

### **(c) Right-of-use Asset**

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

|                            |               |
|----------------------------|---------------|
| <b>Office Premises</b>     |               |
| <b>As at 31 March 2024</b> | 42.44         |
| Additions for the period   | 25.78         |
| Disposals                  | -             |
| <b>As at 31 March 2025</b> | <b>68.22</b>  |
| Additions for the period   | 63.69         |
| Disposals                  | -             |
| <b>As at 31 March 2026</b> | <b>131.91</b> |
| <b>Amortisation</b>        |               |
| <b>As at 31 March 2024</b> | 5.04          |
| Additions for the period   | 9.69          |
| Disposals                  | -             |
| <b>As at 31 March 2025</b> | <b>14.73</b>  |
| Additions for the period   | 20.12         |
| Disposals                  | -             |
| <b>As at 31 March 2026</b> | <b>34.85</b>  |
| <b>Net Block Value:</b>    |               |
| <b>As at 31 March 2025</b> | <b>53.49</b>  |
| <b>As at 31 March 2026</b> | <b>97.06</b>  |

# **RURAL HOUSING & MORTGAGE FINANCE LIMITED**

## **NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2026**

(₹ in lakhs)

| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                  | As at<br>31 March 2026 | As at<br>31 March 2025 |                   |               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|------------------------|------------------------|-------------------|---------------|
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Other non-financial assets</b>                                                                |                        |                        |                   |               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Prepaid expenses                                                                                 | 22.14                  | 19.20                  |                   |               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Advances to employees                                                                            | 0.83                   | 0.90                   |                   |               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Balance with Government Authorities                                                              | 30.63                  | 16.03                  |                   |               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Gratuity Fund (Refer note 41)                                                                    | -                      | 50.95                  |                   |               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Other Advances                                                                                   | 18.30                  | 33.40                  |                   |               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>Total other non-financial assets</b>                                                          | <b>71.90</b>           | <b>120.48</b>          |                   |               |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Payables</b>                                                                                  |                        |                        |                   |               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | (I) Trade Payables                                                                               |                        |                        |                   |               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | (i) total outstanding dues of micro enterprises and small enterprises                            | 0.88                   | 5.29                   |                   |               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | (ii) total outstanding dues of trade payables other than micro enterprises and small enterprises | 203.04                 | 824.80                 |                   |               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | (II) Other Payables                                                                              |                        |                        |                   |               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | (i) total outstanding dues of micro enterprises and small enterprises                            | -                      | -                      |                   |               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | (ii) total outstanding dues of other payables other than micro enterprises and small enterprises | -                      | -                      |                   |               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>203.92</b>                                                                                    | <b>830.09</b>          |                        |                   |               |
| <b>Payables ageing schedule</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                  |                        |                        |                   |               |
| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Outstanding for following periods from due date of payment                                       |                        |                        |                   | Total         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Less than 1 year                                                                                 | 1 to 2 years           | 2 to 3 years           | More than 3 years |               |
| <b>As at 31 March 2026</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                  |                        |                        |                   |               |
| (i) MSME                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0.88                                                                                             | -                      | -                      | -                 | 0.88          |
| (ii) Others                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 203.04                                                                                           | -                      | -                      | -                 | 203.04        |
| (iii) Disputed Dues - MSME                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | -                                                                                                | -                      | -                      | -                 | -             |
| (iv) Disputed Dues - Others                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | -                                                                                                | -                      | -                      | -                 | -             |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>203.92</b>                                                                                    | -                      | -                      | -                 | <b>203.92</b> |
| <b>As at 31 March 2025</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                  |                        |                        |                   |               |
| (i) MSME                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 3.18                                                                                             | 2.11                   | -                      | -                 | 5.29          |
| (ii) Others                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 824.40                                                                                           | 0.40                   | -                      | -                 | 824.80        |
| (iii) Disputed Dues - MSME                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | -                                                                                                | -                      | -                      | -                 | -             |
| (iv) Disputed Dues - Others                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | -                                                                                                | -                      | -                      | -                 | -             |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>827.58</b>                                                                                    | <b>2.51</b>            | -                      | -                 | <b>830.09</b> |
| <b>Micro, Small and Medium Enterprises:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                  |                        |                        |                   |               |
| Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as “the MSMED Act”) are given below: |                                                                                                  |                        |                        |                   |               |
| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                  | As at<br>31 March 2026 | As at<br>31 March 2025 |                   |               |
| (a) Dues remaining unpaid to any supplier at the year end                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                  |                        |                        |                   |               |
| - Principal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                  | 0.88                   | 5.29                   |                   |               |
| - Interest on above                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                  | -                      | -                      |                   |               |
| (b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year                                                                                                                                                                                                                                                                                                                                       |                                                                                                  |                        |                        |                   |               |
| - Principal paid beyond the appointed date                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                  | -                      | -                      |                   |               |
| - Interest paid in terms of Section 16 of the MSMED Act                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                  | -                      | -                      |                   |               |
| (c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                  | -                      | -                      |                   |               |
| (d) Amount of interest accrued and remaining unpaid                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                  | -                      | -                      |                   |               |
| (e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises                                                                                                                                                                                                                                                                                                                                   |                                                                                                  | -                      | -                      |                   |               |

# MASS RURAL HOUSING & MORTGAGE FINANCE LIMITED

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2026

(₹ in lakhs)

| Particulars                                                                                                                                                                                                                                                                                                                                                                                          | As at<br>31 March 2026 | As at<br>31 March 2025 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>15 Borrowings (Other than Debt Securities) (At amortised cost)</b>                                                                                                                                                                                                                                                                                                                                |                        |                        |
| (a) Term loans (Refer Note No. 15.2)                                                                                                                                                                                                                                                                                                                                                                 |                        |                        |
| (i) from Banks                                                                                                                                                                                                                                                                                                                                                                                       |                        |                        |
| - In Indian Rupees                                                                                                                                                                                                                                                                                                                                                                                   | 36,103.37              | 24,406.98              |
| - In Foreign Currency [refer note 44.3(b)]                                                                                                                                                                                                                                                                                                                                                           | 5,258.32               | 4,486.87               |
| (ii) from National Housing Bank                                                                                                                                                                                                                                                                                                                                                                      | 1,335.31               | 1,726.15               |
| (iii) from Financial Institutions                                                                                                                                                                                                                                                                                                                                                                    | 12,942.59              | 14,644.72              |
| (b) Loans repayable on demand                                                                                                                                                                                                                                                                                                                                                                        |                        |                        |
| (i) from banks - Cash Credit (Refer Note No. 15.1)                                                                                                                                                                                                                                                                                                                                                   | -                      | 566.31                 |
| (ii) from banks - Overdraft (Refer Note No. 15.1)                                                                                                                                                                                                                                                                                                                                                    | -                      | -                      |
| Less: Unamortised Borrowing Cost                                                                                                                                                                                                                                                                                                                                                                     | (475.22)               | (317.89)               |
| <b>Total (A)</b>                                                                                                                                                                                                                                                                                                                                                                                     | <b>55,164.37</b>       | <b>45,513.14</b>       |
| Secured                                                                                                                                                                                                                                                                                                                                                                                              | 55,164.37              | 45,513.14              |
| Unsecured                                                                                                                                                                                                                                                                                                                                                                                            | -                      | -                      |
| <b>Total (B) to tally with (A)</b>                                                                                                                                                                                                                                                                                                                                                                   | <b>55,164.37</b>       | <b>45,513.14</b>       |
| Borrowings in India                                                                                                                                                                                                                                                                                                                                                                                  | 55,164.37              | 45,513.14              |
| Borrowings outside India                                                                                                                                                                                                                                                                                                                                                                             | -                      | -                      |
| <b>Total (C) to tally with (A)</b>                                                                                                                                                                                                                                                                                                                                                                   | <b>55,164.37</b>       | <b>45,513.14</b>       |
| <b>15.1 Cash Credit &amp; Overdraft</b>                                                                                                                                                                                                                                                                                                                                                              |                        |                        |
| (a) Cash Credit from Bank is secured by First Exclusive charge on the standard receivables of the company with other CC/OD lenders (except specific portfolio generated from various term loans sanctioned by various banks/financial institutions on an exclusive basis). The loans are also guaranteed by Mr. Kamlesh Chimanlal Gandhi. Overdraft loans are secured against fixed deposits placed. |                        |                        |
| (b) Interest rate range                                                                                                                                                                                                                                                                                                                                                                              |                        |                        |
| Interest rate ranges from 6.70% p.a to 10.75% p.a. as at 31 March 2026.                                                                                                                                                                                                                                                                                                                              |                        |                        |
| Interest rate ranges from 7.90% p.a to 10.85% p.a. as at 31 March 2025.                                                                                                                                                                                                                                                                                                                              |                        |                        |
| The Company has not defaulted in repayment of borrowings and interest.                                                                                                                                                                                                                                                                                                                               |                        |                        |
| The Company has borrowings from banks and financial institutions on the basis of security of current assets and the quarterly returns filed by the Company with the banks and financial institutions are in accordance with the books of accounts of the Company for the respective quarters.                                                                                                        |                        |                        |
| The carrying amount of financial assets which is hypothecated against secured borrowing inclusive of margin requirement ranging from 1.00 times to 1.30 times is amounting to ₹ 69,030.36 lakhs (31 March 2025: ₹ 56,597.94 lakhs).                                                                                                                                                                  |                        |                        |

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

| Particulars                                         | As at<br>31 March 2026 | As at<br>31 March 2025 | Terms of Redemption/ Repayment                                        | Security                                                                                                                                                                                                                    |
|-----------------------------------------------------|------------------------|------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Term Loans from Banks (Refer Note (i) below)</b> |                        |                        |                                                                       |                                                                                                                                                                                                                             |
| Term Loan from Banks - 1                            | -                      | 33.46                  | Repayment in 57 Monthly Instalments starting from 30 October 2020     | Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the company out of the bank finance to the company. Personal Guarantee of Mr. Kamlesh Gandhi. |
| Term Loan from Banks - 2                            | -                      | 637.21                 | Repayment in 60 Monthly Instalments starting from 30 July 2021        | Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the company out of the bank finance to the company. Personal Guarantee of Mr. Kamlesh Gandhi. |
| Term Loan from Banks - 3                            | -                      | 39.24                  | Repayment in 24 Quarterly Instalments starting from 31 January 2019   | The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets). Personal Guarantee of Mr. Kamlesh Gandhi.                                          |
| Term Loan from Banks - 4                            | -                      | 37.87                  | Repayment in 24 Quarterly Instalments starting from 30 September 2019 | The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets). Personal Guarantee of Mr. Kamlesh Gandhi.                                          |
| Term Loan from Banks - 5                            | 34.95                  | 201.60                 | Repayment in 24 Quarterly Instalments from 31 December 2020           | The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets). Personal Guarantee of Mr. Kamlesh Gandhi.                                          |
| Term Loan from Banks - 6                            | 183.70                 | 433.46                 | Repayment in 24 Quarterly Instalments from 30 June 2021               | The Loan is secured by Exclusive charge by way of hypothecation on standard assets portfolio of receivables (excluding stressed assets). Personal Guarantee of Mr. Kamlesh Gandhi.                                          |
| Term Loan from Banks - 7                            | -                      | 293.20                 | Repayment in 26 Quarterly Instalments starting from 28 February 2019  | Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mrs Shweta Gandhi.                                                                                                              |
| Term Loan from Banks - 8                            | 49.48                  | 249.49                 | Repayment in 20 Quarterly Instalments from 25 September 2021          | Exclusive charge by way of hypothecation of book debts, which are financed/ to be financed by the company out of the bank financed to the Company. Personal Guarantee of Mr. Kamlesh Gandhi.                                |
| Term Loan from Banks - 9                            | 808.25                 | 1,617.41               | Repayment in 10 Quarterly Instalments from 25 June 2022               | Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the company out of the bank finance to the company. Personal Guarantee of Mr. Kamlesh Gandhi. |
| Term Loan from Banks - 10                           | 392.53                 | 535.52                 | Repayment in 28 Quarterly Instalments from 31 March 2022              | 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.                             |
| Term Loan from Banks - 11                           | 299.57                 | 499.59                 | Repayment in 20 Quarterly Instalments from 22 December 2022           | Exclusive charge by way of hypothecation of book debts, which are financed/ to be financed by the company out of the bank financed to the Company. Personal Guarantee of Mr. Kamlesh Gandhi.                                |
| Term Loan from Banks - 12                           | 727.01                 | 1,384.89               | Repayment in 48 Monthly Instalments from 15 April 2023                | First Exclusive charge by way of hypothecation on the company's present and future loan receivables. Personal Guarantee of Mr. Kamlesh Gandhi.                                                                              |
| Term Loan from Banks - 13                           | 533.35                 | 678.48                 | Repayment in 28 Quarterly Instalments from 8 March 2023               | 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                              |
| Term Loan from Banks - 14                           | 1,662.82               | 2,036.84               | Repayment in 81 monthly Instalments from 25 January 2024              | Exclusive charge by way of hypothecation of such book debts , which are financed/to be financed by the company out of bank finance.                                                                                         |
| Term Loan from Banks - 15                           | 1,017.35               | 1,231.96               | Repayment in 84 monthly instalments from 21 January 2024              | Exclusive charge by way of hypothecation of specific loan receivables/ book debts of the company.                                                                                                                           |

# **RURAL HOUSING & MORTGAGE FINANCE LIMITED**

## **NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2026**

(₹ in lakhs)

### **15.2 Details of terms of redemption/repayment and security provided in respect of debt securities and borrowings:**

| Particulars                                                                                                                                                                                                                                                                     | As at<br>31 March 2026 | As at<br>31 March 2025 | Terms of Redemption/ Repayment                                      | Security                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Term Loan from Banks - 16                                                                                                                                                                                                                                                       | 499.33                 | 699.51                 | Repayment in 20 Quarterly Instalments from 27 December 2023         | Exclusive charge by way of hypothecation of book debts, which are financed/ to be financed by the company out of the bank financed to the Company. Personal Guarantee of Mr. Kamlesh Gandhi.                                                                                                                              |
| Term Loan from Banks - 17                                                                                                                                                                                                                                                       | 310.03                 | 410.92                 | Repayment in 60 monthly instalments from 07 May 2024                | First & Exclusive Hypothecation of book debts / receivables                                                                                                                                                                                                                                                               |
| Term Loan from Banks - 18                                                                                                                                                                                                                                                       | 1,250.00               | 1,750.00               | Repayment in 20 Quarterly Instalments from 30 November 2023         | Exclusive charge on present and future book debts and receivables                                                                                                                                                                                                                                                         |
| Term Loan from Banks - 19                                                                                                                                                                                                                                                       | 684.42                 | 828.67                 | Repayment in 84 monthly instalments from 30 January 2024            | Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the company out of the bank finance to the company. Personal Guarantee of Mr. Kamlesh Gandhi.                                                                                               |
| Term Loan from Banks - 20                                                                                                                                                                                                                                                       | 4,010.20               | 4,488.28               | Repayment in 40 Quarterly Instalments from 30 April 2024            | Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mrs Shweta Gandhi.                                                                                                                                                                                                            |
| Note: Out of the above ₹ 4,010.20 lakhs outstanding as on 31 March 2026 (31 March 2025 : ₹ 4,488.28 lakhs), ₹ 1.41 lakhs is in Indian Rupees (31 March 2025 : ₹ 1.41 lakhs) and remaining amount of ₹ 4,008.79 lakhs is in foreign currency (31 March 2025 : ₹ 4,486.87 lakhs). |                        |                        |                                                                     |                                                                                                                                                                                                                                                                                                                           |
| Term Loan from Banks - 21                                                                                                                                                                                                                                                       | 910.65                 | 1,124.96               | Repayment in 28 Quarterly Instalments from 30 September 2023        | The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Company (identified loan assets) sufficient to provide security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi. |
| Term Loan from Banks - 22                                                                                                                                                                                                                                                       | 730.93                 | 1,025.23               | Repayment in 60 Monthly Instalments starting from 25 September 2023 | First and Exclusive Charge on book debt/Loan Assets of the company.                                                                                                                                                                                                                                                       |
| Term Loan from Banks - 23                                                                                                                                                                                                                                                       | 1,565.35               | 1,966.25               | Repayment in 60 Monthly Instalments starting from 27 March 2025     | Exclusive first charge by way of hypothecation of such of the book debts, which are financed / to be financed by the company out of the bank finance to the company. Company should maintain 1.11 times security cover of outstanding amount of Term Loan.                                                                |
| Term Loan from Banks - 24                                                                                                                                                                                                                                                       | 1,750.00               | 2,000.00               | Repayment in 96 Monthly Instalments starting from 30 April 2025     | Exclusive first charge by way of hypothecation of such of the book debts, which are financed / to be financed by the company out of the bank finance to the company. Company should maintain 1.11 times security cover of outstanding amount of Term Loan. Personal Guarantee of Mr. Kamlesh Gandhi.                      |
| Term Loan from Banks - 25                                                                                                                                                                                                                                                       | 1,098.93               | 1,314.81               | Repayment in 84 monthly instalments from 30 January 2024            | Loan is secured by Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the company out of the bank finance to the company. Personal Guarantee of Mr. Kamlesh Gandhi.                                                                                               |
| Term Loan from Banks - 26                                                                                                                                                                                                                                                       | 1,500.00               | 1,900.00               | Repayment in 20 Quarterly Instalments from 27 March 2025            | 1st exclusive charge (floating) over loan receivables of the company with 1.10x cover.                                                                                                                                                                                                                                    |
| Term Loan from Banks - 27                                                                                                                                                                                                                                                       | 375.00                 | 475.00                 | Repayment in 20 Quarterly Instalments from 31 March 2025            | 1st exclusive charge (floating) over loan receivables of the company with 1.10x cover.                                                                                                                                                                                                                                    |
| Term Loan from Banks - 28                                                                                                                                                                                                                                                       | 799.83                 | 1,000.00               | Repayment in 20 Quarterly Instalments from 27 June 2025             | Exclusive charge by way of hypothecation of book debts, which are financed/ to be financed by the company out of the bank financed to the Company.                                                                                                                                                                        |
| Term Loan from Banks - 29                                                                                                                                                                                                                                                       | 2,718.75               | -                      | Repayment in 96 Monthly Instalments starting from 31 July 2025      | Exclusive first charge by way of hypothecation of such of the book debts, which are financed / to be financed by the company out of the bank finance to the company. Personal Guarantee of Mr. Kamlesh Gandhi.                                                                                                            |
| Term Loan from Banks - 30                                                                                                                                                                                                                                                       | 850.00                 | -                      | Repayment in 20 Quarterly Instalments from 30 September 2025        | First exclusive charge (floating) over loan receivables of the company with 1.10x cover                                                                                                                                                                                                                                   |
| Term Loan from Banks - 31                                                                                                                                                                                                                                                       | 1,218.75               | -                      | Repayment in 16 Quarterly Instalments from 26 August 2025           | First Exclusive charge by way of hypothecation on the company's present and future loan receivables. Personal Guarantee of Mr. Kamlesh Gandhi.                                                                                                                                                                            |

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

| Particulars                                                                                                                                                                                                                                      | As at<br>31 March 2026 | As at<br>31 March 2025 | Terms of Redemption/ Repayment                                    | Security                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Term Loan from Banks - 32                                                                                                                                                                                                                        | 849.24                 | -                      | Repayment in 20 Quarterly Instalments from 30 September 2025      | Exclusive charge on book debts of outstanding loan value extended by bank.                                                                                                   |
| Term Loan from Banks - 33                                                                                                                                                                                                                        | 4,639.74               | -                      | Repayment in 84 Monthly Instalments starting from 31 October 2025 | Exclusive charge by way of hypothecation of such book debts, which are financed/to be financed by the company out of bank finance. Personal Guarantee of Mr. Kamlesh Gandhi. |
| Term Loan from Banks - 34                                                                                                                                                                                                                        | 2,408.04               | -                      | Repayment in 60 Monthly Instalments starting from 15 January 2026 | Exclusive charge by way of hypothecation of specific loan receivables/book debts of the company.                                                                             |
| Term Loan from Banks - 35                                                                                                                                                                                                                        | 2,751.43               | -                      | Repayment in 24 Quarterly Instalments from 31 December 2025       | Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mrs Shweta Gandhi.                                                               |
| Note: Out of the above ₹ 2,751.43 lakhs outstanding as on 31 March 2026 (31 March 2025 : ₹ Nil), 1,501.89 lakhs is in Indian Rupees (31 March 2025 : Nil) and remaining amount of ₹ 1,249.54 lakhs is in foreign currency (31 March 2025 : Nil). |                        |                        |                                                                   |                                                                                                                                                                              |
| Term Loan from Banks - 36                                                                                                                                                                                                                        | 4,732.06               | -                      | Repayment in 84 Monthly Instalments starting from 31 January 2026 | Exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the company out of bank financed to the company.                  |
| <b>Total Term Loans from Banks</b>                                                                                                                                                                                                               | <b>41,361.69</b>       | <b>28,893.85</b>       |                                                                   |                                                                                                                                                                              |

**Note (i):**

Interest rate ranges from 5.64% p.a to 10.65% p.a as at 31 March 2026.

Interest rate ranges from 6.19% p.a to 12.15% p.a as at 31 March 2025.

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

| Particulars                                        | As at<br>31 March 2026 | As at<br>31 March 2025 | Terms of Redemption/ Repayment                             | Security                                                                                                                                                                                                                                         |
|----------------------------------------------------|------------------------|------------------------|------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Term Loans from NHB (Refer Note (ii) below)</b> |                        |                        |                                                            |                                                                                                                                                                                                                                                  |
| Term Loan from NHB - 1                             | -                      | 22.13                  | Repayment in 39 Quarterly Instalments from 01 July 2017    | First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.                                                                                        |
| Term Loan from NHB - 2                             | 18.33                  | 61.41                  | Repayment in 39 Quarterly Instalments from 01 October 2017 | First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.                                                                                        |
| Term Loan from NHB - 3                             | 36.84                  | 71.44                  | Repayment in 60 Quarterly Instalments from 01 October 2019 | First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.                                                                                        |
| Term Loan from NHB - 4                             | 141.33                 | 168.53                 | Repayment in 60 Quarterly Instalments from 01 July 2020    | First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.                                                                                        |
| Term Loan from NHB - 5                             | 116.00                 | 148.00                 | Repayment in 39 Quarterly Instalments from 01 October 2020 | First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.                                                                                        |
| Term Loan from NHB - 6                             | 31.36                  | 40.68                  | Repayment in 39 Quarterly Instalments from 31 July 2020    | First & Exclusive Hypothecation of Specific Receivables of the company. Personal Guarantee of Mr. Kamlesh Gandhi & legal heirs of Late Mr. Mukesh Gandhi.                                                                                        |
| Term Loan from NHB - 7                             | -                      | 13.03                  | Repayment in 51 Quarterly Instalments from 01 July 2014    | A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company. Corporate Guarantee of RAAS Financial Services Ltd.                            |
| Term Loan from NHB - 8                             | 255.75                 | 365.75                 | Repayment in 27 Quarterly Instalments from 01 October 2022 | 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.                                      |
| Term Loan from NHB - 9                             | 89.38                  | 115.18                 | Repayment in 36 Quarterly Instalments from 01 October 2022 | 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.                                      |
| Term Loan from NHB - 10                            | 324.84                 | 376.16                 | Repayment in 27 Quarterly Instalments from 01 July 2023    | A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Bank Guarantee of ICICI Bank Ltd. |
| Term Loan from NHB - 11                            | 254.97                 | 325.09                 | Repayment in 27 Quarterly Instalments from 01 July 2023    | A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Bank Guarantee of ICICI Bank Ltd. |
| Term Loan from NHB - 12                            | 14.75                  | 18.75                  | Repayment in 40 Quarterly Instalments from 01 July 2023    | A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company. Personal Guarantee of Mr. Kamlesh Gandhi and Bank Guarantee of ICICI Bank Ltd. |
| Term Loan from NHB - 13                            | 51.76                  | -                      | Repayment in 39 Quarterly Instalments from 01 April 2026   | 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.                                                                                |
| <b>Total Term Loans from NHB</b>                   | <b>1,335.31</b>        | <b>1,726.15</b>        |                                                            |                                                                                                                                                                                                                                                  |

**Note (ii):**

Interest rate ranges from 2.80% p.a to 9.60% p.a as at 31 March 2026.

Interest rate ranges from 2.80% p.a to 9.60% p.a as at 31 March 2025.

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

| Particulars                                            | As at<br>31 March 2026 | As at<br>31 March 2025 | Terms of Redemption/ Repayment                                     | Security                                                                                                                                                                                                |
|--------------------------------------------------------|------------------------|------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Term Loans from Others (Refer Note (iii) below)</b> |                        |                        |                                                                    |                                                                                                                                                                                                         |
| Term Loan from Financial Institutions - 1              | 301.35                 | 703.64                 | Repayment in 60 Monthly Instalments starting from 15 January 2022  | Exclusive charge on specific loan assets / book debts of the company assigned to TCFSL. Personal Guarantee of Mr. Kamlesh Gandhi.                                                                       |
| Term Loan from Financial Institutions - 2              | 636.47                 | 928.56                 | Repayment in 60 Monthly Instalments starting from 01 February 2023 | Exclusive charge on hypothecation on specific receivables to be maintained at all times during currency of ABFL loan.                                                                                   |
| Term Loan from Financial Institutions - 3              | 252.18                 | 321.70                 | Repayment in 84 Monthly Instalments starting from 1 November 2022  | Exclusive charge on hypothecation on specific receivables to be maintained at all times during currency of SHFL loan.                                                                                   |
| Term Loan from Financial Institutions - 4              | 540.39                 | 679.16                 | Repayment in 84 Monthly Instalments starting from 01 February 2023 | Exclusive charge on hypothecation on specific receivables to be maintained at all times during currency of SHFL loan.                                                                                   |
| Term Loan from Financial Institutions - 5              | 540.39                 | 679.16                 | Repayment in 84 Monthly Instalments starting from 01 February 2023 | Exclusive charge on hypothecation on specific receivables to be maintained at all times during currency of SHFL loan.                                                                                   |
| Term Loan from Financial Institutions - 6              | 356.31                 | 831.76                 | Repayment in 52 Monthly Instalments starting from 15 October 2022  | Exclusive charge on specific loan assets / book debts of the company assigned to TCFSL. Personal Guarantee of Mr. Kamlesh Gandhi.                                                                       |
| Term Loan from Financial Institutions - 7              | 3,068.25               | 3,999.72               | Repayment in 60 Monthly Instalments starting from 05 January 2024  | First and exclusive charge by way of hypothecation over the standard loan receivables                                                                                                                   |
| Term Loan from Financial Institutions - 8              | 607.14                 | 750.00                 | Repayment in 84 Monthly Instalments starting from 31 July 2023     | Exclusive charge on hypothecation on specific receivables to be maintained at all times during currency of SHFL loan.                                                                                   |
| Term Loan from Financial Institutions - 9              | 771.89                 | 973.46                 | Repayment in 60 Monthly Instalments starting from 05 February 2025 | Exclusive first charge on the loan portfolio of the Borrower by way of hypothecation on the loan instalments receivables created from the proceeds of the Facility, with a minimum asset cover of 1.10x |
| Term Loan from Financial Institutions - 10             | 4,436.39               | 4,777.56               | Repayment in 120 Monthly Instalments starting from 01 July 2024    | First and exclusive floating charge by way of hypothecation of receivables not less than 110% of the outstanding loan                                                                                   |
| Term Loan from Financial Institutions - 11             | 1,384.26               | -                      | Repayment in 60 Monthly Instalments starting from 05 November 2025 | Exclusive first charge on the loan portfolio of the Borrower by way of hypothecation on the instalments receivables created from the proceeds of the Facility.                                          |
| Term Loan from Financial Institutions - 12             | 47.57                  | -                      | Repayment in 36 Monthly Instalments starting from 04 December 2025 | Secured by hypothecation of the vehicle financed.                                                                                                                                                       |
| <b>Total Term Loans from Others</b>                    | <b>12,942.59</b>       | <b>14,644.72</b>       |                                                                    |                                                                                                                                                                                                         |

**Note (iii):**

Interest rate ranges from 7.90% p.a to 10.10% p.a as at 31 March 2026.

Interest rate ranges from 9.00% p.a to 11.20% p.a as at 31 March 2025.

# RURAL HOUSING & MORTGAGE FINANCE LIMITED

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2026

(₹ in lakhs)

|    | Particulars                                                                                                    | As at<br>31 March 2026 | As at<br>31 March 2025 |
|----|----------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| 16 | <b>Other financial liabilities</b>                                                                             |                        |                        |
|    | Interest accrued but not due on others                                                                         | -                      | 3.87                   |
|    | Dues to the assignees towards collections from assigned receivables                                            | 469.71                 | 293.81                 |
|    | Payable to Employees                                                                                           | 22.02                  | 59.47                  |
|    | Derivative financial instruments                                                                               | 29.26                  | 4.41                   |
|    | Security Deposits from borrowers (Refer Note No. 1 below)                                                      | 12.63                  | 68.46                  |
|    | Other Payables                                                                                                 | 33.25                  | 34.24                  |
|    | <b>Total other financial liabilities</b>                                                                       | <b>566.87</b>          | <b>464.26</b>          |
|    | <b>Note:</b>                                                                                                   |                        |                        |
|    | 1. All the security deposits from borrowers as on 31 March 2026 and 31 March 2025 are from Corporate entities. |                        |                        |
| 17 | <b>Provisions</b>                                                                                              |                        |                        |
|    | Provision for Employee Benefits (Refer Note No. 41)                                                            |                        |                        |
|    | Compensated Absences                                                                                           | 3.90                   | 2.95                   |
|    | Provision for Gratuity                                                                                         | 1.56                   | -                      |
|    | <b>Total Provisions</b>                                                                                        | <b>5.46</b>            | <b>2.95</b>            |
| 18 | <b>Other non-financial liabilities</b>                                                                         |                        |                        |
|    | Statutory remittances                                                                                          | 60.97                  | 72.00                  |
|    | <b>Total other non-financial liabilities</b>                                                                   | <b>60.97</b>           | <b>72.00</b>           |

# **RURAL HOUSING & MORTGAGE FINANCE LIMITED**

## **NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2026**

(₹ in lakhs)

| Particulars                                                                                                                                                                                                                                                                                                                                         |                                                                                                                     | As at<br>31 March 2026 |                                   | As at<br>31 March 2025 |                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|------------------------|-----------------------------------|------------------------|-----------------------------------|
| 19                                                                                                                                                                                                                                                                                                                                                  | <b>Equity Share Capital</b>                                                                                         |                        |                                   |                        |                                   |
|                                                                                                                                                                                                                                                                                                                                                     | <b>Authorized Shares:</b>                                                                                           |                        |                                   |                        |                                   |
|                                                                                                                                                                                                                                                                                                                                                     | 2,80,00,000 Equity Shares of ₹10 each<br>(As at 31 March 2025: 2,80,00,000 Equity Shares of ₹10 each)               | 2,800.00               |                                   | 2,800.00               |                                   |
|                                                                                                                                                                                                                                                                                                                                                     | 1,70,00,000 Preference Shares of ₹ 10/- each<br>(As at 31 March 2025: 1,70,00,000 Preference Shares of ₹10 each)    | 1,700.00               |                                   | 1,700.00               |                                   |
|                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                     | 4,500.00               |                                   | 4,500.00               |                                   |
|                                                                                                                                                                                                                                                                                                                                                     | <b>Issued, Subscribed and Fully Paid-Up Shares:</b>                                                                 |                        |                                   |                        |                                   |
|                                                                                                                                                                                                                                                                                                                                                     | 2,62,97,307 Equity Shares of ₹10 each fully paid up<br>(As at 31 March 2025: 2,44,43,371 Equity Shares of ₹10 each) | 2,629.73               |                                   | 2,444.34               |                                   |
|                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                     | 2,629.73               |                                   | 2,444.34               |                                   |
| 19.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:                                                                                                                                                                                                                         |                                                                                                                     |                        |                                   |                        |                                   |
| Particulars                                                                                                                                                                                                                                                                                                                                         |                                                                                                                     | As at 31 March 2026    |                                   | As at 31 March 2025    |                                   |
|                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                     | No. of Shares          | (₹ in lakhs)                      | No. of Shares          | (₹ in lakhs)                      |
| Equity Shares                                                                                                                                                                                                                                                                                                                                       |                                                                                                                     |                        |                                   |                        |                                   |
| Outstanding at the beginning of the year                                                                                                                                                                                                                                                                                                            |                                                                                                                     | 2,44,43,371            | 2,444.34                          | 2,28,68,575            | 2,286.86                          |
| Addition during the year                                                                                                                                                                                                                                                                                                                            |                                                                                                                     | 18,53,936              | 185.39                            | 15,74,796              | 157.48                            |
| Outstanding at the end of the year                                                                                                                                                                                                                                                                                                                  |                                                                                                                     | 2,62,97,307            | 2,629.73                          | 2,44,43,371            | 2,444.34                          |
| 19.2 Details of shares held by each shareholder holding more than 5% shares:                                                                                                                                                                                                                                                                        |                                                                                                                     |                        |                                   |                        |                                   |
| Class of shares / Name of shareholder                                                                                                                                                                                                                                                                                                               |                                                                                                                     | As at 31 March 2026    |                                   | As at 31 March 2025    |                                   |
|                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                     | Number of shares held  | % holding in that class of shares | Number of shares held  | % holding in that class of shares |
| Equity Shares                                                                                                                                                                                                                                                                                                                                       |                                                                                                                     |                        |                                   |                        |                                   |
| HAS Financial Services Limited                                                                                                                                                                                                                                                                                                                      |                                                                                                                     | 1,67,61,455            | 63.74%                            | 1,51,60,952            | 62.02%                            |
| Mukesh C. Gandhi (Refer Note below)                                                                                                                                                                                                                                                                                                                 |                                                                                                                     | -                      | 0.00%                             | 40,40,606              | 16.53%                            |
| MCG Private Family Trust                                                                                                                                                                                                                                                                                                                            |                                                                                                                     | 44,30,342              | 16.85%                            | -                      | 0.00%                             |
| Kamlesh C. Gandhi                                                                                                                                                                                                                                                                                                                                   |                                                                                                                     | 29,02,882              | 11.04%                            | 28,16,419              | 11.52%                            |
| Shweta K. Gandhi                                                                                                                                                                                                                                                                                                                                    |                                                                                                                     | 22,02,328              | 8.37%                             | 21,36,731              | 8.74%                             |
| Note                                                                                                                                                                                                                                                                                                                                                |                                                                                                                     |                        |                                   |                        |                                   |
| Mr. Mukesh C. Gandhi has passed away on 19 January 2021.                                                                                                                                                                                                                                                                                            |                                                                                                                     |                        |                                   |                        |                                   |
| Shares held by Mr. Mukesh C. Gandhi have been transmitted to MCG Private Family Trust during FY 2025-26 pursuant to his will.                                                                                                                                                                                                                       |                                                                                                                     |                        |                                   |                        |                                   |
| 19.3 Details of shares held by promoters (including promoter group) of the Company:                                                                                                                                                                                                                                                                 |                                                                                                                     |                        |                                   |                        |                                   |
| Promoter and promoter group name                                                                                                                                                                                                                                                                                                                    |                                                                                                                     | As at 31 March 2026    |                                   | As at 31 March 2025    |                                   |
|                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                     | Number of shares held  | % holding in that class of shares | Number of shares held  | % holding in that class of shares |
| Equity Shares                                                                                                                                                                                                                                                                                                                                       |                                                                                                                     |                        |                                   |                        |                                   |
| HAS Financial Services Limited                                                                                                                                                                                                                                                                                                                      |                                                                                                                     | 1,67,61,455            | 63.74%                            | 1,51,60,952            | 62.02%                            |
| Mr. Mukesh C. Gandhi (Refer Note above)                                                                                                                                                                                                                                                                                                             |                                                                                                                     | -                      | 0.00%                             | 40,40,606              | 16.53%                            |
| Kamlesh C. Gandhi                                                                                                                                                                                                                                                                                                                                   |                                                                                                                     | 29,02,882              | 11.04%                            | 28,16,419              | 11.52%                            |
| Shweta Kamlesh Gandhi                                                                                                                                                                                                                                                                                                                               |                                                                                                                     | 22,02,328              | 8.37%                             | 21,36,731              | 8.74%                             |
| MCG Private Family Trust                                                                                                                                                                                                                                                                                                                            |                                                                                                                     | 44,30,342              | 16.85%                            | 2,88,363               | 1.18%                             |
| 19.4 Terms/ rights attached to equity shares                                                                                                                                                                                                                                                                                                        |                                                                                                                     |                        |                                   |                        |                                   |
| The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. |                                                                                                                     |                        |                                   |                        |                                   |
| In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.                                                               |                                                                                                                     |                        |                                   |                        |                                   |

# **RURAL HOUSING & MORTGAGE FINANCE LIMITED**

## **NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2026**

(₹ in lakhs)

|             | Particulars                                                                                                                                                                                                                                                                                                                                                                                | As at<br>31 March 2026                           | As at<br>31 March 2025                           |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| <b>20</b>   | <b>Instruments entirely equity in nature (Refer Note 20.5 below)</b>                                                                                                                                                                                                                                                                                                                       |                                                  |                                                  |
|             | <b>6% OCPS</b>                                                                                                                                                                                                                                                                                                                                                                             |                                                  |                                                  |
|             | Outstanding at the beginning of the year                                                                                                                                                                                                                                                                                                                                                   | 1,666.67                                         | 2,000.00                                         |
|             | Less: Converted to Equity Shares as per OCPS Terms                                                                                                                                                                                                                                                                                                                                         | (333.33)                                         | (333.33)                                         |
|             | <b>Outstanding at the end of the year</b>                                                                                                                                                                                                                                                                                                                                                  | <b>1,333.34</b>                                  | <b>1,666.67</b>                                  |
| <b>20.1</b> | <b>6% OCPS</b>                                                                                                                                                                                                                                                                                                                                                                             |                                                  |                                                  |
|             | - 1,00,00,000 6% OCPS issued at face value of ₹ 10 each on 12 September 2019 and                                                                                                                                                                                                                                                                                                           |                                                  |                                                  |
|             | - 1,00,00,000 6% OCPS issued at face value of ₹ 10 each on 23 June 2021.                                                                                                                                                                                                                                                                                                                   |                                                  |                                                  |
| <b>20.2</b> | <b>Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:</b>                                                                                                                                                                                                                                                              |                                                  |                                                  |
|             | <b>Class of shares / Name of shareholder</b>                                                                                                                                                                                                                                                                                                                                               | <b>As at 31 March 2026</b>                       | <b>As at 31 March 2025</b>                       |
|             |                                                                                                                                                                                                                                                                                                                                                                                            | <b>No. of Shares</b>                             | <b>No. of Shares</b>                             |
|             |                                                                                                                                                                                                                                                                                                                                                                                            | <b>(₹ in lakhs)</b>                              | <b>(₹ in lakhs)</b>                              |
|             | <b>6% OCPS</b>                                                                                                                                                                                                                                                                                                                                                                             |                                                  |                                                  |
|             | Outstanding at the beginning of the year                                                                                                                                                                                                                                                                                                                                                   | 1,66,66,670                                      | 2,00,00,000                                      |
|             | Less: Converted to Equity Shares as per issue terms                                                                                                                                                                                                                                                                                                                                        | (33,33,330)                                      | (33,33,330)                                      |
|             | <b>Outstanding at the end of the year</b>                                                                                                                                                                                                                                                                                                                                                  | <b>1,33,33,340</b>                               | <b>1,66,66,670</b>                               |
| <b>20.3</b> | <b>Details of shares held by each shareholder holding more than 5% shares:</b>                                                                                                                                                                                                                                                                                                             |                                                  |                                                  |
|             | <b>Class of shares / Name of shareholder</b>                                                                                                                                                                                                                                                                                                                                               | <b>As at 31 March 2026</b>                       | <b>As at 31 March 2025</b>                       |
|             |                                                                                                                                                                                                                                                                                                                                                                                            | <b>Number of<br/>shares held</b>                 | <b>Number of<br/>shares held</b>                 |
|             |                                                                                                                                                                                                                                                                                                                                                                                            | <b>% holding in<br/>that class of<br/>shares</b> | <b>% holding in<br/>that class of<br/>shares</b> |
|             | <b>6% OCPS</b>                                                                                                                                                                                                                                                                                                                                                                             |                                                  |                                                  |
|             | HAS Financial Services Limited                                                                                                                                                                                                                                                                                                                                                             | 1,33,33,340                                      | 1,66,66,670                                      |
|             |                                                                                                                                                                                                                                                                                                                                                                                            | 100.00%                                          | 100.00%                                          |
| <b>20.4</b> | <b>Details of shares held by promoters (including promoter group) of the Company:</b>                                                                                                                                                                                                                                                                                                      |                                                  |                                                  |
|             | <b>Promoter and promoter group name</b>                                                                                                                                                                                                                                                                                                                                                    | <b>As at 31 March 2026</b>                       | <b>As at 31 March 2025</b>                       |
|             |                                                                                                                                                                                                                                                                                                                                                                                            | <b>Number of<br/>shares held</b>                 | <b>Number of<br/>shares held</b>                 |
|             |                                                                                                                                                                                                                                                                                                                                                                                            | <b>% holding in<br/>that class of<br/>shares</b> | <b>% holding in<br/>that class of<br/>shares</b> |
|             | <b>6% OCPS</b>                                                                                                                                                                                                                                                                                                                                                                             |                                                  |                                                  |
|             | HAS Financial Services Limited                                                                                                                                                                                                                                                                                                                                                             | 1,33,33,340                                      | 1,66,66,670                                      |
|             |                                                                                                                                                                                                                                                                                                                                                                                            | 100.00%                                          | 100.00%                                          |
| <b>20.5</b> | <b>Terms/ rights attached to preference shares</b>                                                                                                                                                                                                                                                                                                                                         |                                                  |                                                  |
|             | All the 2,00,00,000 OCPS are having a par value of ₹ 10 each per share. Both these OCPS carry a right to be paid fixed preferential dividend at the rate of 6% per annum.                                                                                                                                                                                                                  |                                                  |                                                  |
|             | The preference shares carry a non-cumulative dividend right and are optionally convertible into equity shares at a fixed price of ₹ 100 per share. The Conversion / Redemption option is to be exercised for 33.33% of the shares in the 5th year, for 33.33% of the shares in the 6th year and for remaining 33.33% of the shares in the 7th year from the date of issue of these shares. |                                                  |                                                  |
|             | The holder of the preference share capital, in respect of such capital, has a right to vote only on resolutions placed before the Company which directly affect the rights attached to these preference shares.                                                                                                                                                                            |                                                  |                                                  |

# NHFS RURAL HOUSING & MORTGAGE FINANCE LIMITED

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT 31 MARCH 2026

(₹ in lakhs)

|    | Particulars                                                                                                                                                | As at<br>31 March 2026 | As at<br>31 March 2025 |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| 21 | <b>Other Equity</b>                                                                                                                                        |                        |                        |
|    | <b>Equity component of OCPS :-</b>                                                                                                                         |                        |                        |
|    | Outstanding at the beginning of the year                                                                                                                   | 73.76                  | 73.76                  |
|    | Additions during the year                                                                                                                                  | -                      | -                      |
|    | <b>Outstanding at the end of the year</b>                                                                                                                  | <b>73.76</b>           | <b>73.76</b>           |
|    | <b>IPO Discount given by Holding company</b>                                                                                                               |                        |                        |
|    | Outstanding at the beginning of the year                                                                                                                   | 6.80                   | 6.80                   |
|    | Additions during the year                                                                                                                                  | -                      | -                      |
|    | <b>Outstanding at the end of the year</b>                                                                                                                  | <b>6.80</b>            | <b>6.80</b>            |
|    | <b>Reserve fund u/s. 29-C of NHB Act,1987:-</b>                                                                                                            |                        |                        |
|    | Opening Balance                                                                                                                                            |                        |                        |
|    | a. Statutory Reserve u/s 29C of the National Housing Bank Act, 1987                                                                                        | 237.82                 | 158.02                 |
|    | b. Amount of Special Reserve u/s 36(i)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve u/s 29C of The NHB Act, 1987 | 1,211.86               | 1,021.86               |
|    | <b>c. Total</b>                                                                                                                                            | <b>1,449.68</b>        | <b>1,179.88</b>        |
|    | Addition / Appropriation / Withdrawal during the year                                                                                                      |                        |                        |
|    | Add:                                                                                                                                                       |                        |                        |
|    | a. Statutory Reserve u/s 29C of the National Housing Bank Act, 1987                                                                                        | 151.70                 | 79.80                  |
|    | 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 | 240.00                 | 190.00                 |
|    | Less:                                                                                                                                                      |                        |                        |
|    | a. Statutory Reserve 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 | -                      | -                      |
|    | Closing Balance                                                                                                                                            |                        |                        |
|    | a. Statutory Reserve u/s 29C of the National Housing Bank Act, 1987                                                                                        | 389.52                 | 237.82                 |
|    | b. Amount of Special Reserve u/s 36(i)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve u/s 29C of The NHB Act, 1987 | 1,451.86               | 1,211.86               |
|    | <b>c. Total</b>                                                                                                                                            | <b>1,841.38</b>        | <b>1,449.68</b>        |
|    | <b>Securities Premium</b>                                                                                                                                  |                        |                        |
|    | Outstanding at the beginning of the year                                                                                                                   | 5,223.99               | 3,048.14               |
|    | Additions during the year                                                                                                                                  | 3,147.94               | 2,175.85               |
|    | <b>Outstanding at the end of the year</b>                                                                                                                  | <b>8,371.93</b>        | <b>5,223.99</b>        |
|    | <b>Retained Earnings</b>                                                                                                                                   |                        |                        |
|    | Outstanding at the beginning of the year                                                                                                                   | 2,788.89               | 2,234.84               |
|    | Profit for the year                                                                                                                                        | 1,245.68               | 956.12                 |
|    | <b>Item of other comprehensive income recognised directly in retained earnings</b>                                                                         |                        |                        |
|    | Remeasurement of the defined benefit liabilities                                                                                                           | (3.35)                 | (2.21)                 |
|    |                                                                                                                                                            | <b>4,031.22</b>        | <b>3,188.75</b>        |
|    | Less : Appropriations:                                                                                                                                     |                        |                        |
|    | Reserve u/s.29-C of NHB Act,1987 & Special Reserve U/s 36(1)(viii) of Income Tax Act,1961                                                                  | 391.70                 | 269.80                 |
|    | Dividend on Equity Shares                                                                                                                                  | 10.02                  | 10.06                  |
|    | Dividend on Preference Shares                                                                                                                              | 109.04                 | 120.00                 |
|    | <b>Total Appropriations</b>                                                                                                                                | <b>510.76</b>          | <b>399.86</b>          |
|    |                                                                                                                                                            |                        |                        |
|    | <b>Retained Earnings</b>                                                                                                                                   | <b>3,520.46</b>        | <b>2,788.89</b>        |
|    | <b>Other Comprehensive Income</b>                                                                                                                          |                        |                        |
|    | Outstanding at the beginning of the year                                                                                                                   | 463.12                 | 253.25                 |
|    | Loans and Advances through other comprehensive Income                                                                                                      | 125.24                 | 121.60                 |
|    | Impairment on loans and advances through OCI                                                                                                               | 108.18                 | 118.88                 |
|    | Income tax relating to items that will be reclassified to profit or loss                                                                                   | (29.23)                | (30.61)                |
|    | <b>Other Comprehensive Income for the Period, Net of Tax</b>                                                                                               | <b>667.31</b>          | <b>463.12</b>          |
|    |                                                                                                                                                            |                        |                        |
|    | <b>Total Other Equity</b>                                                                                                                                  | <b>14,481.64</b>       | <b>10,006.24</b>       |

**21.1 Nature and purpose of reserve****1. Equity component of compound financial instruments- Optionally Convertible preference shares**

Equity Component of Compound financial instruments represents Equity component of OCPS.

**2. IPO Discount given by Holding company**

During the year 2017-18, pursuant to initial public offering (IPO) and Offer For Sale, the Holding Company HAAS Financial Services Limited had allotted equity shares under Employee Reservation Category to the eligible employees of the company at a discount of ₹ 45 per share on the offer price. The total discount ₹ 6.80 lakhs has been considered as an Equity Investment by the Holding Company.

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

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. 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.

**4. Securities premium**

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

**5. Retained earnings**

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

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

- i) actuarial gains and losses;
- ii) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
- iii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

**6. Other comprehensive income****On loans**

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

# **RURAL HOUSING & MORTGAGE FINANCE LIMITED**

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

(₹ in lakhs)

|           | Particulars                      | Year ended 31 March 2026              |                                       |                                                |                 | Year ended 31 March 2025              |                                       |                                                |                 |
|-----------|----------------------------------|---------------------------------------|---------------------------------------|------------------------------------------------|-----------------|---------------------------------------|---------------------------------------|------------------------------------------------|-----------------|
|           |                                  | On financial assets measured at FVOCI | On financial assets measured at FVTPL | On financial assets measured at amortised cost | Total           | On financial assets measured at FVOCI | On financial assets measured at FVTPL | On financial assets measured at amortised cost | Total           |
| <b>22</b> | <b>Interest Income</b>           |                                       |                                       |                                                |                 |                                       |                                       |                                                |                 |
|           | Interest on Loans                | 6,815.55                              | -                                     | 1,696.66                                       | 8,512.21        | 4,277.47                              | -                                     | 2,475.92                                       | 6,753.39        |
|           | Interest income from investments | -                                     | 161.13                                | -                                              | 161.13          | -                                     | 102.48                                | -                                              | 102.48          |
|           | Interest on deposits with Banks  | -                                     | -                                     | 213.18                                         | 213.18          | -                                     | -                                     | 179.38                                         | 179.38          |
|           | Other interest Income            | -                                     | -                                     | 29.59                                          | 29.59           | -                                     | -                                     | 27.66                                          | 27.66           |
|           | <b>Total</b>                     | <b>6,815.55</b>                       | <b>161.13</b>                         | <b>1,939.43</b>                                | <b>8,916.11</b> | <b>4,277.47</b>                       | <b>102.48</b>                         | <b>2,682.96</b>                                | <b>7,062.91</b> |

# **HDFC RURAL HOUSING & MORTGAGE FINANCE LIMITED**

## **NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

(₹ in lakhs)

|           | Particulars                                                                   | Year ended<br>31 March 2026 | Year ended<br>31 March 2025 |
|-----------|-------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>23</b> | <b>Other Income</b>                                                           |                             |                             |
|           | Income from non-financing activity                                            | 235.52                      | 179.49                      |
|           | <b>Total</b>                                                                  | <b>235.52</b>               | <b>179.49</b>               |
| <b>24</b> | <b>Finance Costs</b><br>(On Financial liabilities measured at Amortised Cost) |                             |                             |
|           | Interest on borrowings                                                        | 4,517.55                    | 3,827.56                    |
|           | Other interest expense                                                        | 9.65                        | 6.39                        |
|           | Other borrowing cost                                                          | 265.55                      | 203.69                      |
|           | Lease liability interest obligation                                           | 8.86                        | 3.99                        |
|           | <b>Total</b>                                                                  | <b>4,801.61</b>             | <b>4,041.63</b>             |
| <b>25</b> | <b>Impairment on financial instruments</b>                                    |                             |                             |
|           | On loans (measured at Amortised Cost)                                         | 29.12                       | 13.73                       |
|           | On loans (measured at FVOCI)                                                  | 108.18                      | 118.88                      |
|           | Write Off (Net of Recoveries)                                                 | 208.10                      | 92.71                       |
|           | <b>Total</b>                                                                  | <b>345.40</b>               | <b>225.32</b>               |
| <b>26</b> | <b>Employee Benefits Expense</b>                                              |                             |                             |
|           | Salaries and wages                                                            | 2,231.82                    | 1,776.73                    |
|           | Contribution to provident and other funds                                     | 85.04                       | 72.29                       |
|           | Gratuity expense (Refer Note No. 41)                                          | 23.84                       | 12.21                       |
|           | Staff welfare expenses                                                        | 30.74                       | 22.50                       |
|           | <b>Total</b>                                                                  | <b>2,371.44</b>             | <b>1,883.73</b>             |
| <b>27</b> | <b>Depreciation, Amortization and Impairment</b>                              |                             |                             |
|           | Depreciation on Property, Plant & Equipment                                   | 66.42                       | 59.81                       |
|           | Amortisation of intangible assets                                             | 0.29                        | 0.17                        |
|           | Depreciation on Right-of-use asset                                            | 20.11                       | 9.69                        |
|           | <b>Total</b>                                                                  | <b>86.82</b>                | <b>69.67</b>                |

# **RURAL HOUSING & MORTGAGE FINANCE LIMITED**

## **NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

(₹ in lakhs)

|                                                                                                              | Particulars                                                           | Year ended<br>31 March 2026 | Year ended<br>31 March 2025 |
|--------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------|-----------------------------|
| 28                                                                                                           | <b>Other Expenses</b>                                                 |                             |                             |
|                                                                                                              | Rent                                                                  | 125.07                      | 109.00                      |
|                                                                                                              | Rates & Taxes                                                         | 9.49                        | 4.17                        |
|                                                                                                              | Stationery & Printing                                                 | 13.10                       | 13.37                       |
|                                                                                                              | Telephone                                                             | 12.55                       | 13.12                       |
|                                                                                                              | Electricity                                                           | 11.21                       | 9.20                        |
|                                                                                                              | Postage & Courier                                                     | 8.30                        | 6.67                        |
|                                                                                                              | Insurance                                                             | 1.71                        | 1.55                        |
|                                                                                                              | Conveyance                                                            | 109.50                      | 56.32                       |
|                                                                                                              | Travelling                                                            | 59.67                       | 47.12                       |
|                                                                                                              | Repairs & Maintenance:                                                |                             |                             |
|                                                                                                              | Others                                                                | 11.69                       | 7.33                        |
|                                                                                                              | Professional Fees                                                     | 332.47                      | 270.79                      |
|                                                                                                              | Payment to auditors (Refer note below)                                | 6.61                        | 2.93                        |
|                                                                                                              | Director's Sitting Fees                                               | 8.01                        | 8.12                        |
|                                                                                                              | Bank Charges                                                          | 27.90                       | 15.58                       |
|                                                                                                              | Advertisement Expenses                                                | 50.33                       | 34.51                       |
|                                                                                                              | Sales Promotion Expenses                                              | 8.84                        | 8.03                        |
|                                                                                                              | Recovery Contract Charges                                             | 49.52                       | 31.39                       |
|                                                                                                              | Corporate Social Responsibility Expenditure (Refer note no. 32)       | 27.01                       | 15.71                       |
|                                                                                                              | Miscellaneous Expenses                                                | 28.37                       | 24.32                       |
|                                                                                                              | <b>Total</b>                                                          | <b>901.35</b>               | <b>679.23</b>               |
|                                                                                                              | <b>Note: Payment to Statutory Auditors (including Taxes)</b>          |                             |                             |
|                                                                                                              | <b>As auditor:</b>                                                    |                             |                             |
|                                                                                                              | Statutory audit                                                       | 1.54                        | 1.48                        |
|                                                                                                              | For Limited Review of Quarterly Results                               | 1.09                        | 0.82                        |
|                                                                                                              | Other services                                                        | 3.98                        | 0.63                        |
|                                                                                                              |                                                                       | <b>6.61</b>                 | <b>2.93</b>                 |
| 29                                                                                                           | <b>Earnings Per Share</b>                                             |                             |                             |
|                                                                                                              | <b>(A) Basic</b>                                                      |                             |                             |
|                                                                                                              | <b>Net Profit for the year attributable to Equity Shareholders</b>    | <b>1,245.68</b>             | <b>956.12</b>               |
|                                                                                                              | <b>Computation of Weighted Average Number of Shares (Denominator)</b> | <b>Nos.</b>                 | <b>Nos.</b>                 |
|                                                                                                              | Weighted average number of Equity Shares of ₹10 each                  | 2,46,26,019                 | 2,30,88,637                 |
|                                                                                                              | Basic Earnings per Share of face value of ₹10 each (in ₹)             | 5.06                        | 4.14                        |
|                                                                                                              | <b>(B) Diluted</b>                                                    |                             |                             |
|                                                                                                              | <b>Net Profit for the year attributable to Equity Shareholders</b>    | <b>1,245.68</b>             | <b>956.12</b>               |
|                                                                                                              | Weighted average number of Equity Shares of ₹10 each                  | 2,46,26,019                 | 2,30,88,637                 |
|                                                                                                              | Diluted Earnings per Share of face value of ₹10 each (in ₹)           | 5.06                        | 4.14                        |
| <b>Note:</b> OCPS issued by the Company are anti-dilutive in nature. Hence diluted EPS is same as Basic EPS. |                                                                       |                             |                             |

# **MASS RURAL HOUSING & MORTGAGE FINANCE LIMITED**

## **NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

### **30 Additional Information to the Financial Statements:**

#### **[A] Expenditure in Foreign Currency**

(₹ in lakhs)

| Particulars                     | Year ended<br>31 March 2026 | Year ended<br>31 March 2025 |
|---------------------------------|-----------------------------|-----------------------------|
| Finance Cost (Refer note below) | 303.38                      | 211.22                      |
| Bank Charges                    | 2.81                        | 1.79                        |

Note: Finance Cost includes interest paid on foreign currency borrowings taken from bank and processing fees in relation to that.

#### **[B] Earning in Foreign Currency – Nil**

### **31 Segment Reporting:**

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

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

### **32 Corporate social responsibility ("CSR") expenses:**

The average profit before tax of the Company for the last three financial years was ₹ 991.83 lakh, basis which the Company was required to spend ₹ 19.84 lakh towards CSR activities for the current financial year (31 March 2025: ₹ 15.63 lakh).

#### **a) Amount spent during the year on:**

(₹ in lakhs)

| Particulars                             | 31 March 2026 |                             |       | 31 March 2025 |                             |       |
|-----------------------------------------|---------------|-----------------------------|-------|---------------|-----------------------------|-------|
|                                         | Amount Spent  | Amount Unpaid/<br>provision | Total | Amount Spent  | Amount Unpaid/<br>provision | Total |
| Construction / acquisition of any asset | -             | -                           | -     | -             | -                           | -     |
| On purpose other than above             | 27.01         | -                           | 27.01 | 15.71         | -                           | 15.71 |

b) The Company has not made any transaction with related parties in relation to CSR expenditure as per Ind AS 24.

c) **Nature of CSR activities:** Promoting education, eradicating hunger, poverty & malnutrition, promoting health care and such other activities. For more details, refer annexure of Director's report on CSR.

### **33 Related Party Disclosures:**

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

#### **List of related parties and relationships:**

| Sr. No. | Nature of Relationship                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------|------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | Holding Company                                            | MASS Financial Services Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 2       | Associate Company                                          | MASFIN Insurance Broking Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 3       | Key Management Personnel<br>(where there are transactions) | Mr. Kamlesh C. Gandhi (Chairman and Managing Director)<br>Mrs. Darshana S. Pandya (Director and Chief Operating Officer)<br>Mr. Subir Nag (Independent director) (retired w.e.f 29 December 2025)<br>Mr. Umesh Shah (Independent director)<br>Mrs. Daksha Shah (Independent director)<br>Mr. Bala Bhaskaran (Independent director) (retired w.e.f 31 March 2024)<br>Mr. Vishal Vasu (Independent director) (appointed w.e.f 29 October 2025)<br>Mr. Chintan Pandya (Chief Financial Officer and Chief Operating Officer)<br>Mr. Darshil Hiranandani (Chief Compliance Officer and Company Secretary) |
| 4       | Other related parties<br>(where there are transactions)    | Mrs. Shweta K. Gandhi (relative of KMP)<br>MCG Private Family Trust (relative of KMP)<br>Mr. Kamlesh C. Gandhi (Executor of will of Late Mr. Mukesh Chimanlal Gandhi, relative of KMP)<br>Mr. Saumil Pandya (relative of KMP)                                                                                                                                                                                                                                                                                                                                                                        |

#### **Transactions with related parties are as follows:**

(₹ in lakhs)

| Particulars                           | Year ended 31 March 2026 |                      |                             |                          |          |
|---------------------------------------|--------------------------|----------------------|-----------------------------|--------------------------|----------|
|                                       | Holding<br>Company       | Associate<br>Company | Key management<br>personnel | Other Related<br>Parties | Total    |
| Rent Expense                          | 18.29                    | -                    | -                           | -                        | 18.29    |
| Recovery Contract charges paid        | 4.16                     | -                    | -                           | -                        | 4.16     |
| Portfolio Monitoring Charges received | 8.56                     | -                    | -                           | -                        | 8.56     |
| Cross-charge for KMP's Remuneration   | 17.84                    | -                    | -                           | -                        | 17.84    |
| Expenditure reimbursed to             | 2.96                     | -                    | -                           | -                        | 2.96     |
| Dividend Paid                         | 115.26                   | -                    | 1.15                        | 2.65                     | 119.06   |
| Issue of Equity Shares                | 2,500.00                 | -                    | 170.58                      | 329.42                   | 3,000.00 |
| Investment in Equity Shares           | -                        | 15.00                | -                           | -                        | 15.00    |
| Remuneration                          | -                        | -                    | 46.35                       | -                        | 46.35    |
| Sitting fees                          | -                        | -                    | 7.35                        | -                        | 7.35     |

# **HDFC RURAL HOUSING & MORTGAGE FINANCE LIMITED**

## **NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

| Particulars                                                                                                                                                                                                            | Year ended 31 March 2025                                                                                                                                                                                                                                                                                              |                     |                          |                          |          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------------|--------------------------|----------|
|                                                                                                                                                                                                                        | Holding Company                                                                                                                                                                                                                                                                                                       | Associate Company   | Key management personnel | Other Related Parties    | Total    |
| Rent Expense                                                                                                                                                                                                           | 12.97                                                                                                                                                                                                                                                                                                                 | -                   | -                        | -                        | 12.97    |
| Recovery Contract charges paid                                                                                                                                                                                         | 3.36                                                                                                                                                                                                                                                                                                                  | -                   | -                        | -                        | 3.36     |
| Portfolio Monitoring Charges received                                                                                                                                                                                  | 0.03                                                                                                                                                                                                                                                                                                                  | -                   | -                        | -                        | 0.03     |
| Cross-charge for KMP's Remuneration                                                                                                                                                                                    | 14.55                                                                                                                                                                                                                                                                                                                 | -                   | -                        | -                        | 14.55    |
| Expenditure reimbursed to                                                                                                                                                                                              | 10.91                                                                                                                                                                                                                                                                                                                 | -                   | -                        | -                        | 10.91    |
| Dividend Paid                                                                                                                                                                                                          | 126.11                                                                                                                                                                                                                                                                                                                | -                   | 1.16                     | 2.79                     | 130.06   |
| Issue of Equity Shares                                                                                                                                                                                                 | 1,500.00                                                                                                                                                                                                                                                                                                              | -                   | 300.00                   | 200.00                   | 2,000.00 |
| Remuneration                                                                                                                                                                                                           | -                                                                                                                                                                                                                                                                                                                     | -                   | 39.05                    | -                        | 39.05    |
| Sitting fees                                                                                                                                                                                                           | -                                                                                                                                                                                                                                                                                                                     | -                   | 7.45                     | -                        | 7.45     |
| Balances outstanding from related parties are as follows:                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                       |                     |                          |                          |          |
| (₹ in lakhs)                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                       |                     |                          |                          |          |
| Particulars                                                                                                                                                                                                            | As at 31 March 2026                                                                                                                                                                                                                                                                                                   |                     |                          |                          |          |
|                                                                                                                                                                                                                        | Holding Company                                                                                                                                                                                                                                                                                                       | Associate Company   | Key management personnel | Other Related Parties    | Total    |
| 6% OCPS                                                                                                                                                                                                                | 1,333.34                                                                                                                                                                                                                                                                                                              | -                   | -                        | -                        | 1,333.34 |
| Investments                                                                                                                                                                                                            | -                                                                                                                                                                                                                                                                                                                     | 30.00               | -                        | -                        | 30.00    |
| Remuneration payable (including bonus)                                                                                                                                                                                 | -                                                                                                                                                                                                                                                                                                                     | -                   | 1.41                     | -                        | 1.41     |
| Guarantees outstanding                                                                                                                                                                                                 | -                                                                                                                                                                                                                                                                                                                     | -                   | -                        | -                        | -        |
| Particulars                                                                                                                                                                                                            | As at 31 March 2025                                                                                                                                                                                                                                                                                                   |                     |                          |                          |          |
|                                                                                                                                                                                                                        | Holding Company                                                                                                                                                                                                                                                                                                       | Associate Company   | Key management personnel | Other Related Parties    | Total    |
| 6% OCPS                                                                                                                                                                                                                | 1,666.67                                                                                                                                                                                                                                                                                                              | -                   | -                        | -                        | 1,666.67 |
| Investments                                                                                                                                                                                                            | -                                                                                                                                                                                                                                                                                                                     | 15.00               | -                        | -                        | 15.00    |
| Remuneration payable (including bonus)                                                                                                                                                                                 | -                                                                                                                                                                                                                                                                                                                     | -                   | 1.13                     | -                        | 1.13     |
| Guarantees outstanding                                                                                                                                                                                                 | 13.03                                                                                                                                                                                                                                                                                                                 | -                   | -                        | -                        | 13.03    |
| All transactions with these related parties are priced on an arm's length basis. None of the balances are secured.                                                                                                     |                                                                                                                                                                                                                                                                                                                       |                     |                          |                          |          |
| Key managerial personnel who are under the employment of the Company are entitled to post employment benefits and other employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements. |                                                                                                                                                                                                                                                                                                                       |                     |                          |                          |          |
| Compensation to key management personnel are as follows:                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                       |                     |                          |                          |          |
|                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                       |                     | Year ended 31 March 2026 | Year ended 31 March 2025 |          |
| Short-term employee benefits                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                       |                     | 46.35                    | 39.05                    |          |
| Post-employment benefits                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                       |                     | 12.56                    | 4.22                     |          |
| Other long term employment benefits                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                       |                     | 0.17                     | 0.17                     |          |
|                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                       |                     | 59.08                    | 43.44                    |          |
| The remuneration of key management personnel are determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.                                            |                                                                                                                                                                                                                                                                                                                       |                     |                          |                          |          |
| 34                                                                                                                                                                                                                     | The Board of directors recommended dividend of ₹ 0.038/- per equity share of face value of ₹10 each, which is subject to approval by shareholders of the Company. Dividend on the 6% OCPS is also proposed in the meeting. The amounts of dividend are as follows:<br>(₹ in lakhs)                                    |                     |                          |                          |          |
|                                                                                                                                                                                                                        | Particulars                                                                                                                                                                                                                                                                                                           | Dividend Proposed   |                          |                          |          |
|                                                                                                                                                                                                                        | Equity Shares                                                                                                                                                                                                                                                                                                         | 10.00               |                          |                          |          |
|                                                                                                                                                                                                                        | 6% OCPS                                                                                                                                                                                                                                                                                                               | 89.04               |                          |                          |          |
| Note: The dividend declared above is in accordance with Section 123 of the Act.                                                                                                                                        |                                                                                                                                                                                                                                                                                                                       |                     |                          |                          |          |
| 35                                                                                                                                                                                                                     | Details of Total Assets Under Management (AUM) (including assigned assets) and Total Non-Performing Assets (NPA) are as follows:<br>(₹ in lakhs)                                                                                                                                                                      |                     |                          |                          |          |
|                                                                                                                                                                                                                        | Particulars                                                                                                                                                                                                                                                                                                           | As at 31 March 2026 | As at 31 March 2025      |                          |          |
|                                                                                                                                                                                                                        | Ind AS AUM                                                                                                                                                                                                                                                                                                            | 94,018.78           | 76,809.13                |                          |          |
|                                                                                                                                                                                                                        | Stage III AUM                                                                                                                                                                                                                                                                                                         | 922.11              | 725.29                   |                          |          |
|                                                                                                                                                                                                                        | Stage III AUM after provisioning                                                                                                                                                                                                                                                                                      | 637.95              | 501.92                   |                          |          |
|                                                                                                                                                                                                                        | Stage 3 As % Of AUM                                                                                                                                                                                                                                                                                                   | 0.98%               | 0.94%                    |                          |          |
|                                                                                                                                                                                                                        | Stage 3 As % Of AUM after provisioning                                                                                                                                                                                                                                                                                | 0.68%               | 0.65%                    |                          |          |
| 36                                                                                                                                                                                                                     | Total amount of assigned assets outstanding as per books of the company (excluding accrued interest) as on 31 March 2026 is ₹ 24,988.41 lakh (31 March 2025: ₹ 20,211.18 lakh). Dues to assignees towards collections from assigned receivables as on 31 March, 2026 is ₹ 469.71 Lakh (31 March 2025: ₹ 293.81 lakh). |                     |                          |                          |          |

# **HAS RURAL HOUSING & MORTGAGE FINANCE LIMITED**

## **NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

### **37 Analytical Ratios**

(₹ in lakhs)

| Particulars                                      | Numerator | Denominator | Current Period | Previous Period | % Variance | Reason for variance (if above 25%)                             |
|--------------------------------------------------|-----------|-------------|----------------|-----------------|------------|----------------------------------------------------------------|
| (a) Capital to risk-weighted assets ratio (CRAR) | 17,491.17 | 47,327.74   | 36.96%         | 34.73%          | 2.23%      | N.A.                                                           |
| (b) Tier I CRAR                                  | 15,843.04 | 47,327.74   | 33.48%         | 29.77%          | 3.71%      | N.A.                                                           |
| (c) Tier II CRAR                                 | 1,648.13  | 47,327.74   | 3.48%          | 4.96%           | (1.48%)    | N.A.                                                           |
| (d) Liquidity Coverage Ratio <sup>1</sup>        | 3,838.65  | 716.69      | 535.61%        | 324.88%         | 210.73%    | Due to high inflow from maturity of investment within 30 days. |

<sup>1</sup> The Company is not required to comply with the guidelines on Liquidity Coverage Ratio (LCR) in line with Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 as at 31 March 2026 and 31 March 2025.

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

(₹ in lakhs)

| Particulars                                                 | As at 31 March 2026 | As at 31 March 2025 |
|-------------------------------------------------------------|---------------------|---------------------|
| <b>(A) Contingent Liabilities</b>                           | -                   | -                   |
| <b>(B) Commitments</b>                                      |                     |                     |
| I) Loan commitments for sanctioned but not disbursed amount | 3,798.99            | 3,810.73            |

### **39 Offsetting**

Following table represents the recognised financial assets that are offset, or subject to enforceable master netting arrangements and other similar arrangements but not offset, as at 31 March 2026 and 31 March 2025. The column 'net amount' shows the impact of Company's balance sheet if all the set-off rights were exercised.

(₹ in lakhs)

| Particulars                | Effect of offsetting on the balance sheet |                                                            |                                       | Related amount not offset                            |            |
|----------------------------|-------------------------------------------|------------------------------------------------------------|---------------------------------------|------------------------------------------------------|------------|
|                            | Gross amounts                             | Gross amount off set in balance sheet (Refer Note 1 below) | Net amount presented in balance sheet | Financial instrument collateral (Refer Note 2 below) | Net amount |
| <b>As at 31 March 2026</b> |                                           |                                                            |                                       |                                                      |            |
| Loans and advances         | 68,478.68                                 | 23.74                                                      | 68,454.94                             | 12.63                                                | 68,442.31  |
| <b>As at 31 March 2025</b> |                                           |                                                            |                                       |                                                      |            |
| Loans and advances         | 56,049.01                                 | 25.71                                                      | 56,023.30                             | 72.33                                                | 55,950.97  |

#### **Note:**

- ₹ 23.74 lakhs (31 March 2025: ₹ 25.71 lakhs) advances received against loan agreements is offset against loans and advances.
- ₹ 12.63 lakhs (31 March 2025: ₹ 72.33 lakhs) security deposits received from borrowers is not offset against loans and advances.

# **HDFC RURAL HOUSING & MORTGAGE FINANCE LIMITED**

## **NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

### **40 Maturity analysis of assets and liabilities**

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

(₹ in lakhs)

| Particulars                             | As at 31 March 2026 |                  |                  | As at 31 March 2025 |                  |                  |
|-----------------------------------------|---------------------|------------------|------------------|---------------------|------------------|------------------|
|                                         | Within 12 months    | After 12 months  | Total            | Within 12 months    | After 12 months  | Total            |
| <b>ASSETS</b>                           |                     |                  |                  |                     |                  |                  |
| <b>Financial assets</b>                 |                     |                  |                  |                     |                  |                  |
| Cash and cash equivalents               | 1,337.67            | -                | 1,337.67         | 1,050.10            | -                | 1,050.10         |
| Bank Balance other than above           | 2,163.61            | -                | 2,163.61         | 2,143.71            | 57.77            | 2,201.48         |
| Trade Receivables                       | 1.44                | -                | 1.44             | 1.06                | -                | 1.06             |
| Loans                                   | 12,086.46           | 56,368.48        | 68,454.94        | 9,966.35            | 46,056.95        | 56,023.30        |
| Investments                             | 1,593.39            | 30.00            | 1,623.39         | 873.74              | 15.00            | 888.74           |
| Other Financial assets                  | 62.01               | 243.59           | 305.60           | 65.19               | 269.95           | 335.14           |
| <b>Non-Financial Assets</b>             |                     |                  |                  |                     |                  |                  |
| Deferred tax Assets (Net)               | -                   | 211.28           | 211.28           | -                   | 187.15           | 187.15           |
| Property, Plant and Equipment           | -                   | 294.03           | 294.03           | -                   | 240.83           | 240.83           |
| Right-of-use Asset                      | 21.71               | 75.35            | 97.06            | 11.62               | 41.87            | 53.49            |
| Other Intangible assets                 | -                   | 0.57             | 0.57             | -                   | 0.44             | 0.44             |
| Other non-financial assets              | 71.90               | -                | 71.90            | 120.48              | -                | 120.48           |
| <b>Total Assets</b>                     | <b>17,338.19</b>    | <b>57,223.30</b> | <b>74,561.49</b> | <b>14,232.25</b>    | <b>46,869.96</b> | <b>61,102.21</b> |
| <b>LIABILITIES</b>                      |                     |                  |                  |                     |                  |                  |
| <b>Financial Liabilities</b>            |                     |                  |                  |                     |                  |                  |
| Trade Payables                          | 203.92              | -                | 203.92           | 830.09              | -                | 830.09           |
| Other Payables                          | -                   | -                | -                | -                   | -                | -                |
| Borrowings (Other than Debt Securities) | 14,053.58           | 41,110.79        | 55,164.37        | 11,607.74           | 33,905.40        | 45,513.14        |
| Lease Liability                         | 17.94               | 87.66            | 105.60           | 9.33                | 47.63            | 56.96            |
| Other financial liabilities             | 564.87              | 2.00             | 566.87           | 451.63              | 12.63            | 464.26           |
| <b>Non-Financial Liabilities</b>        |                     |                  |                  |                     |                  |                  |
| Current tax liabilities (Net)           | 9.59                | -                | 9.59             | 45.56               | -                | 45.56            |
| Provisions                              | 5.46                | -                | 5.46             | 2.95                | -                | 2.95             |
| Other non-financial liabilities         | 60.97               | -                | 60.97            | 72.00               | -                | 72.00            |
| <b>Total Liability</b>                  | <b>14,916.33</b>    | <b>41,200.45</b> | <b>56,116.78</b> | <b>13,019.30</b>    | <b>33,965.66</b> | <b>46,984.96</b> |
| <b>Net</b>                              | <b>2,421.86</b>     | <b>16,022.85</b> | <b>18,444.71</b> | <b>1,212.95</b>     | <b>12,904.30</b> | <b>14,117.25</b> |

### **41 Employee benefit plan**

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

#### **[A] Defined Contribution Plan**

A defined contribution plan is a pension plan under which the company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The Company's contribution to Provident Fund aggregating to ₹ 76.36 lakhs (31 March 2025: ₹ 63.39 lakhs) and Employee State Insurance Scheme aggregating to ₹ 1.63 lakhs (31 March 2025: ₹ 2.45 lakhs) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

#### **[B] Defined Benefit Plans:**

##### **Gratuity**

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

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

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

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

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

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

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

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

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

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

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

(₹ in lakhs)

| Particulars                                                                 | As at<br>31 March 2026 | As at<br>31 March 2025 |
|-----------------------------------------------------------------------------|------------------------|------------------------|
| <b>i. Reconciliation of Opening and Closing Balances of defined benefit</b> |                        |                        |
| Present Value of Defined Benefit Obligations at the beginning of the year   | 57.05                  | 38.74                  |
| Current Service Cost                                                        | 27.78                  | 15.33                  |
| Interest Cost                                                               | 3.40                   | 2.49                   |
| Benefit paid from the fund                                                  | (4.61)                 | -                      |
| Change in demographic assumptions                                           | -                      | (1.75)                 |
| Change in financial assumptions                                             | (1.08)                 | 1.39                   |
| Experience variance (i.e. Actual experience vs assumptions)                 | 3.59                   | 0.85                   |
| Past service cost                                                           | 58.18                  | -                      |
| <b>Present value of defined benefit obligations at the end of the year</b>  | <b>144.31</b>          | <b>57.05</b>           |

# **HDFC RURAL HOUSING & MORTGAGE FINANCE LIMITED**

## **NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

### **ii. Reconciliation of opening and closing balances of the fair value of plan assets**

|                                                                     |               |               |
|---------------------------------------------------------------------|---------------|---------------|
| Fair value of plan assets at the beginning of the year              | 108.00        | 75.35         |
| Interest Income                                                     | 7.34          | 5.61          |
| Return on plan assets excluding amounts included in interest income | (2.10)        | (2.47)        |
| Contributions by employer                                           | 34.11         | 29.51         |
| Benefits paid                                                       | (4.61)        | -             |
| <b>Fair value of plan assets at the end of the year</b>             | <b>142.74</b> | <b>108.00</b> |

### **iii. Reconciliation of the present value of defined benefit obligation and fair value of plan assets**

|                                                                                      |               |              |
|--------------------------------------------------------------------------------------|---------------|--------------|
| Present value of defined benefit obligations at the end of the year                  | 144.31        | 57.05        |
| Fair value of plan assets at the end of the year                                     | 142.74        | 108.00       |
| <b>Net asset / (liability) recognized in balance sheet as at the end of the year</b> | <b>(1.57)</b> | <b>50.95</b> |

### **iv. Composition of plan assets**

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

(₹ in lakhs)

| Particulars                                                                  | Year ended<br>31 March 2026 | Year ended<br>31 March 2025 |
|------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>v. Expense recognised during the year</b>                                 |                             |                             |
| Current service cost                                                         | 27.78                       | 15.33                       |
| Interest Cost                                                                | (3.94)                      | (3.12)                      |
| Expenses recognised in the income statement                                  | <b>23.84</b>                | <b>12.21</b>                |
| <b>vi. Other Comprehensive Income</b>                                        |                             |                             |
| Components of actuarial gain/losses on obligations:                          |                             |                             |
| Due to Change in financial assumptions                                       | (1.08)                      | 1.39                        |
| Due to change in demographic assumption                                      | -                           | (1.75)                      |
| Due to experience adjustments                                                | 3.59                        | 0.85                        |
| Return on plan assets excluding amounts included in interest income          | 2.10                        | 2.47                        |
| Components of defined benefit costs recognised in other comprehensive income | <b>4.61</b>                 | <b>2.96</b>                 |

| Particulars                                 | As at<br>31 March 2026                                                 | As at<br>31 March 2025                                                 |
|---------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------|
| <b>vii. Principal actuarial assumptions</b> |                                                                        |                                                                        |
| Discount Rate (per annum)                   | 6.75%                                                                  | 6.55%                                                                  |
| Rate of Return on Plan Assets (p.a.)        | 6.75%                                                                  | 6.55%                                                                  |
| Annual Increase in Salary Cost              | 8.00%                                                                  | 8.00%                                                                  |
| Withdrawal Rates                            | 35% p.a at<br>younger ages<br>reducing to 20%<br>p.a. at older<br>ages | 35% p.a at<br>younger ages<br>reducing to 20%<br>p.a. at older<br>ages |

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

# **HDFC RURAL HOUSING & MORTGAGE FINANCE LIMITED**

## **NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

### **viii. Sensitivity Analysis**

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

(₹ in lakhs)

| Particulars                       | Year ended<br>31 March 2026 | Year ended<br>31 March 2025 |
|-----------------------------------|-----------------------------|-----------------------------|
| Defined Benefit Obligation (Base) | 144.31                      | 57.05                       |

| Particulars                                                                                         | Year ended<br>31 March 2026 |                   | Year ended<br>31 March 2025 |                  |
|-----------------------------------------------------------------------------------------------------|-----------------------------|-------------------|-----------------------------|------------------|
|                                                                                                     | Decrease                    | Increase          | Decrease                    | Increase         |
| Discount Rate (- / + 0.5%)<br>(% change compared to base due to sensitivity)                        | 147.15<br>1.97%             | 141.59<br>(1.89%) | 58.27<br>2.13%              | 55.89<br>(2.05%) |
| Salary Growth Rate (- / + 0.5%)<br>(% change compared to base due to sensitivity)                   | 141.80<br>(1.75%)           | 146.87<br>1.77%   | 55.91<br>(2.01%)            | 58.24<br>2.07%   |
| Withdrawal Rate (W.R.) (W.R. x 90% / W.R. x 110%)<br>(% change compared to base due to sensitivity) | 148.04<br>2.58%             | 140.87<br>(2.39%) | 59.51<br>4.30%              | 54.87<br>(3.83%) |

### **ix. Asset Liability Matching Strategies**

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

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

#### **a) Funding arrangements and Funding Policy**

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

#### **b) Maturity Profile of Defined Benefit Obligation**

The Average Outstanding Term of the Obligations (Years) as at valuation date is 3.93 years.

| Particulars                                                                     | Cash flows (₹ in lakhs) | Distribution (%) |
|---------------------------------------------------------------------------------|-------------------------|------------------|
| <b><u>Expected cash flows over the next (valued on undiscounted basis):</u></b> |                         |                  |
| 1st Following Year                                                              | 28.38                   | 14.60%           |
| 2nd Following year                                                              | 25.55                   | 13.10%           |
| 3rd Following Year                                                              | 22.49                   | 11.50%           |
| 4th Following Year                                                              | 20.94                   | 10.80%           |
| 5th Following Year                                                              | 18.89                   | 9.70%            |
| Sum of years 6 to 10                                                            | 52.63                   | 27.00%           |

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

### **Code on Social Security, 2020**

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same, once the rules are notified and become effective.

The expected contribution for the next year is ₹ 1.56 lakhs.

### **[C] Other long term employee benefits**

The actuarial liability for compensated absences as at the year ended 31 March 2026 is ₹ 3.90 lakh (31 March 2025: ₹ 2.95 lakh).

**[D] Exceptional items**

Effective 21 November 2025, the Government of India consolidated 29 existing labour regulations into four Labour codes, namely, The Code on Wages, 2019, The Industrial Relations Code, 2020, The Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020, collectively referred to as the 'New Labour Codes'. The New Labour Codes has resulted in a one-time material increase in provision for employee benefits on account of recognition of past service costs. Based on the requirements as per the of New Labour Codes and relevant Accounting Standard, the Company has assessed and accounted the estimated incremental impact as Exceptional Item in the statement of profit and loss for year ended 31 March 2026 amounting to ₹ 58.18 lakhs (Net of tax ₹ 44.50 lakhs). Upon notification of the related Rules to the New Labour Codes by the Government and any further clarification from the Government on other aspects of the New Labour Codes, the Company will evaluate and account for additional impact if any, determined in subsequent periods.

**42 Financial Instrument and Fair Value Measurement**

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

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

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

**[A] Measurement of fair values**

**i) Financial instruments - fair value**

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

The categories used are as follows:

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

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

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

**ii) Transfers between levels 1 and 2**

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

**iii) Valuation techniques**

**Loans**

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

**Investments measured at FVTPL**

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

# **RURAL HOUSING & MORTGAGE FINANCE LIMITED**

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

## **[B] Accounting classifications and fair values**

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

(₹ in lakhs)

| As at 31 March 2026                                                 | Carrying amount  |                  |                 | Fair value |          |           |           |
|---------------------------------------------------------------------|------------------|------------------|-----------------|------------|----------|-----------|-----------|
|                                                                     | Amortised cost   | FVTOCI           | FVTPL           | Level 1    | Level 2  | Level 3   | Total     |
| <b>Financial assets measured at fair value</b>                      |                  |                  |                 |            |          |           |           |
| Loans measured at FVOCI                                             | -                | 43,958.93        | -               | -          | -        | 43,958.93 | 43,958.93 |
| Investment                                                          | -                | -                | 1,593.39        | -          | 1,593.39 | -         | 1,593.39  |
| Other financial Assets                                              | -                | -                | -               | -          | -        | -         | -         |
| <b>Financial assets not measured at fair value<sup>1</sup></b>      |                  |                  |                 |            |          |           |           |
| Cash and cash equivalents                                           | 1,337.67         | -                | -               | 1,337.67   | -        | -         | 1,337.67  |
| Bank Balance other than cash and cash equivalents                   | 2,163.61         | -                | -               | 2,163.61   | -        | -         | 2,163.61  |
| Trade Receivables                                                   | 1.44             | -                | -               | -          | -        | 1.44      | 1.44      |
| Loans measured at amortised cost                                    | 24,496.01        | -                | -               | -          | -        | 18,649.71 | 18,649.71 |
| Investments                                                         | 30.00            | -                | -               | -          | -        | 30.00     | 30.00     |
| Other financial Assets                                              | 305.60           | -                | -               | -          | -        | 303.52    | 303.52    |
|                                                                     | <b>28,334.33</b> | <b>43,958.93</b> | <b>1,593.39</b> |            |          |           |           |
| <b>Financial liabilities measured at fair value</b>                 |                  |                  |                 |            |          |           |           |
| Other financial liabilities                                         | 29.26            | -                | -               | 29.26      | -        | -         | 29.26     |
| <b>Financial liabilities not measured at fair value<sup>1</sup></b> |                  |                  |                 |            |          |           |           |
| Trade Payables                                                      | 203.92           | -                | -               | -          | -        | 203.92    | 203.92    |
| Borrowings (Other than Debt Securities)                             | 55,164.37        | -                | -               | -          | -        | 55,164.37 | 55,164.37 |
| Lease liability                                                     | 105.60           | -                | -               | -          | -        | 105.60    | 105.60    |
| Other financial liabilities                                         | 537.61           | -                | -               | -          | -        | 537.61    | 537.61    |
|                                                                     | <b>56,040.76</b> | <b>-</b>         | <b>-</b>        |            |          |           |           |
|                                                                     |                  |                  |                 |            |          |           |           |
| As at 31 March 2025                                                 | Carrying amount  |                  |                 | Fair value |          |           |           |
|                                                                     | Amortised cost   | FVTOCI           | FVTPL           | Level 1    | Level 2  | Level 3   | Total     |
| <b>Financial assets measured at fair value</b>                      |                  |                  |                 |            |          |           |           |
| Loans measured at FVOCI                                             | -                | 35,613.30        | -               | -          | -        | 35,613.30 | 35,613.30 |
| Investment                                                          | -                | -                | 873.74          | 873.74     | -        | -         | 873.74    |
| Other financial Assets                                              | -                | -                | -               | -          | -        | -         | -         |
| <b>Financial assets not measured at fair value<sup>1</sup></b>      |                  |                  |                 |            |          |           |           |
| Cash and cash equivalents                                           | 1,050.10         | -                | -               | 1,050.10   | -        | -         | 1,050.10  |
| Bank Balance other than cash and cash equivalents                   | 2,201.48         | -                | -               | 2,201.48   | -        | -         | 2,201.48  |
| Trade Receivables                                                   | 1.06             | -                | -               | -          | -        | 1.06      | 1.06      |
| Loans measured at amortised cost                                    | 20,410.00        | -                | -               | -          | -        | 20,060.02 | 20,060.02 |
| Investments                                                         | 15.00            | -                | -               | -          | -        | 15.00     | 15.00     |
| Other financial Assets                                              | 335.14           | -                | -               | -          | -        | 333.07    | 333.07    |
|                                                                     | <b>24,012.78</b> | <b>35,613.30</b> | <b>873.74</b>   |            |          |           |           |
| <b>Financial liabilities measured at fair value</b>                 |                  |                  |                 |            |          |           |           |
| Other financial liabilities                                         | 4.41             | -                | -               | 4.41       | -        | -         | 4.41      |
| <b>Financial liabilities not measured at fair value<sup>1</sup></b> |                  |                  |                 |            |          |           |           |
| Trade Payables                                                      | 830.09           | -                | -               | -          | -        | 830.09    | 830.09    |
| Borrowings (Other than Debt Securities)                             | 45,513.14        | -                | -               | -          | -        | 45,513.14 | 45,513.14 |
| Lease liability                                                     | 56.96            | -                | -               | -          | -        | 56.96     | 56.96     |
| Other financial liabilities                                         | 459.85           | -                | -               | -          | -        | 459.85    | 459.85    |
|                                                                     | <b>46,860.04</b> | <b>-</b>         | <b>-</b>        |            |          |           |           |

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

**Reconciliation of level 3 fair value measurement is as follows:**
**(₹ in lakhs)**

| Particulars                                  | Year ended<br>31 March 2026 | Year ended<br>31 March 2025 |
|----------------------------------------------|-----------------------------|-----------------------------|
| <b>Loans</b>                                 |                             |                             |
| Balance at the beginning of the year         | <b>35,613.29</b>            | <b>30,489.39</b>            |
| Addition during the year                     | 20,027.86                   | 15,675.34                   |
| Amount derecognised / repaid during the year | (11,807.46)                 | (10,673.04)                 |
| Gain included in OCI                         |                             |                             |
| - Net change in fair value (unrealised)      | 125.24                      | 121.60                      |
| <b>Balance at the end of the year</b>        | <b>43,958.93</b>            | <b>35,613.29</b>            |

**Sensitivity analysis to fair value**
**(₹ in lakhs)**

| Particulars                      | OCI, net of tax |          |
|----------------------------------|-----------------|----------|
|                                  | Increase        | Decrease |
| <b>31 March 2026</b>             |                 |          |
| <b>Loans</b>                     |                 |          |
| Interest rates (50 bps movement) | (666.27)        | 884.37   |
| <b>31 March 2025</b>             |                 |          |
| <b>Loans</b>                     |                 |          |
| Interest rates (50 bps movement) | (509.65)        | 716.01   |

**43 Capital**

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

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

**43.1 Capital Management**

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

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

**43.2 Regulatory capital**
**(₹ in lakhs)**

| Particulars                                | As at<br>31 March 2026 | As at<br>31 March 2025 |
|--------------------------------------------|------------------------|------------------------|
| Tier 1 Capital                             | 15,843.04              | 11,381.96              |
| Tier 2 Capital                             | 1,648.13               | 1,895.32               |
| <b>Total Capital (Numerator)</b>           | <b>17,491.17</b>       | <b>13,277.28</b>       |
| <b>Risk weightage assets (Denominator)</b> | <b>47,327.74</b>       | <b>38,228.32</b>       |
| <b>Risk weighted assets</b>                |                        |                        |
| Tier 1 Capital Ratio (%)                   | 33.48%                 | 29.77%                 |
| Tier 2 Capital Ratio (%)                   | 3.48%                  | 4.96%                  |
| Total Capital Ratio (%)                    | 36.96%                 | 34.73%                 |

Tier 1 capital consists of shareholders' equity and retained earnings excluding intangible assets. Tier 2 capital consists of optionally convertible Preference Shares and ECL on stage 1.

**44 Financial risk management objectives and policies**

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

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

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

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

**44.1 Credit Risk**

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

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

**(a) Loans and advances**

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

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

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

| Particulars          | Carrying Amount        |                        |
|----------------------|------------------------|------------------------|
|                      | As at<br>31 March 2026 | As at<br>31 March 2025 |
| Retail customer      | 65,477.31              | 51,018.94              |
| RAC Loans            | 1,807.48               | 3,459.23               |
| Construction Finance | 1,745.57               | 2,119.77               |
| <b>Total</b>         | <b>69,030.36</b>       | <b>56,597.94</b>       |

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

**Staging:**

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

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

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

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

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

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

**Grouping:**

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

- Retail Loan
- Construction Finance
- RAC Loans

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

| Days past due                                      | As at         |               |
|----------------------------------------------------|---------------|---------------|
|                                                    | 31 March 2026 | 31 March 2025 |
| Stage I                                            | 0.48%         | 0.43%         |
| Stage II                                           | 8.07%         | 10.41%        |
| Stage III                                          | 33.66%        | 34.44%        |
| <b>Amount of expected credit loss provided for</b> | <b>855.68</b> | <b>718.39</b> |

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

**Management Overlay**

The Company holds a management and macro economic overlay of ₹ 369.44 lakhs as on 31 March 2026 (31 March 2025: ₹ 329.69 lakhs)

**Modification of financial assets**

The Group has modified the terms of certain loans provided to customers in accordance with RBI notification on MSME restructuring dated 6 August 2020 and 5 May 2021. Such restructuring benefits are provided to distressed customers who are impacted by COVID-19 pandemic.

Such restructuring benefits include extended payment term arrangements, moratorium and changes in interest rates. The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset (refer note 3.5). The Group monitors the subsequent performance of modified assets. The gross carrying amount of such assets held as at 31 March 2022 is ₹ 252.47 lakhs (31 March 2021: ₹ Nil). Overall provision for expected credit loss against restructured loan exposure amounts to ₹ 43.23 lakhs as at 31 March 2022 (31 March 2021: ₹ Nil). The Group continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets.

**Modification of financial assets**

The Company has modified the terms of certain loans provided to customers in accordance with RBI notification on MSME restructuring dated 6 August 2020 and 5 May 2021. Such restructuring benefits are provided to distressed customers who are impacted by COVID-19 pandemic.

Such restructuring benefits include extended payment term arrangements, moratorium and changes in interest rates. The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset (refer note 3.5). The Company monitors the subsequent performance of modified assets. The gross carrying amount of such assets held as at 31 March 2026 is ₹ 48.94 lakhs (31 March 2025 ₹ 85.19 lakhs). Overall provision for expected credit loss against restructured loan exposure amounts to ₹ 4.00 lakhs as at 31 March 2026 (31 March 2025 ₹ 8.94 lakhs). The Company continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets.

**(b) Cash and cash equivalent and bank deposits**

Credit risk on cash and cash equivalent and bank deposits is limited as the Company generally invests in term deposits with banks which are subject to an insignificant risk of change in value.

**44.2 Liquidity Risk**

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

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

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

Capital adequacy ratio of the Company, as on 31 March 2026 is 36.96% against regulatory norms of 15%. Tier I capital is 33.48%. Tier II capital is 3.48% which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

The total cash credit limit available to the Company is ₹ 1200 lakhs spread across 2 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

**Exposure to liquidity risk**

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

(₹ in lakhs)

| Particulars                             | 1 day to 30/31 days (one month) | Over one month to 2 months | Over 2 months up to 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 3 years | Over 3 year to 5 years | Over 5 years | Total     |
|-----------------------------------------|---------------------------------|----------------------------|------------------------------|---------------------------|-------------------------|------------------------|------------------------|--------------|-----------|
| <b>As at 31 March 2026</b>              |                                 |                            |                              |                           |                         |                        |                        |              |           |
| Borrowings (Other than debt securities) | 900.10                          | 897.16                     | 1,754.54                     | 3,587.15                  | 6,914.63                | 22,183.83              | 12,495.72              | 6,431.24     | 55,164.37 |
| Trade Payable                           | 203.92                          | -                          | -                            | -                         | -                       | -                      | -                      | -            | 203.92    |
| Lease Liability                         | 1.55                            | -                          | 1.53                         | 4.71                      | 10.15                   | 44.38                  | 36.37                  | 6.91         | 105.60    |
| Other Financial Liabilities             | 502.97                          | 27.37                      | 5.00                         | 29.53                     | -                       | 2.00                   | -                      | -            | 566.87    |
| <b>As at 31 March 2025</b>              |                                 |                            |                              |                           |                         |                        |                        |              |           |
| Borrowings (Other than debt securities) | 711.58                          | 659.65                     | 1,401.93                     | 2,829.93                  | 6,004.65                | 17,115.87              | 10,401.37              | 6,388.16     | 45,513.14 |
| Trade Payable                           | 473.95                          | 356.14                     | -                            | -                         | -                       | -                      | -                      | -            | 830.09    |
| Lease Liability                         | -                               | 0.86                       | 0.85                         | 2.62                      | 5.00                    | 18.40                  | 19.65                  | 9.58         | 56.96     |
| Other Financial Liabilities             | 393.60                          | -                          | 23.03                        | 30.00                     | 5.00                    | 12.63                  | -                      | -            | 464.26    |

**44.3 Market Risk**

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

**[A] Interest Rate risk**

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

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

(₹ in lakhs)

| Particulars                   | Year ended 31 March 2026 |                | Year ended 31 March 2025 |                |
|-------------------------------|--------------------------|----------------|--------------------------|----------------|
|                               | 50 bp increase           | 50 bp decrease | 50 bp increase           | 50 bp decrease |
| Change in interest rates      |                          |                |                          |                |
| Variable rate lending         | 69,030.36                | 69,030.36      | 56,597.94                | 56,597.94      |
| Impact on Profit for the year | 286.30                   | (286.30)       | 220.01                   | (220.01)       |
| Variable rate borrowings      | 55,639.59                | 55,639.59      | 45,831.03                | 45,831.03      |
| Impact on Profit for the year | (237.76)                 | 237.76         | (196.49)                 | 196.49         |

**[B] Foreign Currency Risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk for the Company arises majorly on account of foreign currency borrowings. The Company's foreign currency exposures are managed in accordance with its Foreign Exchange Risk Management Policy which has been approved by its Board of Directors. The Company has hedged its foreign currency risk on its foreign currency borrowings as on 31 March 2026 and 31 March 2025 by entering into forward contracts with the intention of covering the entire term of foreign currency exposure. The counterparties for such hedge transactions are banks.

The Company's exposure on account of Foreign Currency Borrowings at the end of the reporting period expressed in Indian Rupees are as follows:

(₹ in lakhs)

| Particulars                             | Foreign Currency | As at 31 March 2026 | As at 31 March 2025 |
|-----------------------------------------|------------------|---------------------|---------------------|
| Term loan from Bank in Foreign Currency | USD              | 5,258.32            | 4,486.87            |

Since the foreign currency exposure is completely hedged by equivalent derivative instrument, there will not be any significant impact on sensitivity analysis due to the possible change in the exchange rates where all other variables are held constant. On the date of maturity of the derivative instrument, considering the hedging for the entire term of the foreign currency exposure, the sensitivity of profit and loss to changes in the exchange rates will be Nil.

**45 Lease disclosure**
**Where the Company is the lessee**

The Company has entered into agreements for taking its office premises under leave and license arrangements. These agreements are for tenures between 11 months and 5 years and majority of the agreements are renewable by mutual consent on mutually agreeable terms, lease rentals have an escalation ranging between 5% to 15%. Leases for which the lease term is less than 12 months have been accounted as short term leases.

| <b>Contractual cash maturities of lease liabilities on an undiscounted basis</b> | <b>As at<br/>31 March 2026</b> | <b>As at<br/>31 March 2025</b> |
|----------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| Not later than one year                                                          | 17.94                          | 9.33                           |
| Later than one year and not later than five years                                | 80.75                          | 38.05                          |
| Later than five years                                                            | 6.91                           | 9.58                           |
| <b>Total undiscounted lease liabilities</b>                                      | <b>105.60</b>                  | <b>56.96</b>                   |
| <b>Lease liabilities included in the balance sheet</b>                           |                                |                                |
| Total lease liabilities                                                          | 105.60                         | 56.96                          |

| <b>Movement in the carrying amount of Right of use asset</b> | <b>As at<br/>31 March 2026</b> | <b>As at<br/>31 March 2025</b> |
|--------------------------------------------------------------|--------------------------------|--------------------------------|
| Opening balance                                              | 53.49                          | 37.40                          |
| Addition during the year                                     | 63.69                          | 25.78                          |
| Depreciation charge for the year                             | (20.12)                        | (9.69)                         |
| Adjustment/deletion                                          | -                              | -                              |
| <b>Closing Balance</b>                                       | <b>97.06</b>                   | <b>53.49</b>                   |

| <b>Movement in the carrying amount of Lease liability</b> | <b>As at<br/>31 March 2026</b> | <b>As at<br/>31 March 2025</b> |
|-----------------------------------------------------------|--------------------------------|--------------------------------|
| Opening balance                                           | 56.96                          | 38.58                          |
| Interest expense                                          | 8.86                           | 3.99                           |
| Lease payment                                             | (23.91)                        | (11.39)                        |
| Addition during the year                                  | 63.69                          | 25.78                          |
| Adjustment/deletion                                       | -                              | -                              |
| <b>Closing Balance</b>                                    | <b>105.60</b>                  | <b>56.96</b>                   |

| <b>Amount recognised in the statement of profit and loss account</b> | <b>Year ended<br/>31 March 2026</b> | <b>Year ended<br/>31 March 2025</b> |
|----------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Interest on lease liabilities                                        | 8.86                                | 3.99                                |
| Depreciation charge for the year                                     | 20.11                               | 9.69                                |
| <b>Expenses relating to short term leases</b>                        | <b>125.07</b>                       | <b>109.00</b>                       |

| <b>Amount recognised in statement of cashflow</b> | <b>Year ended<br/>31 March 2026</b> | <b>Year ended<br/>31 March 2025</b> |
|---------------------------------------------------|-------------------------------------|-------------------------------------|
| Cash outflow towards lease liability              | (15.04)                             | (7.40)                              |

For addition and carrying amount of right to use asset for 31 March 2026 and 31 March 2025, refer Note No. 12(c).

**46** The Company does not hold any immovable property as on 31 March 2026 and 31 March 2025. All the lease agreements are duly executed in favour of the Company for properties where the Company is the lessee.

# **HAS RURAL HOUSING & MORTGAGE FINANCE LIMITED**

## **NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

(₹ in lakhs)

|      |                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                     |                                     |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| 47   | <b>Revenue from contracts with customers</b>                                                                                                                                                                                                                                                                                                                                                                                                |                                     |                                     |
|      | Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to profit and loss account:                                                                                                                                                                                                                                                                                                   |                                     |                                     |
|      | <b>Particulars</b>                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Year ended<br/>31 March 2026</b> | <b>Year ended<br/>31 March 2025</b> |
|      | <b>Type of income</b>                                                                                                                                                                                                                                                                                                                                                                                                                       |                                     |                                     |
|      | Services charges                                                                                                                                                                                                                                                                                                                                                                                                                            | 36.08                               | 38.51                               |
|      | Others                                                                                                                                                                                                                                                                                                                                                                                                                                      | 588.29                              | 377.89                              |
|      | <b>Total revenue from contracts with customers</b>                                                                                                                                                                                                                                                                                                                                                                                          | <b>624.37</b>                       | <b>416.40</b>                       |
|      | <b>Geographical markets</b>                                                                                                                                                                                                                                                                                                                                                                                                                 |                                     |                                     |
|      | India                                                                                                                                                                                                                                                                                                                                                                                                                                       | 624.37                              | 416.40                              |
|      | Outside India                                                                                                                                                                                                                                                                                                                                                                                                                               | -                                   | -                                   |
|      | <b>Total revenue from contracts with customers</b>                                                                                                                                                                                                                                                                                                                                                                                          | <b>624.37</b>                       | <b>416.40</b>                       |
|      | <b>Timing of revenue recognition</b>                                                                                                                                                                                                                                                                                                                                                                                                        |                                     |                                     |
|      | Services transferred at a point in time                                                                                                                                                                                                                                                                                                                                                                                                     | 624.37                              | 416.40                              |
|      | Services transferred over time                                                                                                                                                                                                                                                                                                                                                                                                              | -                                   | -                                   |
|      | <b>Total revenue from contracts with customers</b>                                                                                                                                                                                                                                                                                                                                                                                          | <b>624.37</b>                       | <b>416.40</b>                       |
| 48   | <b>Transfer of financial assets</b>                                                                                                                                                                                                                                                                                                                                                                                                         |                                     |                                     |
| 48.1 | <b>Transferred financial assets that are derecognised in their entirety</b>                                                                                                                                                                                                                                                                                                                                                                 |                                     |                                     |
|      | The Company has assigned loans by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of exposure net of MRR to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :                                                      |                                     |                                     |
|      | <b>Particulars</b>                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Year ended<br/>31 March 2026</b> | <b>Year ended<br/>31 March 2025</b> |
|      | <b>Direct assignment</b>                                                                                                                                                                                                                                                                                                                                                                                                                    |                                     |                                     |
|      | Carrying amount of de-recognised financial asset                                                                                                                                                                                                                                                                                                                                                                                            | 24,988.41                           | 20,211.18                           |
|      | Carrying amount of retained financial asset*                                                                                                                                                                                                                                                                                                                                                                                                | 3,039.77                            | 2,352.00                            |
|      | *excludes Excess Interest Spread (EIS) on de-recognised financial assets                                                                                                                                                                                                                                                                                                                                                                    |                                     |                                     |
| 48.2 | <b>Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement</b>                                                                                                                                                                                                                                                                                                                |                                     |                                     |
|      | The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.                                                                                                                                                                                                                                                                                              |                                     |                                     |
| 49   | No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2026 and 31 March 2025.                                                                                                                                                                                                                   |                                     |                                     |
| 50   | The Company is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2026 and 31 March 2025.                                                                                                                                                                                     |                                     |                                     |
| 51   | The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2026 and 31 March 2025.                                                                                                                                                                                                                              |                                     |                                     |
| 52   | All the charges or satisfaction, as applicable are registered with ROC within the statutory period.                                                                                                                                                                                                                                                                                                                                         |                                     |                                     |
| 53   | As a part of normal lending business, the company grants loans and advances on the basis of security / guarantee provided by the Borrower/ co-borrower. These transactions are conducted after exercising proper due diligence.                                                                                                                                                                                                             |                                     |                                     |
|      | Other than the transactions described above,                                                                                                                                                                                                                                                                                                                                                                                                |                                     |                                     |
|      | a. No funds have been advanced or loaned or invested by the Company to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the Company (Ultimate Beneficiaries);                                                                                                                              |                                     |                                     |
|      | b. No funds have been received by the Company from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.                                                                     |                                     |                                     |
| 54   | There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2026 and 31 March 2025, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March 2026 and 31 March 2025. |                                     |                                     |

# **MA\$ RURAL HOUSING & MORTGAGE FINANCE LIMITED**

## **NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

**(₹ in lakhs)**

|           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>55</b> | The Company has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds as at 31 March 2026 and 31 March 2025 are held by the Company in the form of deposits or in current accounts till the time the utilisation is made subsequently.                                                                                                                                                                                                                             |
| <b>56</b> | The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2026 and 31 March 2025.                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>57</b> | The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended 31 March 2026 and 31 March 2025.                                                                                                                                                                                                                                                                                                                                                |
| <b>58</b> | The Company has not entered into any scheme of arrangement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>59</b> | The Company have used accounting software for maintaining its books of account for the financial year ended 31 March 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software except that, audit trail feature was not enabled at database level for accounting software to log any direct data changes. Further, there has been no instance of the audit trail feature being tempered with in respect of such accounting software where such feature is enabled. |
| <b>60</b> | There were no instances of fraud reported during the year ended 31 March 2026 and 31 March 2025.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>61</b> | Ind AS 10 'Events after the Reporting Period', requires an entity to evaluate information available after the balance sheet date to determine if such information constitutes an adjusting event, which would require an adjustment to the financial statements, or a non-adjusting event, which would only require disclosure. There have been no events after the reporting date that require disclosure in these financial statements.                                                                                                                                               |

62 Disclosure as required in terms of Annex VII of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023.

**A Exposures**

**1 Exposure to Real Estate Sector**

(₹ in Crore)

| Category                                                                                                                                                                                                                                                                                                                                                                                      | Current Year  | Previous Year |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| <b>i) Direct Exposure</b>                                                                                                                                                                                                                                                                                                                                                                     |               |               |
| <b>a) Residential Mortgages</b><br>Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented                                                                                                                                                                                                                                   | 457.98        | 351.79        |
| <b>b) Commercial Real Estate</b><br>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; | 214.25        | 179.60        |
| <b>c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures</b>                                                                                                                                                                                                                                                                                                     |               |               |
| a) Residential                                                                                                                                                                                                                                                                                                                                                                                | -             | -             |
| b) Commercial Real Estate                                                                                                                                                                                                                                                                                                                                                                     | -             | -             |
| <b>ii) Indirect Exposure</b><br>Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)                                                                                                                                                                                                                                                   | 18.07         | 34.59         |
| <b>Total Exposure to Real Estate Sector</b>                                                                                                                                                                                                                                                                                                                                                   | <b>690.30</b> | <b>565.98</b> |

**2 Exposure to Capital Market**

(₹ in Crore)

| Particulars                                                                                                                                                                                                                                                                                                                          | Current Year | Previous Year |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------|
| (i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;                                                                                                                                       | 0.30         | 0.15          |
| (ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;                                                                                      | -            | -             |
| (iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;                                                                                                                                                            | -            | -             |
| (iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does | -            | -             |
| (v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;                                                                                                                                                                                                                | -            | -             |
| (vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;                                                                                               | -            | -             |
| (vii) Bridge loans to companies against expected equity flows / issues;                                                                                                                                                                                                                                                              | -            | -             |
| (viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds                                                                                                                                                  | -            | -             |
| (ix) Financing to stockbrokers for margin trading                                                                                                                                                                                                                                                                                    | -            | -             |
| (x) All exposures to Alternative Investment Funds:                                                                                                                                                                                                                                                                                   |              |               |
| (i) Category I                                                                                                                                                                                                                                                                                                                       | -            | -             |
| (i) Category II                                                                                                                                                                                                                                                                                                                      | -            | -             |
| (i) Category III                                                                                                                                                                                                                                                                                                                     | -            | -             |
| <b>Total Exposure to Capital Market</b>                                                                                                                                                                                                                                                                                              | <b>0.30</b>  | <b>0.15</b>   |

# **Housing & Mortgage Finance Limited**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

## 3 Sectoral exposure

(₹ in Crore)

| Sectors                              | Current Year    |             |                                              | Previous Year   |             |                                              |
|--------------------------------------|-----------------|-------------|----------------------------------------------|-----------------|-------------|----------------------------------------------|
|                                      | Total Exposure* | Gross NPAs  | % of GNPA's to total exposure in that sector | Total Exposure* | Gross NPAs  | % of GNPA's to total exposure in that sector |
| 1. Agriculture and Allied Activities | -               | -           | 0.00%                                        | -               | -           | 0.00%                                        |
| 2. Industry                          |                 |             |                                              |                 |             |                                              |
| i. Real Estate                       | 672.23          | 8.44        | 1.26%                                        | 531.39          | 6.49        | 1.22%                                        |
| <b>Total of Industry</b>             | <b>672.23</b>   | <b>8.44</b> | <b>1.26%</b>                                 | <b>531.39</b>   | <b>6.49</b> | <b>1.22%</b>                                 |
| 3. Services                          |                 |             |                                              |                 |             |                                              |
| i NBFCs                              | 18.07           | -           | 0.00%                                        | 34.59           | -           | 0.00%                                        |
| <b>Total of Services</b>             | <b>18.07</b>    | <b>-</b>    | <b>0.00%</b>                                 | <b>34.59</b>    | <b>-</b>    | <b>0.00%</b>                                 |
| 4. Personal Loans                    | -               | -           | 0.00%                                        | -               | -           | 0.00%                                        |
| 5. Others, if any                    | -               | -           | 0.00%                                        | -               | -           | 0.00%                                        |

## 4 Intra-group exposures

(₹ in Crore)

| Particulars                                                                                | Current Year | Previous Year |
|--------------------------------------------------------------------------------------------|--------------|---------------|
| Total amount of intra-group exposures                                                      | 0.30         | 0.15          |
| Total amount of top 20 intra-group exposures                                               | 0.30         | 0.15          |
| Percentage of intra-group exposures to total exposure of the NBFC on borrowers / customers | 0.04%        | 0.03%         |

## 5 Unhedged foreign currency exposure

(₹ in Crore)

| Particulars                        | Current Year | Previous Year |
|------------------------------------|--------------|---------------|
| Unhedged foreign currency exposure | -            | -             |

## B Related Party Disclosure

(₹ in Crore)

| Related Party                                                    | Parent (as per ownership or control) |               | Subsidiaries |               | Associates / Joint ventures |               | Key Management Personnel |               | Relatives of Key Management Personnel |               | Total        |               |
|------------------------------------------------------------------|--------------------------------------|---------------|--------------|---------------|-----------------------------|---------------|--------------------------|---------------|---------------------------------------|---------------|--------------|---------------|
|                                                                  | Current Year                         | Previous Year | Current Year | Previous Year | Current Year                | Previous Year | Current Year             | Previous Year | Current Year                          | Previous Year | Current Year | Previous Year |
| Borrowings                                                       | -                                    | -             | -            | -             | -                           | -             | -                        | -             | -                                     | -             | -            | -             |
| Deposits                                                         | -                                    | -             | -            | -             | -                           | -             | -                        | -             | -                                     | -             | -            | -             |
| Placement of deposits                                            | -                                    | -             | -            | -             | -                           | -             | -                        | -             | -                                     | -             | -            | -             |
| Advances at the end of the year                                  | -                                    | -             | -            | -             | -                           | -             | -                        | -             | -                                     | -             | -            | -             |
| Advances maximum outstanding during the year                     | -                                    | -             | -            | -             | -                           | -             | -                        | -             | -                                     | -             | -            | -             |
| Investments (outstanding at the end and maximum during the year) | -                                    | -             | -            | -             | 0.30                        | 0.15          | -                        | -             | -                                     | -             | 0.30         | 0.15          |
| Purchase of fixed / other assets                                 | -                                    | -             | -            | -             | -                           | -             | -                        | -             | -                                     | -             | -            | -             |
| Sale of fixed / other assets                                     | -                                    | -             | -            | -             | -                           | -             | -                        | -             | -                                     | -             | -            | -             |
| Interest paid                                                    | -                                    | -             | -            | -             | -                           | -             | -                        | -             | -                                     | -             | -            | -             |
| Interest received                                                | -                                    | -             | -            | -             | -                           | -             | -                        | -             | -                                     | -             | -            | -             |
| Others                                                           | 26.67                                | 16.68         | -            | -             | -                           | -             | 2.25                     | 3.47          | 3.32                                  | 2.03          | 32.24        | 22.18         |
| Out of which;                                                    |                                      |               |              |               |                             |               |                          |               |                                       |               |              |               |
| Issue of Equity Shares                                           | 25.00                                | 15.00         | -            | -             | -                           | -             | 1.71                     | 3.00          | 3.29                                  | 2.00          | 30.00        | 20.00         |
| Dividend                                                         | 1.15                                 | 1.26          | -            | -             | -                           | -             | 0.01                     | 0.01          | 0.03                                  | 0.03          | 1.19         | 1.30          |
| <b>Total of above</b>                                            | <b>26.67</b>                         | <b>16.68</b>  | <b>-</b>     | <b>-</b>      | <b>-</b>                    | <b>-</b>      | <b>2.25</b>              | <b>3.47</b>   | <b>3.32</b>                           | <b>2.03</b>   | <b>32.24</b> | <b>22.18</b>  |

**C Disclosure of complaints**
**1 Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman**

| Sr  | Particulars                                                                                                 | Current Year | Previous Year |
|-----|-------------------------------------------------------------------------------------------------------------|--------------|---------------|
|     | <b>Complaints received by the NBFC from its customers (refer note below)</b>                                |              |               |
| 1.  | Number of complaints pending at beginning of the year                                                       | 0            | 0             |
| 2.  | Number of complaints received during the year                                                               | 7            | 6             |
| 3.  | Number of complaints disposed during the year                                                               | 7            | 6             |
| 3.1 | Of which, number of complaints rejected by the NBFC                                                         | 0            | 0             |
| 4.  | <b>Number of complaints pending at the end of the year</b>                                                  | <b>0</b>     | <b>0</b>      |
|     | <b>Maintainable complaints received by the NBFC from Office of Ombudsman</b>                                |              |               |
| 5   | Number of maintainable complaints received by the NBFC from Office of Ombudsman                             | 0            | 0             |
| 5.1 | Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman                            | 0            | 0             |
| 5.2 | Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman | 0            | 0             |
| 5.3 | Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC         | 0            | 0             |
| 6   | <b>Number of Awards unimplemented within the stipulated time (other than those appealed)</b>                | <b>0</b>     | <b>0</b>      |

**2 Grounds of complaints received by the NBFCs from customers**

| Grounds of complaints,<br>(i.e. complaints relating to) | Number of<br>complaints pending<br>at the beginning of<br>the year | Number of<br>complaints<br>received during the<br>year | % increase/<br>(decrease) in the<br>number of<br>complaints<br>received over the<br>previous year | Number of<br>complaints pending<br>at the end of the<br>year | Of 5, number of<br>complaints pending<br>beyond 30 days |
|---------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------|
| <b>As at 31 March 2026</b>                              |                                                                    |                                                        |                                                                                                   |                                                              |                                                         |
| Collection Calls                                        | 0                                                                  | 2                                                      | (100.00%)                                                                                         | 0                                                            | 0                                                       |
| Loan Related                                            | 0                                                                  | 1                                                      | -66.67%                                                                                           | 0                                                            | 0                                                       |
| Others                                                  | 0                                                                  | 4                                                      | 33.33%                                                                                            | 0                                                            | 0                                                       |
| <b>Total</b>                                            | <b>0</b>                                                           | <b>7</b>                                               | <b>16.67%</b>                                                                                     | <b>0</b>                                                     | <b>0</b>                                                |
| <b>As at 31 March 2025</b>                              |                                                                    |                                                        |                                                                                                   |                                                              |                                                         |
| Collection Calls                                        | 0                                                                  | 0                                                      | 100.00%                                                                                           | 0                                                            | 0                                                       |
| Loan Related                                            | 0                                                                  | 3                                                      | (50.00%)                                                                                          | 0                                                            | 0                                                       |
| Others                                                  | 0                                                                  | 3                                                      | 200.00%                                                                                           | 0                                                            | 0                                                       |
| <b>Total</b>                                            | <b>0</b>                                                           | <b>6</b>                                               | <b>20.00%</b>                                                                                     | <b>0</b>                                                     | <b>0</b>                                                |

**63 Disclosure as required in terms of Annex XI of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023.**
**Loans to Directors, Senior Officers and relatives of Directors**

| Particulars                                            | Current Year | Previous Year |
|--------------------------------------------------------|--------------|---------------|
| Directors and their relatives                          | -            | -             |
| Entities associated with directors and their relatives | -            | -             |
| Senior Officers and their relatives                    | -            | -             |

**64 Currency futures**

No transactions relating to currency futures market were undertaken during current and previous financial year.

**65 Credit Default Swaps**

No transactions were undertaken for credit default swap in the current and previous year.

# **HFS RURAL HOUSING & MORTGAGE FINANCE LIMITED**

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

**66 Disclosure as required in terms of Annex VIII of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023.**

(₹ in Crore)

| Particulars      |                                                                                                                   |                    |                |
|------------------|-------------------------------------------------------------------------------------------------------------------|--------------------|----------------|
| Liabilities side |                                                                                                                   | Amount Outstanding | Amount Overdue |
| <b>1</b>         | <b>Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:</b>                  |                    |                |
|                  | (a) Debentures : Secured                                                                                          | -                  | -              |
|                  | Unsecured                                                                                                         | -                  | -              |
|                  | (other than falling within the meaning of public deposits)                                                        |                    |                |
|                  | (b) Deferred Credits                                                                                              | -                  | -              |
|                  | (c) Term Loans                                                                                                    | 556.40             | -              |
|                  | (d) Inter-corporate loans and borrowing                                                                           | -                  | -              |
|                  | (e) Commercial Paper                                                                                              | -                  | -              |
|                  | (f) Public Deposits                                                                                               | -                  | -              |
|                  | (g) Other loans (specify nature)                                                                                  | -                  | -              |
|                  | - Cash Credit                                                                                                     | -                  | -              |
|                  | - Overdraft                                                                                                       | -                  | -              |
| <b>2</b>         | <b>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b> |                    |                |
|                  | (a) In the form of Unsecured debentures                                                                           | -                  | -              |
|                  | (b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security  | -                  | -              |
|                  | (other than falling within the meaning of public deposits)                                                        |                    |                |
|                  | (c) Other public deposits                                                                                         | -                  | -              |
| Assets side      |                                                                                                                   | Amount             |                |
| <b>3</b>         | <b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:</b>       |                    |                |
|                  | (a) Secured                                                                                                       |                    | 690.30         |
|                  | (b) Unsecured                                                                                                     |                    | -              |
| <b>4</b>         | <b>Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities</b>   |                    |                |
|                  | (i) Lease assets including lease rentals under sundry debtors                                                     |                    |                |
|                  | (a) Finance Lease                                                                                                 |                    | -              |
|                  | (b) Operating Lease                                                                                               |                    | -              |
|                  | (ii) Stock on hire including hire charges under sundry debtors                                                    |                    |                |
|                  | (a) Assets on Hire                                                                                                |                    | -              |
|                  | (b) Repossessed Assets                                                                                            |                    | -              |
|                  | (ii) Other loans counting towards asset financing activities                                                      |                    |                |
|                  | (a) Loans where assets have been repossessed                                                                      |                    | -              |
|                  | (b) Loans other than (a) above                                                                                    |                    | -              |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  | <p><b>5 Break-up of Investments</b></p> <p><b>Current investments</b></p> <p><b>1 Quoted</b></p> <p>(i) Shares</p> <p>(a) Equity -</p> <p>(b) Preference -</p> <p>(ii) Debenture and Bonds -</p> <p>(iii) Units of mutual funds -</p> <p>(iv) Government Securities -</p> <p>(v) Other (Please specify) -</p> <p><b>2 Unquoted</b></p> <p>(i) Shares</p> <p>(a) Equity -</p> <p>(b) Preference -</p> <p>(ii) Debenture and Bonds 15.93</p> <p>(iii) Units of mutual funds -</p> <p>(iv) Government Securities -</p> <p>(v) Other (Please specify) -</p> <p><b>Long Term investments</b></p> <p><b>1 Quoted</b></p> <p>(i) Shares</p> <p>(a) Equity -</p> <p>(b) Preference -</p> <p>(ii) Debenture and Bonds -</p> <p>(iii) Units of mutual funds -</p> <p>(iv) Government Securities -</p> <p>(v) Other (Please specify) -</p> <p><b>2 Unquoted</b></p> <p>(i) Shares</p> <p>(a) Equity 0.30</p> <p>(b) Preference -</p> <p>(ii) Debenture and Bonds -</p> <p>(iii) Units of mutual funds -</p> <p>(iv) Government Securities -</p> <p>(v) Other (Please specify) -</p> |  |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

# **RURAL HOUSING & MORTGAGE FINANCE LIMITED**

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

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

| Category                            | Amount net of provisions |           |               |
|-------------------------------------|--------------------------|-----------|---------------|
|                                     | Secured                  | Unsecured | Total         |
| <b>1 Related Parties</b>            |                          |           |               |
| (a) Subsidiaries                    | -                        | -         | -             |
| (b) Companies in the same group     | -                        | -         | -             |
| (c) Other Related Parties           | -                        | -         | -             |
| <b>2 Other than related parties</b> | 681.75                   | -         | 681.75        |
| <b>Total</b>                        | <b>681.75</b>            | <b>-</b>  | <b>681.75</b> |

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

| Category                            | Market Value / Break up or fair value or NAV | Book Value (Net of Provisions) |
|-------------------------------------|----------------------------------------------|--------------------------------|
| <b>1 Related Parties</b>            |                                              |                                |
| (a) Subsidiaries                    | -                                            | -                              |
| (b) Companies in the same group     | 0.30                                         | 0.30                           |
| (c) Other Related Parties           | -                                            | -                              |
| <b>2 Other than related parties</b> | 15.93                                        | 15.93                          |
| <b>Total</b>                        | <b>16.23</b>                                 | <b>16.23</b>                   |

**8 Other information**

| Particulars                                  | Amount |
|----------------------------------------------|--------|
| (i) Gross Non-Performing Assets              |        |
| (a) Related parties                          | -      |
| (b) Other than related parties               | 8.44   |
| (ii) Net Non-Performing Assets               |        |
| (a) Related parties                          | -      |
| (b) Other than related parties               | 5.60   |
| (ii) Assets acquired in satisfaction of debt | -      |

**Notes:**

- As defined in the Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025.
- Provisioning norms shall be applicable as prescribed in these Directions.
- All Ind AS issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term (amortised cost in the case of Ind AS) or current (at fair value in the case of Ind AS) in (5) above.

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

(₹ in Crore)

| Particulars                                                                                                                   | As at 31 March 2026 | As at 31 March 2025 |
|-------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Financials assets in business of providing finance for housing                                                                | 475.44              | 373.00              |
| Financials assets in business of providing finance for housing to Individuals                                                 | 457.98              | 351.79              |
| Total Assets (net of intangible assets)                                                                                       | 743.50              | 609.15              |
| % of financials assets in business of providing finance for housing to total assets (net of intangible assets)                | 63.95%              | 61.23%              |
| % of financials assets in business of providing finance for housing to Individuals to total assets (net of intangible assets) | 61.60%              | 57.75%              |

68 Disclosure as required in terms of Annex XXII of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023.

**A Disclosures**
**A.1 Capital**

(₹ in Crore)

| Particulars                                                 | Current Year | Previous Year |
|-------------------------------------------------------------|--------------|---------------|
| (i) CRAR (%)                                                | 36.96%       | 34.73%        |
| (ii) CRAR - Tier I Capital (%)                              | 33.48%       | 29.77%        |
| (iii) CRAR – Tier II Capital (%)                            | 3.48%        | 4.96%         |
| (iv) Amount of subordinated debt raised as Tier- II Capital | -            | -             |
| (v) Amount raised by issue of Perpetual Debt Instruments    | -            | -             |

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

Please refer Note No. 21 to the Financial Statements

**A.3 Investments**

(₹ in Crore)

| Particulars                                                                | Current Year | Previous Year |
|----------------------------------------------------------------------------|--------------|---------------|
| <b>3.1 Value of Investments</b>                                            |              |               |
| (i) Gross Value of Investments                                             |              |               |
| (a) In India                                                               | 16.23        | 8.89          |
| (b) Outside India                                                          | -            | -             |
| (ii) Provisions for Depreciation                                           |              |               |
| (a) In India                                                               | -            | -             |
| (b) Outside India                                                          | -            | -             |
| (iii) Net Value of Investments                                             |              |               |
| (a) In India                                                               | 16.23        | 8.89          |
| (b) Outside India                                                          | -            | -             |
| <b>3.1 Movement of provisions held towards depreciation on investments</b> |              |               |
| (i) Opening Balance                                                        | -            | -             |
| (ii) Add: Provisions made during the year                                  | -            | -             |
| (iii) Less: Write-off / Written-bank of excess provisions during the year  | -            | -             |
| (iv) Closing balance                                                       | -            | -             |

**A.4 Derivatives**
**4.1 Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)**

(₹ in Crore)

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

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

**4.2 Exchange Traded Interest Rate (IR) Derivative**

(₹ in Crore)

| Particulars                                                                                              | Amount |
|----------------------------------------------------------------------------------------------------------|--------|
| (i) Notional principal amount of exchange traded IR derivatives undertaken during the year               | -      |
| (ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2025       | -      |
| (iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" | -      |
| (iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"       | -      |

**4.3 Disclosures on Risk Exposure in Derivatives**
**A Qualitative Disclosure**

The Company has a Board approved policy in dealing with derivative transactions. The Company undertakes derivative transactions for hedging its foreign currency exposures to mitigate the foreign currency risk. During the year, the company has hedged its foreign currency borrowings through foreign exchange forward contracts.

The foreign currency transactions and derivative transactions are accounted in accordance with IND AS as detailed in the accounting policy Note 3.20.

**B Quantitative Disclosure**

(₹ in Crore)

| Particulars                                 | Currency Derivatives | Interest Rate Derivatives |
|---------------------------------------------|----------------------|---------------------------|
| (i) Derivatives (Notional Principal Amount) | 52.58                | -                         |
| (ii) Marked to Market Positions             |                      |                           |
| (a) Assets (+)                              | -                    | -                         |
| (b) Liability (-)                           | (0.29)               | -                         |
| (iii) Credit Exposure                       | -                    | -                         |
| (iv) Unhedged Exposures                     | -                    | -                         |

**A.5 Securitisation**
**5.1 For Securitisation Transactions**

(₹ in Crore)

| Particulars                                                                                     | Amount |
|-------------------------------------------------------------------------------------------------|--------|
| 1 No of SPVs sponsored by the HFC for securitisation transactions                               | -      |
| 2 Total amount of securitised assets as per books of the SPVs sponsored                         | -      |
| 3 Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet | -      |
| (I) Off-balance sheet exposures towards Credit Enhancements                                     | -      |
| (II) On-balance sheet exposures towards Credit Enhancements                                     | -      |
| 4 Amount of exposures to securitisation transactions other than MRR                             | -      |
| (I) Off-balance sheet exposures towards Credit Enhancements                                     | -      |
| (a) Exposure to own securitizations                                                             | -      |
| (b) Exposure to third party securitisations                                                     | -      |
| (II) On-balance sheet exposures towards Credit Enhancements                                     | -      |
| (a) Exposure to own securitizations                                                             | -      |
| (b) Exposure to third party securitisations                                                     | -      |

**5.2 Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction**

(₹ in Crore)

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

**5.3 Details of Assignment transactions undertaken by HFCs**

(₹ in Crore)

| Particulars                                                                                | Current Year | Previous Year |
|--------------------------------------------------------------------------------------------|--------------|---------------|
| (i) No. of accounts                                                                        | 1080 Loans   | 1315 Loans    |
| (ii) Aggregate value (net of provisions) of accounts assigned                              | 82.71        | 87.18         |
| (iii) Aggregate consideration                                                              | 82.71        | 87.18         |
| (iv) Additional consideration realized in respect of accounts transferred in earlier years | -            | -             |
| (v) Aggregate gain / loss over net book value                                              | -            | -             |

**5.4 Details of non-performing financial assets purchased / sold**
**A Details of non-performing financial assets purchased:**

(₹ in Crore)

| Particulars                                                         | Current Year | Previous Year |
|---------------------------------------------------------------------|--------------|---------------|
| (a) No. of accounts purchased during the year                       | 0            | 0             |
| (b) Aggregate value (net of provisions) of accounts sold to SC / RC | -            | -             |
| (a) Of these, number of accounts restructured during the year       | 0            | 0             |
| (b) Aggregate outstanding                                           | -            | -             |

**B Details of Non-performing Financial Assets sold:**

(₹ in Crore)

| Particulars                        | Current Year | Previous Year |
|------------------------------------|--------------|---------------|
| 1 No. of accounts sold             | 0            | 0             |
| 2 Aggregate outstanding            | -            | -             |
| 3 Aggregate consideration received | -            | -             |

**A.6 Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities)**
**Current Year**

(₹ in Crore)

| Particulars                     | Up to 30/31 days (one month) | Over 1 month & up to 2 months | Over 2 months & up to 3 months | Over 3 months & up to 6 months | Over 6 months & up to 1 year | Over 1 years & up to 3 years | Over 3 years & up to 5 years | Over 5 years & up to 7 years | Over 7 years & up to 10 years | Over 10 Years | Total  |
|---------------------------------|------------------------------|-------------------------------|--------------------------------|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|-------------------------------|---------------|--------|
| <b>Liabilities</b>              |                              |                               |                                |                                |                              |                              |                              |                              |                               |               |        |
| Deposits                        | -                            | -                             | -                              | -                              | -                            | -                            | -                            | -                            | -                             | -             | -      |
| Borrowings (Refer Note 1 below) | 9.21                         | 9.17                          | 17.74                          | 36.42                          | 70.09                        | 223.92                       | 125.44                       | 49.25                        | 15.17                         | -             | 556.40 |
| Market Borrowing                | -                            | -                             | -                              | -                              | -                            | -                            | -                            | -                            | -                             | -             | -      |
| Foreign Currency Liabilities    | -                            | -                             | -                              | -                              | -                            | -                            | -                            | -                            | -                             | -             | -      |
| <b>Assets</b>                   |                              |                               |                                |                                |                              |                              |                              |                              |                               |               |        |
| Advances                        | 23.46                        | 14.89                         | 14.94                          | 45.03                          | 89.44                        | 239.10                       | 185.73                       | 47.25                        | 21.01                         | 9.45          | 690.30 |
| Investments                     | -                            | 5.00                          | 5.00                           | -                              | 5.93                         | -                            | -                            | -                            | -                             | 0.30          | 16.23  |
| Foreign Currency Assets         | -                            | -                             | -                              | -                              | -                            | -                            | -                            | -                            | -                             | -             | -      |

**Previous Year**

(₹ in Crore)

| Particulars                  | Up to 30/31 days (one month) | Over 1 month & up to 2 months | Over 2 months & up to 3 months | Over 3 months & up to 6 months | Over 6 months & up to 1 year | Over 1 years & up to 3 years | Over 3 years & up to 5 years | Over 5 years & up to 7 years | Over 7 years & up to 10 years | Over 10 Years | Total  |
|------------------------------|------------------------------|-------------------------------|--------------------------------|--------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|-------------------------------|---------------|--------|
| <b>Liabilities</b>           |                              |                               |                                |                                |                              |                              |                              |                              |                               |               |        |
| Deposits                     | -                            | -                             | -                              | -                              | -                            | -                            | -                            | -                            | -                             | -             | -      |
| Borrowings from Bank         | 7.55                         | 6.70                          | 14.12                          | 28.58                          | 60.54                        | 172.40                       | 104.42                       | 35.82                        | 28.18                         | -             | 458.31 |
| Market Borrowing             | -                            | -                             | -                              | -                              | -                            | -                            | -                            | -                            | -                             | -             | -      |
| Foreign Currency Liabilities | -                            | -                             | -                              | -                              | -                            | -                            | -                            | -                            | -                             | -             | -      |
| <b>Assets</b>                |                              |                               |                                |                                |                              |                              |                              |                              |                               |               |        |
| Advances                     | 13.92                        | 7.25                          | 7.02                           | 23.66                          | 48.70                        | 161.27                       | 119.04                       | 46.15                        | 62.41                         | 76.56         | 565.98 |
| Investments                  | -                            | -                             | 8.74                           | -                              | -                            | -                            | -                            | -                            | -                             | 0.15          | 8.89   |
| Foreign Currency Assets      | -                            | -                             | -                              | -                              | -                            | -                            | -                            | -                            | -                             | -             | -      |

**Note:**

1. The company has converted a portion of long term Indian Rupee borrowing into a short term foreign currency ("FC") loan. This FC loan will either get roll over or be again converted into INR term loan till the maturity of the original loan. The actual repayment of this loan will be made as per the original repayment terms as per the original Indian Rupee Long term Borrowing. Accordingly, the maturity pattern in this table is considered as per the applicable tenure of the original INR Borrowing. The amount of such Foreign currency loan outstanding as at 31 March 2026 is ₹ 52.58 Crores (31 March 2025: ₹ 44.87 crores).

2. Classification of assets and liabilities under different maturity buckets is based on the estimates and assumptions as used by the Company.

**A.7 Exposure**
**7.1 Exposure to Real Estate Sector**

Refer Note No. 62.A.1 to the Financial Statements.

**7.2 Exposure to Capital Market**

Refer Note No. 62.A.2 to the Financial Statements.

**7.3 Details of financing of parent company products**

Not Applicable.

**7.4 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC**

The Company has not exceeded the prudential exposure limits during the year.

**7.5 Unsecured Advances**

- a) Refer Note No. 8 to the Financial Statements.
- b) The Company has not granted any advances against intangible securities.

**7.6 Exposure to group companies engaged in real estate business (refer to Paragraph 21 of these directions)**

| S. No. | Description                                                              | Amount (₹ In Crore) | % of owned fund |
|--------|--------------------------------------------------------------------------|---------------------|-----------------|
| (i)    | Exposure to any single entity in a group engaged in real estate business | -                   | 0%              |
| (ii)   | Exposure to all entities in a group engaged in real estate business      | -                   | 0%              |

**B Miscellaneous**
**B.1 Registration obtained from other financial sector regulators**

The Company has not obtained registration from other Financial sector regulators.

**B.2 Disclosure of Penalties imposed by NHB and other regulators**

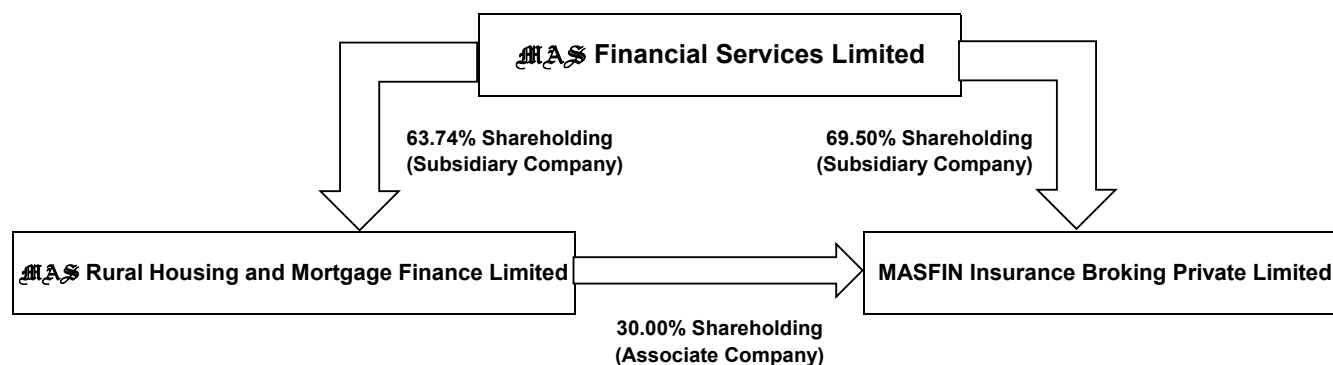
NHB has not imposed any penalty on the Company during the year.

**B.3 Related party Transactions**

Refer Note No. 33 to the Financial Statements.

**B.4 Group Structure**

The group structure of the company is below:



**B.5 Rating assigned by Credit Rating Agencies and migration of rating during the year**
**By CARE:**

| Instrument                                        | Amount      | Current Rating   | Previous Rating   |
|---------------------------------------------------|-------------|------------------|-------------------|
| Long term bank facilities (Cash Credit/Term Loan) | ₹ 830 Crore | CARE A+ (Stable) | CARE A (Positive) |
| Proposed Non-Convertible Debenture (NCD) Issue    | ₹ 25 Crore  | CARE A+ (Stable) | CARE A (Positive) |

**B.6 Remuneration of Directors**

Refer Note No. 33 to the Financial Statements.

**B.7 Net Profit or Loss for the period, prior period items and changes in accounting policies**

There are no prior period items requiring disclosure in the financial statements.

**B.8 Revenue Recognition**

The Company has not postponed recognition of revenue during the period. Please refer Note No. 3.1 and 3.9 to Financial Statements.

**B.9 Ind AS 110 – Consolidated Financial Statements (CFS)**

Since the company does not have any subsidiaries, Ind AS 110 - Consolidated Financials Statements (CFS) is not applicable to the company.

**B.10 Breach of covenant**

There are no instances of breach of covenant of loan availed or debt securities issued during the financial year ended 31 March 2026 and 31 March 2025.

**B.11 Divergence in Asset Classification and Provisioning**

There is no divergence in asset classification and provisioning as assessed by RBI/ NHB.

**B.12 Area of Operation**

The Company operates from India only and there are no joint ventures partners and overseas subsidiaries.

**C Additional Disclosures**
**C.1 Provisions and Contingencies**

(₹ in Crore)

| Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account |                                                                                 | Current Year | Previous Year |
|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|--------------|---------------|
| 1                                                                                                      | Provisions for depreciation on Investment                                       | -            | -             |
| 2                                                                                                      | Provision made towards Income tax                                               | 3.81         | 2.53          |
| 3                                                                                                      | Provision towards NPA                                                           | 1.37         | 0.78          |
| 4                                                                                                      | Provision for Standard Assets (with details like teaser loan, CRE, CRE-RH etc.) |              |               |
|                                                                                                        | i) Housing Loans                                                                | 0.48         | 0.37          |
|                                                                                                        | ii) Commercial Real Estate (CRE)                                                | 0.34         | 0.43          |
|                                                                                                        | iii) Commercial Real Estate - Residential Housing (CRE-RH)                      | 0.03         | -             |
|                                                                                                        | iv) National Housing Bank (NHB) and Housing Finance Companies (HFCs)            | (0.08)       | (0.26)        |
| 5                                                                                                      | Other Provision and Contingencies                                               | 0.61         | 0.49          |

# **HFC RURAL HOUSING & MORTGAGE FINANCE LIMITED**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

(₹ in Crore)

| Break up of Loan & Advances and Provisions thereon | Residential Mortgages<br>(Individual Housing Loans) |               | Commercial Real Estate (CRE)<br>(Individuals & Builders) |               |
|----------------------------------------------------|-----------------------------------------------------|---------------|----------------------------------------------------------|---------------|
|                                                    | Current Year                                        | Previous Year | Current Year                                             | Previous Year |
| <b>Standard Assets</b>                             |                                                     |               |                                                          |               |
| a) Total Outstanding Amount                        | 451.11                                              | 346.10        | 195.20                                                   | 157.60        |
| b) Provisions made                                 | 3.84                                                | 3.37          | 1.70                                                     | 1.36          |
| <b>Sub-Standard Assets</b>                         |                                                     |               |                                                          |               |
| a) Total Outstanding Amount                        | 4.34                                                | 2.73          | 0.92                                                     | 0.46          |
| b) Provisions made                                 | 1.44                                                | 0.94          | 0.31                                                     | 0.16          |
| <b>Doubtful Assets – Category - I</b>              |                                                     |               |                                                          |               |
| a) Total Outstanding Amount                        | 1.93                                                | 2.92          | 0.50                                                     | 0.33          |
| b) Provisions made                                 | 0.66                                                | 1.01          | 0.17                                                     | 0.11          |
| <b>Doubtful Assets – Category - II</b>             |                                                     |               |                                                          |               |
| a) Total Outstanding Amount                        | 0.57                                                | 0.04          | 0.17                                                     | * 0.00        |
| b) Provisions made                                 | 0.20                                                | 0.01          | 0.06                                                     | * 0.00        |
| <b>Doubtful Assets – Category - III</b>            |                                                     |               |                                                          |               |
| a) Total Outstanding Amount                        | 0.03                                                | -             | * 0.00                                                   | -             |
| b) Provisions made                                 | 0.01                                                | -             | * 0.00                                                   | -             |
| <b>Loss Assets</b>                                 |                                                     |               |                                                          |               |
| a) Total Outstanding Amount                        | -                                                   | -             | -                                                        | -             |
| b) Provisions made                                 | -                                                   | -             | -                                                        | -             |
| <b>Total</b>                                       |                                                     |               |                                                          |               |
| a) Total Outstanding Amount                        | 457.98                                              | 351.79        | 196.79                                                   | 158.39        |
| b) Provisions made                                 | 6.15                                                | 5.33          | 2.24                                                     | 1.63          |

\* less than ₹ 50,000/-

| Break up of Loan & Advances and Provisions thereon | Commercial Real Estate - Residential<br>Housing (CRE-RH) |               | Housing Finance Companies (HFCs)<br>(Non-Housing) |               |
|----------------------------------------------------|----------------------------------------------------------|---------------|---------------------------------------------------|---------------|
|                                                    | Current Year                                             | Previous Year | Current Year                                      | Previous Year |
| <b>Standard Assets</b>                             |                                                          |               |                                                   |               |
| a) Total Outstanding Amount                        | 17.46                                                    | 21.21         | 18.07                                             | 34.59         |
| b) Provisions made                                 | 0.07                                                     | 0.04          | 0.10                                              | 0.18          |
| <b>Sub-Standard Assets</b>                         |                                                          |               |                                                   |               |
| a) Total Outstanding Amount                        | -                                                        | -             | -                                                 | -             |
| b) Provisions made                                 | -                                                        | -             | -                                                 | -             |
| <b>Doubtful Assets – Category - I</b>              |                                                          |               |                                                   |               |
| a) Total Outstanding Amount                        | -                                                        | -             | -                                                 | -             |
| b) Provisions made                                 | -                                                        | -             | -                                                 | -             |
| <b>Doubtful Assets – Category - II</b>             |                                                          |               |                                                   |               |
| a) Total Outstanding Amount                        | -                                                        | -             | -                                                 | -             |
| b) Provisions made                                 | -                                                        | -             | -                                                 | -             |
| <b>Doubtful Assets – Category - III</b>            |                                                          |               |                                                   |               |
| a) Total Outstanding Amount                        | -                                                        | -             | -                                                 | -             |
| b) Provisions made                                 | -                                                        | -             | -                                                 | -             |
| <b>Loss Assets</b>                                 |                                                          |               |                                                   |               |
| a) Total Outstanding Amount                        | -                                                        | -             | -                                                 | -             |
| b) Provisions made                                 | -                                                        | -             | -                                                 | -             |
| <b>Total</b>                                       |                                                          |               |                                                   |               |
| a) Total Outstanding Amount                        | 17.46                                                    | 21.21         | 18.07                                             | 34.59         |
| b) Provisions made                                 | 0.07                                                     | 0.04          | 0.10                                              | 0.18          |

## Notes:

- The total outstanding amount mean principal + accrued interest + other charges pertaining to loans without netting off.
- The Category of Doubtful Assets will be as under:

| Period for which the assets has been considered as doubtful | Category       |
|-------------------------------------------------------------|----------------|
| Up to one year                                              | Category - I   |
| One to three years                                          | Category - II  |
| More than three years                                       | Category - III |

**C.2 Draw Down from Reserves**

There has been no draw down from reserves during the current year and previous year.

**C.3 Concentration of Public Deposits, Advances, Exposures and NPAs**
**3.1 Concentration of Public Deposits (for Public Deposit taking/holding HFCs)**

(₹ in Crore)

| Particulars                                                                      | Current Year | Previous Year |
|----------------------------------------------------------------------------------|--------------|---------------|
| Total Deposits of twenty largest depositors                                      | N.A.         | N.A.          |
| Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC | N.A.         | N.A.          |

**3.2 Concentration of Loans & Advances**

(₹ in Crore)

| Particulars                                                                             | Current Year | Previous Year |
|-----------------------------------------------------------------------------------------|--------------|---------------|
| Total Loans & Advances to twenty largest borrowers                                      | 37.90        | 56.73         |
| Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC | 5.49%        | 10.02%        |

**3.3 Concentration of all Exposure (including off-balance sheet exposure)**

(₹ in Crore)

| Particulars                                                                                                           | Current Year | Previous Year |
|-----------------------------------------------------------------------------------------------------------------------|--------------|---------------|
| Total Exposure to twenty largest borrowers / customers                                                                | 38.80        | 66.69         |
| Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers | 5.33%        | 11.04%        |

**3.4 Concentration of NPAs**

(₹ in Crore)

| Particulars                            | Current Year | Previous Year |
|----------------------------------------|--------------|---------------|
| Total Exposure to top ten NPA accounts | 1.94         | 2.02          |

**3.5 Sector-wise NPAs**

| Sl. No.  | Sector                     | Percentage of NPAs to Total Advances in that sector |
|----------|----------------------------|-----------------------------------------------------|
| <b>A</b> | <b>Housing Loans :</b>     |                                                     |
| 1        | Individuals                | 1.50%                                               |
| 2        | Builders/Project Loans     | 0.00%                                               |
| 3        | Corporates                 | 0.00%                                               |
| 4        | Others (specify)           | 0.00%                                               |
| <b>B</b> | <b>Non-Housing Loans :</b> |                                                     |
| 1        | Individuals                | 0.80%                                               |
| 2        | Builders/Project Loans     | 0.00%                                               |
| 3        | Corporates                 | 0.00%                                               |
| 4        | Others (specify)           | 0.00%                                               |

**C.4 Movement of NPAs**

(₹ in Crore)

| Particulars                                                                    | Current Year | Previous Year |
|--------------------------------------------------------------------------------|--------------|---------------|
| (I) Net NPAs to Net Advances (%)                                               | 0.81%        | 0.75%         |
| (II) Movement of NPAs (Gross)                                                  |              |               |
| a) Opening balance                                                             | 6.49         | 4.77          |
| b) Additions during the year                                                   | 7.59         | 4.77          |
| c) Reductions during the year                                                  | (5.64)       | (3.05)        |
| d) Closing balance                                                             | 8.44         | 6.49          |
| (III) Movement of Net NPA                                                      |              |               |
| a) Opening balance                                                             | 4.26         | 3.32          |
| b) Additions during the year                                                   | 5.04         | 3.13          |
| c) Reductions during the year                                                  | (3.70)       | (2.19)        |
| d) Closing balance                                                             | 5.60         | 4.26          |
| (IV) Movement of provisions for NPAs (excluding provisions on standard assets) |              |               |
| a) Opening balance                                                             | 2.23         | 1.45          |
| b) Additions during the year                                                   | 2.55         | 1.64          |
| c) Reductions during the year                                                  | (1.94)       | (0.86)        |
| d) Closing balance                                                             | 2.84         | 2.23          |

**C.5 Overseas Assets**

(₹ in Crore)

| Particulars | Current Year | Previous Year |
|-------------|--------------|---------------|
|             | NIL          | NIL           |

**C.6 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)**

| Name of the SPV sponsored |          |
|---------------------------|----------|
| Domestic                  | Overseas |
| NIL                       | NIL      |

**D Disclosure of Complaints**
**D.1 Customers Complaints**

Refer Note No. 62.C to the Financial Statements.

# **HMS RURAL HOUSING & MORTGAGE FINANCE LIMITED**

## **NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

(₹ in lakhs)

69 Information as required in terms of RBI notification no. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 are mentioned as below:

| Asset Classification as per RBI Norms For March 2026                                                                                                                                              | Asset classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------|-----------------------------------------------------------|---------------------|----------------------------------------|----------------------------------------------------------|
| (1)                                                                                                                                                                                               | (2)                                    | (3)                                 | (4)                                                       | (5) = (3) - (4)     | (6)                                    | (7) = (4) - (6)                                          |
| <b>Performing Assets</b>                                                                                                                                                                          |                                        |                                     |                                                           |                     |                                        |                                                          |
| Standard                                                                                                                                                                                          | Stage 1                                | 65,003.80                           | 314.80                                                    | 64,689.00           | 311.21                                 | 3.59                                                     |
|                                                                                                                                                                                                   | Stage 2                                | 3,182.38                            | 256.74                                                    | 2,925.64            | 15.21                                  | 241.53                                                   |
| <b>Subtotal</b>                                                                                                                                                                                   |                                        | <b>68,186.18</b>                    | <b>571.54</b>                                             | <b>67,614.64</b>    | <b>326.42</b>                          | <b>245.12</b>                                            |
| <b>Non-Performing Assets (NPA)</b>                                                                                                                                                                |                                        |                                     |                                                           |                     |                                        |                                                          |
| Substandard                                                                                                                                                                                       | Stage 3                                | 525.44                              | 174.93                                                    | 350.51              | 51.53                                  | 123.40                                                   |
| Doubtful - up to 1 year                                                                                                                                                                           | Stage 3                                | 242.24                              | 82.55                                                     | 159.69              | 60.83                                  | 21.72                                                    |
| 1 to 3 years                                                                                                                                                                                      | Stage 3                                | 73.52                               | 25.66                                                     | 47.86               | 30.25                                  | (4.59)                                                   |
| More than 3 years                                                                                                                                                                                 | Stage 3                                | 2.98                                | 1.01                                                      | 1.97                | 2.96                                   | (1.95)                                                   |
| <b>Subtotal for doubtful</b>                                                                                                                                                                      |                                        | <b>318.74</b>                       | <b>109.22</b>                                             | <b>209.52</b>       | <b>94.04</b>                           | <b>15.18</b>                                             |
| Loss                                                                                                                                                                                              | Stage 3                                | -                                   | -                                                         | -                   | -                                      | -                                                        |
| <b>Subtotal for NPA</b>                                                                                                                                                                           |                                        | <b>844.18</b>                       | <b>284.15</b>                                             | <b>560.03</b>       | <b>145.57</b>                          | <b>138.58</b>                                            |
| Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms | Stage 1                                | -                                   | -                                                         | -                   | -                                      | -                                                        |
|                                                                                                                                                                                                   | Stage 2                                | -                                   | -                                                         | -                   | -                                      | -                                                        |
|                                                                                                                                                                                                   | Stage 3                                | -                                   | -                                                         | -                   | -                                      | -                                                        |
| <b>Subtotal</b>                                                                                                                                                                                   |                                        | <b>-</b>                            | <b>-</b>                                                  | <b>-</b>            | <b>-</b>                               | <b>-</b>                                                 |
| <b>Total</b>                                                                                                                                                                                      | <b>Stage 1</b>                         | <b>65,003.80</b>                    | <b>314.80</b>                                             | <b>64,689.00</b>    | <b>311.21</b>                          | <b>3.59</b>                                              |
|                                                                                                                                                                                                   | <b>Stage 2</b>                         | <b>3,182.38</b>                     | <b>256.74</b>                                             | <b>2,925.64</b>     | <b>15.21</b>                           | <b>241.53</b>                                            |
|                                                                                                                                                                                                   | <b>Stage 3</b>                         | <b>844.18</b>                       | <b>284.15</b>                                             | <b>560.03</b>       | <b>145.57</b>                          | <b>138.58</b>                                            |
|                                                                                                                                                                                                   | <b>Total</b>                           | <b>69,030.36</b>                    | <b>855.69</b>                                             | <b>68,174.67</b>    | <b>471.99</b>                          | <b>383.70</b>                                            |

| Asset Classification as per RBI Norms For March 2025                                                                                                                                              | Asset classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------|-----------------------------------------------------------|---------------------|----------------------------------------|----------------------------------------------------------|
| (1)                                                                                                                                                                                               | (2)                                    | (3)                                 | (4)                                                       | (5) = (3) - (4)     | (6)                                    | (7) = (4) - (6)                                          |
| <b>Performing Assets</b>                                                                                                                                                                          |                                        |                                     |                                                           |                     |                                        |                                                          |
| Standard                                                                                                                                                                                          | Stage 1                                | 53,391.20                           | 228.65                                                    | 53,162.55           | 260.49                                 | (31.84)                                                  |
|                                                                                                                                                                                                   | Stage 2                                | 2,558.19                            | 266.36                                                    | 2,291.83            | 19.74                                  | 246.62                                                   |
| <b>Subtotal</b>                                                                                                                                                                                   |                                        | <b>55,949.39</b>                    | <b>495.01</b>                                             | <b>55,454.38</b>    | <b>280.23</b>                          | <b>214.78</b>                                            |
| <b>Non-Performing Assets (NPA)</b>                                                                                                                                                                |                                        |                                     |                                                           |                     |                                        |                                                          |
| Substandard                                                                                                                                                                                       | Stage 3                                | 319.54                              | 109.72                                                    | 209.82              | 32.33                                  | 77.39                                                    |
| Doubtful - up to 1 year                                                                                                                                                                           | Stage 3                                | 324.89                              | 112.25                                                    | 212.64              | 66.15                                  | 46.10                                                    |
| 1 to 3 years                                                                                                                                                                                      | Stage 3                                | 4.12                                | 1.40                                                      | 2.72                | 1.23                                   | 0.17                                                     |
| More than 3 years                                                                                                                                                                                 | Stage 3                                | -                                   | -                                                         | -                   | -                                      | -                                                        |
| <b>Subtotal for doubtful</b>                                                                                                                                                                      |                                        | <b>329.01</b>                       | <b>113.65</b>                                             | <b>215.36</b>       | <b>67.38</b>                           | <b>46.27</b>                                             |
| Loss                                                                                                                                                                                              | Stage 3                                | -                                   | -                                                         | -                   | -                                      | -                                                        |
| <b>Subtotal for NPA</b>                                                                                                                                                                           |                                        | <b>648.55</b>                       | <b>223.37</b>                                             | <b>425.18</b>       | <b>99.71</b>                           | <b>123.66</b>                                            |
| Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms | Stage 1                                | -                                   | -                                                         | -                   | -                                      | -                                                        |
|                                                                                                                                                                                                   | Stage 2                                | -                                   | -                                                         | -                   | -                                      | -                                                        |
|                                                                                                                                                                                                   | Stage 3                                | -                                   | -                                                         | -                   | -                                      | -                                                        |
| <b>Subtotal</b>                                                                                                                                                                                   |                                        | <b>-</b>                            | <b>-</b>                                                  | <b>-</b>            | <b>-</b>                               | <b>-</b>                                                 |
| <b>Total</b>                                                                                                                                                                                      | <b>Stage 1</b>                         | <b>53,391.20</b>                    | <b>228.65</b>                                             | <b>53,162.55</b>    | <b>260.49</b>                          | <b>(31.84)</b>                                           |
|                                                                                                                                                                                                   | <b>Stage 2</b>                         | <b>2,558.19</b>                     | <b>266.36</b>                                             | <b>2,291.83</b>     | <b>19.74</b>                           | <b>246.62</b>                                            |
|                                                                                                                                                                                                   | <b>Stage 3</b>                         | <b>648.55</b>                       | <b>223.37</b>                                             | <b>425.18</b>       | <b>99.71</b>                           | <b>123.66</b>                                            |
|                                                                                                                                                                                                   | <b>Total</b>                           | <b>56,597.94</b>                    | <b>718.38</b>                                             | <b>55,879.56</b>    | <b>379.94</b>                          | <b>338.44</b>                                            |

# **HFS RURAL HOUSING & MORTGAGE FINANCE LIMITED**

## **NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

(₹ in lakhs)

In terms of the requirement of the above notification, Non-Banking Financial Companies ('NBFCs') are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and income recognition asset classification and provisioning ('IRACP') norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard assets provisioning), as at 31 March 2026 and accordingly, no amount is required to be transferred to impairment reserve.

### **70 Information as required in terms of RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021 is mentioned below:**

(a) Details of loans not in default transferred through assignment during year ended 31 March 2026.

| Entity / Assignor                                             | HFC        | HFC        |
|---------------------------------------------------------------|------------|------------|
| Count of loan account assigned                                | 765 Loans  | 315 Loans  |
| Amount of loan account assigned                               | 6,145.71   | 2,125.33   |
| Retention of beneficial economic interest (MRR) by originator | 10%        | 15%        |
| Weighted average residual maturity                            | 169 months | 112 months |
| Weighted average holding period                               | 23 months  | 15 months  |
| Coverage of tangible security                                 | 100%       | 100%       |
| Rating wise distribution of loans acquired                    | Unrated    | Unrated    |

(b) Details of loans not in default acquired through assignment during year ended 31 March 2026.

| Entity / Assignor                                             | HFC        |
|---------------------------------------------------------------|------------|
| Count of loan account acquired                                | 146 Loans  |
| Amount of loan account acquired                               | 1,581.15   |
| Retention of beneficial economic interest (MRR) by originator | 10%        |
| Weighted average residual maturity                            | 166 months |
| Weighted average holding period                               | 19 months  |
| Coverage of tangible security                                 | 100%       |
| Rating wise distribution of loans acquired                    | Unrated    |

(c) The Company has not transferred or acquired any stressed loan during the year ended 31 March 2026.

(d) The Company has not entered into any new co-lending arrangements during the quarter and year ended 31 March 2026. Hence, no disclosure is required pertaining to co-lending arrangements.

# HFS RURAL HOUSING & MORTGAGE FINANCE LIMITED

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

(₹ in lakhs)

71 During the current year, to relieve COVID-19 pandemic related stress, the Company has invoked resolution plan for eligible borrowers based on the parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by RBI.

(a) Information as required in terms of RBI circular no. RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021 issued by the RBI is mentioned below:

| Type of borrower            | Exposure to accounts classified as Standard consequent to Implementation of resolution plan - Position as at 30 September 2025 | Of (A), aggregate debt that slipped into NPA during the half-year ended 31 March 2026 | Of (A) amount written off during the half year ended 31 March 2026 | Of (A) amount paid by the borrowers during the half-year # | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at as at 31 March 2026 |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Personal Loans <sup>^</sup> | 67.04                                                                                                                          | -                                                                                     | -                                                                  | 18.10                                                      | 48.94                                                                                                                            |
| Corporate Persons*          | -                                                                                                                              | -                                                                                     | -                                                                  | -                                                          | -                                                                                                                                |
| Of which, MSMEs             | -                                                                                                                              | -                                                                                     | -                                                                  | -                                                          | -                                                                                                                                |
| Others                      | -                                                                                                                              | -                                                                                     | -                                                                  | -                                                          | -                                                                                                                                |
| <b>Total</b>                | <b>67.04</b>                                                                                                                   | <b>-</b>                                                                              | <b>-</b>                                                           | <b>18.10</b>                                               | <b>48.94</b>                                                                                                                     |

<sup>^</sup> Resolution plan have been implemented under RBI's Resolution Framework 2.0 dated May 5, 2021.

\* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.

# includes only principal amount paid by the borrower.

(b) Information as required in terms of RBI circular no. RBI/2021-22/32 DOR.STR. REC.12/21.04.048/2021-22 dated 5 May 2021 issued by the RBI.

| No. of accounts restructured | Amount (₹ in million) |
|------------------------------|-----------------------|
| Nil                          | Nil                   |

72 Pursuant to RBI circular dated 12 November 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances - Clarifications", the Company is compliant with the norms/changes for regulatory reporting, as applicable.

73 Disclosure of Liquidity Risk as on March 31, 2026 as required under RBI notification DOR.NBFC (HFC).CC.No.118/03.10.136/2020-21 dated October 22, 2020

i) Funding Concentration based on significant counterparty<sup>1</sup>

| No. of significant Counterparties | (₹ in lakhs) | % of Total Deposits | % of Total Liabilities <sup>3</sup> |
|-----------------------------------|--------------|---------------------|-------------------------------------|
| 2                                 | 13,064.18    | N.A                 | 23.28%                              |

ii) Top 20 large deposits

Nil. The Company is registered with NHB as Non Deposit accepting HFC.

iii) Top 10 borrowings

|                                                               |           |
|---------------------------------------------------------------|-----------|
| Total amount of top 10 borrowings (₹ in lakhs)                | 41,836.94 |
| Percentage of amount of top 10 borrowings to total borrowings | 75.36%    |

iv) Funding concentration based on significant instrument/product<sup>2</sup>

| Name of instrument/product | As at 31 March 2026 | % of Total Liabilities <sup>3</sup> |
|----------------------------|---------------------|-------------------------------------|
| Term Loans (₹ in lakhs)    | 55,518.94           | 98.93%                              |

**HAS RURAL HOUSING & MORTGAGE FINANCE LIMITED****NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026****(₹ in lakhs)****v) Stock Ratio**

| <b>Particulars</b>                                                                                        | <b>As at<br/>31 March 2026</b> |
|-----------------------------------------------------------------------------------------------------------|--------------------------------|
| Commercial paper as a percentage of total liabilities                                                     | N.A.                           |
| Commercial paper as a percentage of total assets                                                          | N.A.                           |
| Non convertible debentures (original maturity of less than one year) as a percentage of total liabilities | N.A.                           |
| Non convertible debentures (original maturity of less than one year) as a percentage of total assets      | N.A.                           |
| Other short term liabilities as a percentage of total liabilities <sup>3</sup>                            | 26.58%                         |
| Other short term liabilities as a percentage of total public funds <sup>4</sup>                           | 26.86%                         |
| Other short term liabilities as a percentage of total assets                                              | 20.01%                         |

**vi) Institutional set-up for liquidity risk management**

Refer Note No. 44.2 to the financials statements.

**Notes:**

1. Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No. 102/ 03.10.001/ 2019-20 dated November 4, 2019 on 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies'.
2. Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies'.
3. Total liabilities represents total liabilities as per balance sheet.
4. Public funds are as defined in Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021.

**74 Disclosures required in terms of section C.1 of the Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 dated 28 November 2025 are mentioned as below:**

**74.1 Disclosure of restructured accounts**

**For the year ended 31 March 2026**

| Type of Restructuring - others                                                                                                                                                                                               |                     | Asset classification |              |          |      |       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------|--------------|----------|------|-------|
|                                                                                                                                                                                                                              |                     | Standard             | Sub-Standard | Doubtful | Loss | Total |
| Restructured Accounts as on April 1 of the FY (opening figures)                                                                                                                                                              | No. of borrowers    | 15                   | -            | -        | -    | 15    |
|                                                                                                                                                                                                                              | Amount outstanding  | 85.19                | -            | -        | -    | 85.19 |
|                                                                                                                                                                                                                              | Provision thereon # | 8.94                 | -            | -        | -    | 8.94  |
| Fresh restructuring during the year                                                                                                                                                                                          | No. of borrowers    | -                    | -            | -        | -    | -     |
|                                                                                                                                                                                                                              | Amount outstanding  | -                    | -            | -        | -    | -     |
|                                                                                                                                                                                                                              | Provision thereon # | -                    | -            | -        | -    | -     |
| Upgradations to restructured standard category during the FY                                                                                                                                                                 | No. of borrowers    | -                    | -            | -        | -    | -     |
|                                                                                                                                                                                                                              | Amount outstanding  | -                    | -            | -        | -    | -     |
|                                                                                                                                                                                                                              | Provision thereon # | -                    | -            | -        | -    | -     |
| Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY | No. of borrowers    | -                    | -            | -        | -    | -     |
|                                                                                                                                                                                                                              | Amount outstanding  | -                    | -            | -        | -    | -     |
|                                                                                                                                                                                                                              | Provision thereon # | -                    | -            | -        | -    | -     |
| Downgradations of restructured accounts during the FY                                                                                                                                                                        | No. of borrowers    | -                    | -            | -        | -    | -     |
|                                                                                                                                                                                                                              | Amount outstanding  | -                    | -            | -        | -    | -     |
|                                                                                                                                                                                                                              | Provision thereon # | -                    | -            | -        | -    | -     |
| Write-offs / Settlements / Recoveries of restructured accounts during the FY                                                                                                                                                 | No. of borrowers    | 6                    | -            | -        | -    | 6     |
|                                                                                                                                                                                                                              | Amount outstanding  | 36.25                | -            | -        | -    | 36.25 |
|                                                                                                                                                                                                                              | Provision thereon # | 4.94                 | -            | -        | -    | 4.94  |
| Restructured Accounts as on March 31 of the FY (closing figures)                                                                                                                                                             | No. of borrowers*   | 9                    | -            | -        | -    | 9     |
|                                                                                                                                                                                                                              | Amount outstanding  | 48.94                | -            | -        | -    | 48.94 |
|                                                                                                                                                                                                                              | Provision thereon # | 4.00                 | -            | -        | -    | 4.00  |

**For the year ended 31 March 2025**

| Type of Restructuring - others                                                                                                                                                                                               |                     | Asset classification |              |          |      |       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------|--------------|----------|------|-------|
|                                                                                                                                                                                                                              |                     | Standard             | Sub-Standard | Doubtful | Loss | Total |
| Restructured Accounts as on April 1 of the FY (opening figures)                                                                                                                                                              | No. of borrowers    | 16                   | -            | -        | -    | 16    |
|                                                                                                                                                                                                                              | Amount outstanding  | 95.09                | -            | -        | -    | 95.09 |
|                                                                                                                                                                                                                              | Provision thereon # | 13.39                | -            | -        | -    | 13.39 |
| Fresh restructuring during the year                                                                                                                                                                                          | No. of borrowers    | -                    | -            | -        | -    | -     |
|                                                                                                                                                                                                                              | Amount outstanding  | -                    | -            | -        | -    | -     |
|                                                                                                                                                                                                                              | Provision thereon # | -                    | -            | -        | -    | -     |
| Upgradations to restructured standard category during the FY                                                                                                                                                                 | No. of borrowers    | -                    | -            | -        | -    | -     |
|                                                                                                                                                                                                                              | Amount outstanding  | -                    | -            | -        | -    | -     |
|                                                                                                                                                                                                                              | Provision thereon # | -                    | -            | -        | -    | -     |
| Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY | No. of borrowers    | -                    | -            | -        | -    | -     |
|                                                                                                                                                                                                                              | Amount outstanding  | -                    | -            | -        | -    | -     |
|                                                                                                                                                                                                                              | Provision thereon # | -                    | -            | -        | -    | -     |
| Downgradations of restructured accounts during the FY                                                                                                                                                                        | No. of borrowers    | -                    | -            | -        | -    | -     |
|                                                                                                                                                                                                                              | Amount outstanding  | -                    | -            | -        | -    | -     |
|                                                                                                                                                                                                                              | Provision thereon # | -                    | -            | -        | -    | -     |
| Write-offs / Settlements / Recoveries of restructured accounts during the FY                                                                                                                                                 | No. of borrowers    | 1                    | -            | -        | -    | 1     |
|                                                                                                                                                                                                                              | Amount outstanding  | 9.90                 | -            | -        | -    | 9.90  |
|                                                                                                                                                                                                                              | Provision thereon # | 4.45                 | -            | -        | -    | 4.45  |
| Restructured Accounts as on March 31 of the FY (closing figures)                                                                                                                                                             | No. of borrowers    | 15                   | -            | -        | -    | 15    |
|                                                                                                                                                                                                                              | Amount outstanding  | 85.19                | -            | -        | -    | 85.19 |
|                                                                                                                                                                                                                              | Provision thereon # | 8.94                 | -            | -        | -    | 8.94  |

Note:

1. No. of borrower represents cumulative no. of accounts restructured having outstanding as on date

2. Amount outstanding is Including MRR portion on assigned loans.

3. Since the disclosure of restructured advance account pertains to section 'Others', the first two sections, namely, 'Under CDR Mechanism' and 'Under SME Debt Restructuring Mechanism' as per format prescribed in the guidelines are not included above.

# Provisions considered as per ECL.

**75** Figures of previous reporting periods have been regrouped / reclassified, wherever necessary, to correspond with the figures of the current reporting period.



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## NOTICE

**NOTICE** is hereby given that the Nineteenth (19<sup>th</sup>) Annual General Meeting (AGM) of the members of **MRHMFL Rural Housing & Mortgage Finance Limited** will be held at 11:00 am, on Wednesday, the 26<sup>th</sup> day of August, 2026 at 5<sup>th</sup> Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad – 380 009 to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the year ended March 31, 2026 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity and preference shares.
3. To appoint a Director in place of Mrs. Darshana Pandya, (DIN 07610402), liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS:

4. To regularize the appointment of Mr. Dhvanil K Gandhi (DIN: 10562922) as the Director of the Company.

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

**"RESOLVED THAT** pursuant to the provisions of Section 152, 160, 161(1) and all other applicable provisions of the Companies Act, 2013 ("Act") read with rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) along with recommendation of Nomination and Remuneration Committee of the Company and approval of the Board of Directors of the Company and prior approval of the Reserve Bank of India received vide letter dated April 23, 2026, subject to completion of all the statutory compliances and requirements, the approval of the Members of the Company be and is hereby accorded for the appointment of Mr. Dhvanil Gandhi (DIN: 10562922), who has signified his consent in Form DIR-2, as Director of the Company with effect from April 29, 2026 and whose office is liable to retire by rotation.

**RESOLVED FURTHER THAT** any one of the Directors of the Company or the Company Secretary of the Company be and are hereby individually authorized to do all such acts, deeds, matters, steps and things as it may deem necessary to give effect to the above-mentioned resolution."

5. To appoint Mr. Dhvanil K Gandhi (DIN: 10562922) as the Whole – time Director of the Company:

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or reenactment thereof for the time being in force) and the Articles of Association of the Company, and in pursuance to recommendation of Nomination and Remuneration Committee of the Company and approval of the Board of Directors of the Company and prior approval of the RBI received vide letter dated April 23, 2026, subject to completion of all the statutory compliances and requirements, the approval of the Members of the Company be and is hereby accorded for the appointment of Mr. Dhvanil Gandhi (DIN: 10562922), who has signified his consent in Form DIR-2, as the Whole-time Director of the Company for a period of 5 years with effect from April 29, 2026 and whose office is liable to retire by rotation.

**RESOLVED FURTHER THAT** the aggregate amounts of Managerial Remuneration to be paid to Mr. Dhvanil Gandhi (DIN: 10562922) individually which shall be within the overall ceiling limit as laid down in Section 197 and other applicable provisions of the Companies Act, 2013 (as amended from time to time).

**RESOLVED FURTHER THAT** approval of members of the Company be and is hereby given to the Board of Directors of the Company (including Committee thereof) to make any further revision in the remuneration payable to Mr. Dhvanil Gandhi during the tenure of his appointment which shall be within the overall ceiling limits as laid down in Section 197 and other applicable provisions of the Companies Act, 2013 and any amendments thereof.

**RESOLVED FURTHER THAT** any one of the Directors of the Company or Company Secretary of the Company be and are hereby individually authorized to file necessary forms with the office of Registrar of Companies and to do all such acts, deeds and things as may be required in order to give effect to the above resolution. "



6. To regularize the appointment of Mr. Vishal Nagendra Vasu (DIN: 02460597) as the Non-Executive Independent Director of the Company.

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

**"RESOLVED THAT** pursuant to provisions of sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ('the Act'), including the Rules made thereunder read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Vishal Nagendra Vasu (DIN: 02460597) who was appointed by the Board of Directors, based on the recommendation of Nomination and Remuneration Committee, as an Additional Director under section 161(1) of the Act and Articles of Association of the Company, and whose term of office expires at this General Meeting and who is eligible for appointment as an Independent Director and in respect of whom Company has received recommendation from the Nomination and Remuneration Committee and notice in writing from a member of the Company pursuant to section 160 of the Act has been received in the prescribed manner, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years, effective from October 29, 2025.

**RESOLVED FURTHER THAT** any one of the Executive Directors of the Company or Company Secretary of the Company be and are hereby individually authorized to file necessary forms with the office of Registrar of Companies and to do all such acts, deeds and things as may be required in order to give effect to the above resolution. "

**By order of the Board**

Place : **Ahmedabad**  
Date : **July 22, 2026**

**Darshil Hiranandani**  
**Company Secretary**  
**(A47986)**

**NOTES:**

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

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

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

Subject to the provisions of Section 126 of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the AGM, will be dispatched/remitted commencing on or after August 26, 2026.

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

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

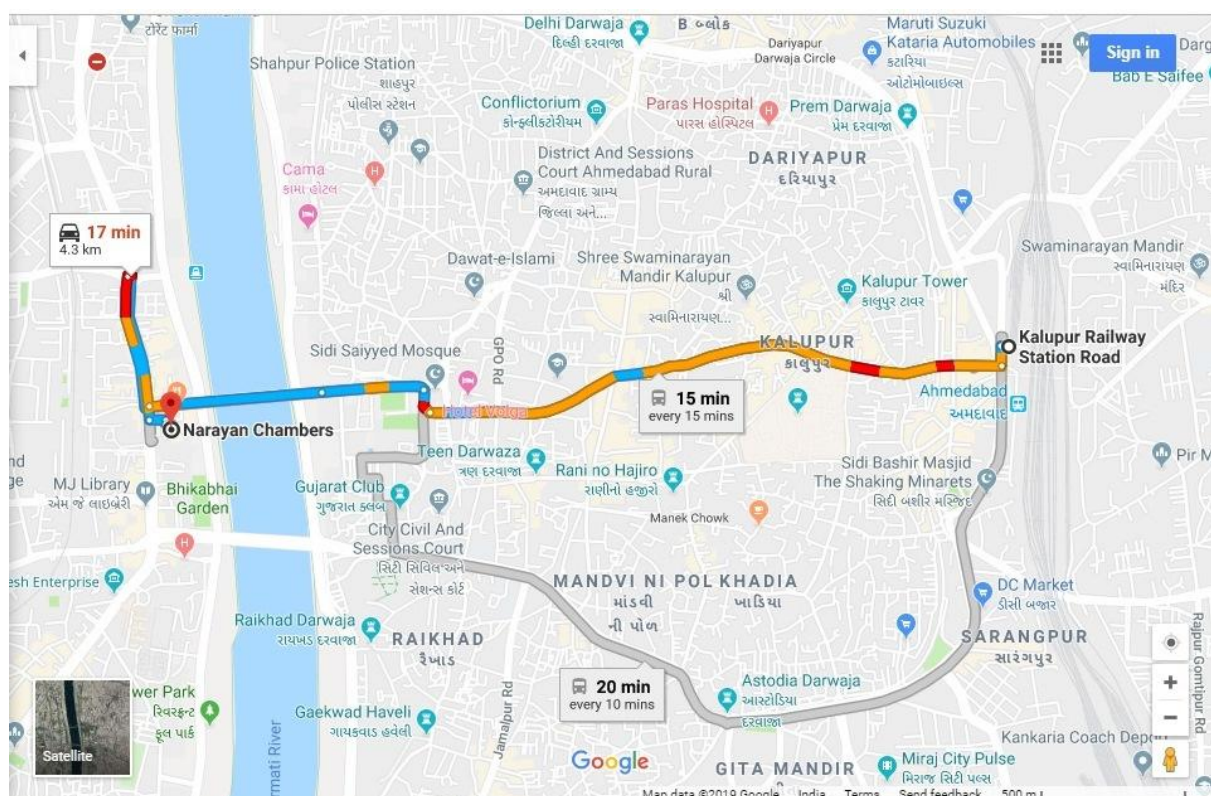
The Notice and the Annual Report of the Company for the financial year 2025-26 are being sent to the Members in accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014.

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

The Annual Report 2025-26 of the Company is also available on the Company's website at [www.mrhmf.co.in](http://www.mrhmf.co.in)

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

### Route Map to the Venue of AGM:



## **ANNEXURE TO THE NOTICE**

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

**As required under Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 4, 5 and 6:**

### **Item No. 4 & 5**

**To appoint Mr. Dhvanil Gandhi (DIN: 10562922) as the Whole-Time Director of the Company:**

Pursuant to the prior approval received from the Reserve Bank of India vide letter dated April 23, 2026 and on the recommendation of Nomination and Remuneration Committee in their meeting held on January 21, 2026 of the Company, the Board of Directors of the Company in their meeting held on April 29, 2026 has appointed Mr. Dhvanil Gandhi (DIN: 10562922) as the Additional Director of the Company, subject to the approval of the members in this Annual General Meeting with effect from April 29, 2026, whose office is liable to retire by rotation. As per Section 161 of the Companies Act, 2013, an additional director shall hold office up to the date of the next general meeting or the last date on which the annual general meeting should have been held, whichever is earlier.

Further, your Company is 18 years old Housing Finance Company with an immaculate track record. As it ushers in to the next phase of growth, strengthening the Board and Management team assumes paramount importance. In consideration of the same, the Nomination and Remuneration Committee in its meeting held on January 21, 2026 has conducted a thorough evaluation and assessment of Mr. Dhvanil Gandhi and concluded that he has demonstrated exceptional skills and commitment which is suitable for the position of Whole Time Director in the Company.

Mr. Dhvanil Gandhi holds a Bachelor's degree in business administration from prestigious Ahmedabad University - Ahmedabad. He has obtained postgraduate degree from a very renowned institute namely ISB (Indian School of Business - Hyderabad) during which he had an opportunity to participate in programs at Kellogg School of Management, Northwestern University - USA, and IE Business School at Madrid, Spain. He had also attended the summer training programme on Strategic Management at LSE - London School of Economics and a program on Cross-Cultural Communication & Management at NUS - National University of Singapore.

Over the last decade, he has been engaged in key roles alongside the core team of the Holding Company and has gained hands-on experience in various aspects of the business and besides demonstrating a strong succession plan for the Company; his induction will further strengthen the Board of the Company. As per the recommendation of the Nomination and Remuneration



Committee and pursuant to the prior approval received from the Reserve Bank of India vide letter dated April 23, 2026, the Board of Directors in their meeting held on April 29, 2026 has appointed Mr. Dhvanil Gandhi (DIN: 10562922) as the Whole Time Director of the Company for a period of 5 years with effect from April 29, 2026, subject to approval of Members at the this Annual General Meeting of the Company, on such terms and conditions as set out in this item of the Notice and as per agreement executed between Mr. Dhvanil Gandhi and the Company and whose office shall be liable to retire by rotation.

Disclosure under Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure – 1 to the Explanatory Statement.

Mr. Dhvanil Gandhi and Mr. Kamlesh Gandhi are deemed to be interested in the resolution. None of the other Directors or Key Managerial Personnel or their relatives are in any way concerned or interested in the proposed resolution.

The Board recommends the resolutions set forth in the Item Nos. 4 and 5 of the Notice for approval of the Members.

#### **Item No.6**

In the View of the scheduled retirement of the Independent Director, Mr. Subir Nag, it was necessary to appoint a new Independent Director in compliance with the provisions of the Companies Act, 2013 and the rules made thereunder. The Board with a view to strengthen the Board with professionals from diversified background and including technical background specifically, at its meeting held on October 29, 2025, subject to approval of shareholders, based on the recommendation of the Nomination and Remuneration Committee ('NRC'), appointed Mr. Vishal Vasu as an Additional Non-Executive Independent Director with effect from October 29, 2025 for a term of five consecutive years.

The Nomination and Remuneration Committee, inter alia, has identified experience in the field of IT Industry including expertise in software development, cybersecurity and information management as the skills and capabilities required for the role. Considering the profile and experience of Mr. Vishal Vasu, the Nomination and Remuneration Committee and the Board is of the view that he meets the above skills and capabilities.

Mr. Vishal Vasu is not disqualified from being appointed as a director in terms of section 164 of the Companies Act, 2013 (the 'Act'). He has confirmed that he is not debarred from holding the office of Director by virtue of any order from SEBI or any such authority and has given his consent to act as Director of the Company.

The Company has also received declaration from him that he meets the criteria of independence as prescribed, both, under section 149(6) of the Act.

In the opinion of the Board, Mr. Vishal Vasu fulfils the conditions for appointment as an Independent Director as specified in the Act and is independent of the Management.

In connection with the aforementioned, a notice in writing in the prescribed manner as required by section 160 of the Act and rules made thereunder has been received by the Company, regarding candidature of Mr. Vishal Vasu for the office of the Director. The copy of letter of appointment issued to Mr. Vishal Vasu setting out the terms and conditions of his appointment is available electronically for inspection by the members.

None of the Directors or Key Managerial Personnel or their relatives, except Mr. Vishal Vasu is directly or indirectly concerned or interested, financially or otherwise, except to the extent of his shareholding, if any, in the Company in the proposed resolution.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail his services. Accordingly, consent of the Members is sought for passing Ordinary Resolution as set out in this Notice for appointment of Mr. Vishal Vasu as Independent Director of the Company.



## ANNEXURE TO THE EXPLANATORY STATEMENT

### INFORMATION AS REQUIRED IN TERMS OF THE SECRETARIAL STANDARD ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA CERTAIN ADDITIONAL DISCLOSURES IN RESPECT OF DIRECTORS BEING REAPPOINTED / APPOINTED:

#### Annexure – 1

| Particulars                                                                 | Appointment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of the Director                                                        | Mr. Dhvanil K. Gandhi                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| DIN                                                                         | 10562922                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Date of birth                                                               | July 03, 1993                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Age                                                                         | 33 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Qualification                                                               | He holds Bachelor's degrees in Business Administration from Ahmedabad University and a Postgraduate from ISB (Indian School of Business) – Hyderabad. He has attended programs at Kellogg School of Management, Northwestern University- USA and IE Business School at Madrid, Spain. He also attended the summer training programme on Strategic Management at LSE-London School of Economics and a program on Cross-Cultural Communication & Management at NUS -National University of Singapore.                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Experience (including expertise in specific functional area) / Brief Resume | Mr. Dhvanil Gandhi is associated with the Holding Company since April 2014 and over the last 10 years he has gained deep insights and hands-on expertise in all the departments and various aspects of the business of the Holding Company. Over the last decade, he has been engaged in key roles alongside the core team of the company and has gained hands-on experience in various aspects of the business. He has to his credit having developed the SME lending vertical of the company through its branches across India. He is also actively involved in the insurance business of the company especially for the captive borrowers and the company has also applied for the insurance broking license under his leadership to cater to larger spectrum of the customers thereby being catalyst in increasing the much needed insurance penetration in the county. He is enthusiastic about staying informed and up to date on |

|                                                                                                                      |                                                                                                                                                                                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                      | various technological innovations in the industry, actively engaging with the team to introduce them to the company. He regularly engages with domestic and international investors and appraises them on the various developments and future growth prospects of the company. |
| Nature of his expertise in specific functional areas                                                                 | Finance & Management                                                                                                                                                                                                                                                           |
| Terms and Conditions of Re-appointment                                                                               | Mr. Dhvanil Gandhi is appointed as the Whole Time Director in the meeting of the Board of Directors held on April 29, 2026 for a period of 5 years subject to approval of the members of the Company in the ensuing Annual General Meeting of the Company.                     |
| Remuneration last drawn                                                                                              | Nil - Cross Charge Agreement with Holding Company.                                                                                                                                                                                                                             |
| Designation                                                                                                          | Whole-time Director                                                                                                                                                                                                                                                            |
| Remuneration proposed to be paid                                                                                     | Nil - Cross Charge Agreement with Holding Company.                                                                                                                                                                                                                             |
| Date of first appointment on the Board                                                                               | April 29, 2026                                                                                                                                                                                                                                                                 |
| Shareholding in the company                                                                                          | Nil                                                                                                                                                                                                                                                                            |
| Relationship with other Directors/Manager and other Key Managerial Personnel of the Company                          | He belongs to the promoter group and is Son of Mr. Kamlesh Gandhi – Promoter, Chairman & Managing Director of the Company.                                                                                                                                                     |
| Number of Meetings of the Board attended during the year 2025-26                                                     | Not applicable                                                                                                                                                                                                                                                                 |
| Names of listed entities in which the person also holds the Directorships (excluding this Company)                   | MAS Financial Services Limited                                                                                                                                                                                                                                                 |
| Names of listed entities in which the person also holds Membership of Committees of Board.* (excluding this company) | Nil                                                                                                                                                                                                                                                                            |
| Chairman / Directorship of other companies                                                                           | MAS Financial Services Limited                                                                                                                                                                                                                                                 |
| Names of companies along with listed entities in which person has resigned in the past three years.                  | Not Applicable                                                                                                                                                                                                                                                                 |



|                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Skills and capabilities required for the role and the manner in which the proposed person meets such requirements | Besides demonstrating a strong succession plan for the Company, the induction of Mr. Dhvanil Gandhi will further strengthen the board. With already a decade of experience on his side in Holding Company along with the confidence and passion to take the company to the next level of growth in consistence to its philosophy of "Excellence through Endeavours" his induction will be a strong enabler for adding value to all its stake holders on a very large scale. |
| Justification for choosing the appointee for appointment as Whole-Time Director                                   | As mentioned in the explanatory statement.                                                                                                                                                                                                                                                                                                                                                                                                                                  |

\*Committee includes Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee across all Listed Companies including this company.

## **Annexure – 2**

| <b>Particulars</b>                                                          | <b>Appointment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of the Director                                                        | Mr. Vishal Nagendra Vasu                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| DIN                                                                         | 02460597                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Date of birth                                                               | January 26, 1972                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Age                                                                         | 54 Years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Qualifications                                                              | <ul style="list-style-type: none"> <li>▪ Bachelor in Commerce</li> <li>▪ Certified Cyber Forensics Consultant</li> <li>▪ Microsoft Certified IT Professional (MCITP)</li> <li>▪ Microsoft Certified Technology Specialist (MCTS)</li> <li>▪ Microsoft Certified Solutions Experts (MCSE)</li> <li>▪ Microsoft Certified Solutions Associate (MCSA)</li> <li>▪ Microsoft Certified System Engineer)</li> </ul> <p>Bachelor in Commerce and Diploma in Management of E-Business</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Experience (including expertise in specific functional area) / Brief Resume | <p>Mr. Vishal Vasu is a certified technology specialist on Microsoft platforms and carries a diploma of Management in E-Business. He is holding a rich experience and expertise in the field of IT Industry with a focus on Research &amp; Development activities, innovative ecosystem, Information Technology function, architecture designs, software technology, and cybersecurity, fortifying project development and propelling business growth. He is having over 2 decades of expertise in systems engineering, software development, and information management. His accolades as a certified technology specialist on Microsoft platforms and a certified Cybersecurity Expert attest to his unwavering commitment to excellence. He is currently associated with Dev Information Technology Limited and MINDDEFFT Technologies Private Limited as a Director on the Board of the Companies. He is a frequent speaker, publication contributor and an avid blogger on information technology. His articles have been published in a variety of publications.</p> |
| Nature of his expertise in specific functional areas                        | Information Technology Industry                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Terms and Conditions of appointment                                         | As details mentioned in the explanatory statement of the Notice of the Postal Ballot.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Remuneration last drawn                                                     | Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |



|                                                                                                                      |                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Designation                                                                                                          | Non-Executive Independent Director                                                                                                                                                                                                                                                                        |
| Remuneration proposed to be paid                                                                                     | Not applicable; he will be paid sitting fees.                                                                                                                                                                                                                                                             |
| Date of first appointment on the Board                                                                               | October 29, 2025                                                                                                                                                                                                                                                                                          |
| Shareholding in the company                                                                                          | Nil                                                                                                                                                                                                                                                                                                       |
| Relationship with other Directors/Manager and other Key Managerial Personnel of the Company                          | Not applicable                                                                                                                                                                                                                                                                                            |
| Number of Meetings of the Board attended during the year 2025-26                                                     | One                                                                                                                                                                                                                                                                                                       |
| Names of listed entities in which the person also holds the Directorships (excluding this Company)                   | 1. Dev Information Technology Limited (Whole-time Director)<br>2. MAS Financial Services Limited (Independent Director)                                                                                                                                                                                   |
| Names of listed entities in which the person also holds Membership of Committees of Board.* (excluding this company) | 1. Nomination & Remuneration Committee (MAS Financial Services Limited)                                                                                                                                                                                                                                   |
| Chairman / Directorship of other companies                                                                           | 1. Dev Information Technology Limited<br>2. MINDDEFFT Technologies Private Limited<br>3. MAS Financial Services Limited                                                                                                                                                                                   |
| Names of companies along with listed entities in which person has resigned in the past three years.                  | Not Applicable                                                                                                                                                                                                                                                                                            |
| Skills and capabilities required for the role and the manner in which the proposed person meets such requirements    | He has a rich experience and expertise in the field of IT Industry with a focus on Research & Development activities, innovative ecosystem, Information Technology function, architecture designs, software technology, and cybersecurity, fortifying project development and propelling business growth. |
| Justification for choosing the appointee for appointment as Independent Director                                     | The Nomination and Remuneration Committee of the Company has identified experience in the field of IT Industry including expertise in software development, cybersecurity and information management as the skills and capabilities required for the role as an Independent Director.                     |

\*Committee includes Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee across all Listed Companies including this company.



**Form No. MGT-11**

**Proxy form**

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

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

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

- |                  |                                  |
|------------------|----------------------------------|
| 1. Name: _____   | Address: _____                   |
| E-mail Id: _____ | Signature: _____ or failing him; |
| 2. Name: _____   | Address: _____                   |
| E-mail Id: _____ | Signature: _____ or failing him; |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 19<sup>th</sup> Annual General Meeting of members of the Company, to be held on Wednesday, August 26, 2026 at 5<sup>th</sup> Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad – 380 009 of the Company at 11:00 am and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sr. No. | Brief details of the Resolutions                                                                                                                                                                                   |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | Adoption of the Audited Financial Statements and Reports of the Board of Directors and the Auditors thereon for the year ended March 31, 2026.                                                                     |
| 2.      | To declare dividend on equity and preference shares.                                                                                                                                                               |
| 3.      | To appoint a Director in place of Mrs. Darshana Pandya, (DIN 07610402), liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers herself for re-appointment. |
| 4.      | To regularize the appointment of Mr. Dhvanil K Gandhi (DIN: 10562922) as the Director of the Company.                                                                                                              |
| 5.      | To appoint Mr. Dhvanil K Gandhi (DIN: 10562922) as the Whole – time Director of the Company:                                                                                                                       |
| 6.      | To regularize the appointment of Mr. Vishal Nagendra Vasu (DIN: 02460597) as an Non-Executive Independent Director of the Company.                                                                                 |

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2026.

Signature of Shareholder:

Signature of Proxy holder(s):

|                           |
|---------------------------|
| Affix<br>Revenue<br>Stamp |
|---------------------------|



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**Note:**

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
2. **A proxy need not be a member of the Company.**
3. \*For the Resolutions, and Notes, please refer to the Notice of the 19<sup>th</sup> Annual General Meeting. It is optional to put a "√" in the appropriate column against the Resolutions indicated in the box. If you leave the "For", "Against" or "Abstain" column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/ she thinks appropriate.



**ATTENDANCE SLIP – 19<sup>th</sup> AGM**  
**(To be handed over at the entrance of Meeting Hall)**

|                                        |  |
|----------------------------------------|--|
| Regd. Folio /DP ID & Client ID         |  |
| Name and Address of the Shareholder(s) |  |
| Joint Holder 1<br>Joint Holder 2       |  |
| No. of Shares                          |  |

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the NINETEENTH ANNUAL GENERAL MEETING of the Company at Wednesday, August 26, 2026 at the 5<sup>th</sup> Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad – 380 009 of the Company at 11:00 am.

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

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