



ESG Report **2023-24**

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About the Report

(GRI 2-3, 2-4, 2-5)

PURPOSE

Driven by the rising demand for transparency in sustainability information, this report emphasises our unwavering commitment to meticulously measuring and communicating our sustainability risks, opportunities, and performance. It provides a comprehensive overview of how we integrate sustainability into our strategy, decisions, initiatives, practices, and actions. Our reporting practices are designed to inform our business strategies, facilitate community and stakeholder dialogues and guide investor decision-making. Alongside our annual report, this document offers insights into our value creation process for society, the natural environment, and other stakeholders.

CONTENT AND FRAMEWORK

The data presented in this report is sourced from various corporate functions. All calculations and underlying assumptions have been explained throughout the report, where applicable. The financial data provided is aligned with the audited financial data published in our annual report for 2023-24. The data pertaining to social and environmental indicators and KPIs have been compiled from the central data system.

REPORTING SCOPE AND BOUNDARY

The report includes data from all operational locations of MAS Financial Services Limited in India. This marks the second year of publishing an Environmental, Social,

and Governance (ESG) report. Covering the period from 1st January, 2023 to 31st December, 2023, this report is consistent with the consolidated financial statements.

DATA ASSURANCE

The ESG data in this report has undergone a rigorous internal review and is subject to robust internal controls to ensure integrity, accuracy, and reliability. The data has been reviewed and approved by the Board. Though it has not been externally assured, we plan to implement external assurance in the coming reporting cycles.

RESTATEMENT OF INFORMATION

Restatement occurs when it is learned that the previously reported information needs to be revised. Where applicable, these changes have been clearly noted as footnotes in the report and on the respective pages.

ADDITIONAL INFORMATION

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

Meet Chande, Assistant Vice President

meet_chande@mas.co.in

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

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Telephone: 079-41106500

Message from Chairman and MD



I am happy to share with our esteemed stakeholders that through well-crafted strategies and raising the overall organisational capability, we could harness the opportunities thrown by the growing Indian Economy.

Dear stakeholders,

Presenting our 2nd ESG report for the FY 2023-24 based on Global Reporting Initiative (GRI) Standards is a matter of utmost satisfaction as it showcases our unwavering commitment to ESG principles which helped us reach new heights in organisational performance. For us ESG is all about creating value to the stakeholders and negotiating change with responsibility towards stakeholders. We are happy to share the fact that we have achieved organisation wide deployment of ESG principles and embedded it in the organisational structure, strategies and processes. To accelerate on the path of ESG journey, we have established an ESG committee which is mandated to overseeing all activities related to our ESG commitments.

When we look back, we find that we have adhered to the basics of ESG principles broadly that is why in a journey spanning several decades, we have successfully managed many winds of change. Changes include the business environment, geopolitical conflicts, change in customer preferences and their aspirations, disruptive technologies and changes in industry-specific dynamics.

Amidst the challenging business environment, the Indian Economy has shown its resilience and has a robust growth throwing a multitude of opportunities to the business organisations. The Indian economy, according to IMF estimates, will emerge as the world's third-largest economy

by 2027, as its GDP crosses US\$ 5 trillion. According to the World Bank's India Development Update, the country's GDP is projected to grow at a robust 7% in FY 2024-25, underscoring its position as the fastest-growing major economy in the world. This growth momentum has been consistent, with GDP rising from 7.0% in FY 2022-23 to 8.2% in FY 2023-24. The numbers reflect not only the resilience of India's economy but also the fruits of a well-laid strategy.

I am happy to share with our esteemed stakeholders that through well-crafted strategies and raising the overall organisational capability, we could harness the opportunities thrown by the growing Indian Economy. Our consolidated AUM stood at ₹ 10,721.90 crores as on 31st March, 2024, marking a strong growth of 26.05% year-on-year. On crossing the milestone of ₹ 10,000 crores in consolidated AUM, the Board recommended rewarding shareholders with the issue of Bonus Shares in the proportion of 2:1 in January 2024. The consolidated PAT was ₹ 254.01 crores for FY 2023-24, a robust growth of 23.41% year-on-year. Our subsidiary, MAS Rural Housing & Mortgage Finance Ltd, reported a robust performance for FY 2023-24 with 44.26% growth in AUM to ₹ 596.29 crores and 19.48% growth in PAT to ₹ 7.58 crores, on a year-on-year basis.

GOVERNANCE EXCELLENCE

Our robust corporate governance has earned us the trust of our stakeholders. This trust, in turn, has enabled us to attract investors, customers and the finest talents which goes a long way to strengthen our relationships with our stakeholders and ensure high-impact environmental and

social interventions. We have institutionalised the highest standards of corporate conduct and practices in our day-to-day processes. Additionally, we have been reporting to our shareholders on corporate governance. Empowerment, integrity and safety of our employees is a top priority at MAS Financials. We focus on ensuring a diverse and vibrant work environment, as well as upholding transparency and accountability in all our interactions. To achieve this, we have clearly defined principles, policies, procedures, responsibilities and accountabilities. Addressing governance issues in an effective and transparent manner is a crucial aspect of ensuring accountability. A sound Governance is indispensable to excellence in Economic, Social and Environmental performance. We are increasingly deploying technologies across the organisation to minimise human biases which is an impediment to governance excellence.

ENVIRONMENTAL STEWARDSHIP

The widespread and acknowledged impacts of climate change is one of the biggest global risks which is already showing its devastating impact in the form of unexpected weather change, very high temperature rise and sudden floods. As an ESG committed organisation, we recognise our environmental responsibilities and have strategies in place to promote environmental protection. Embracing renewable energy, particularly solar power, diminishes our reliance on non-renewable resources. We have embarked on a paradigm shift in disbursement of loans, and we are persuading the customers to go for environmentally friendly facilities and products wherever possible. We prioritise the financing of EVs as a key component of our environmentally friendly product portfolio. This commitment is central to the development of our sustainability roadmap.

We are deeply committed to optimising electricity, energy, paper wastages, and water resources to reduce our carbon and water footprints and minimise waste at all physical

locations. Additionally, we strive to adopt renewable energy sources whenever possible. MAS endeavours to raise awareness among all stakeholders about the importance of environmental conservation and protection. We actively promote eco-friendly products across all value chains, reinforcing our commitment to sustainability.

SOCIAL EMPOWERMENT

We are deeply committed to giving back to society through our active involvement in Corporate Social Responsibility (CSR) activities. Our focus is on long-term projects in education, health, sanitation, environment, and welfare to ensure overall well-being. Our dedicated CSR committee, comprising one Executive Director and two Independent Directors, oversees these initiatives, ensuring we make a meaningful and lasting impact on the communities we serve.

To foster the growth and well-being of the communities surrounding us, we actively engage in a diverse range of thoughtfully-curated social programmes. Our focus is on long-term projects in education, health, sanitation, environment, and welfare to ensure overall well-being. These initiatives are specifically tailored to drive meaningful transformations in the regions where we have a presence. Our relentless efforts have resulted in substantial positive impacts touching the lives of countless individuals and families over the fiscal year. We have embarked on a mission to address the financial needs of underserved segments across India. In a win-win situation, MAS has grown substantially by serving the credit needs of mid and low-income groups. During the reporting year, we undertook various community development initiatives, including the MAS Arogya Abhiyan, which benefited 150 individuals, the Shiksha Abhiyan, supporting 9,500 students, the Menstrual Hygiene Programme, reaching 1,500 individuals, and a grain distribution drive that assisted 300 people. Apart from

these, every year, the company provides approximately 5,000 sanitary pads to girls in various villages in Gujarat and also, continuously contribute towards welfare of War Widows' in various aspects.

Our employees are our most valuable asset, driving the company's robust performance. Ensuring their well-being is our top priority. Significant investments in cultivating a culture of learning, innovation, and problem-solving empower our workforce with leadership skills and higher competency. We champion diversity, inclusion, equal opportunity, and employee engagement, fostering a harmonious workplace. Adhering to statutory rules and ethical practices, our Code of Conduct, data privacy policies, and risk management systems safeguard stakeholders' interests. Committed to transparency, we encourage employees to raise concerns about unethical practices.

It is a matter of great satisfaction that we have continued to excel in a challenging business environment and the adverse impact of these challenges was minimised with deployment of new strategies. This has reinforced our belief in the principles of Sustainable Development, and we have redoubled our efforts in further leveraging sustainability to future proof our organisation. We are confident that we will harness the opportunities in future and manage the risks & threats successfully. Our policy of promoting environmentally friendly and energy-efficient products contribute to global efforts to address climate change challenges. I take this opportunity to thank all the stakeholders who are our partners in our journey of sustainable development and assure all the stakeholders that we will continue to add value to our stakeholders as done in the past. We invite feedback and suggestions from our stakeholders to accelerate our journey of sustainable development.

Key Highlights 2024

Highlights	FY 2024	FY 2023
Active loan accounts (as on 31 st March)	8,80,000+	7,58,000+
Revenue	₹ 12,246 million	₹ 9,399 million
Profit After Tax (PAT)	₹ 2,478 million	₹ 2,010 million
AUM	₹ 1,01,256 million	₹ 80,926 million
Employees	1,590	1,154
Total CSR Expenditure	₹ 3.67 million	₹ 2.78 million
Energy Intensity (GJ/mn ₹)	0.876	0.879
Emissions Intensity (tCO ₂ e /mn ₹)	0.1117	0.1125
Digital Onboarding	55%	40%



(Jan 2024 - Jan 2025)



Long-Term Bank Facilities & NCD
rating upgraded to "CARE AA-; Stable



ASSOCHAM 10th MSMEs Excellence
Awards March 2024 –
Best MSME Lending

ESG Rating

ESG PERFORMANCE OF MAS FINANCIAL SERVICES

MAS Financial Services Limited (MAS) has secured a CareEdge-ESG 2 rating with a commendable score of 61.4, reflecting its strong commitment to social and governance initiatives while recognising the need for improvement in environmental sustainability.

Governance Score



GOVERNANCE EXCELLENCE

MAS stands out with an impressive Governance Score of 73.5, exceeding the industry median. The company is noted for its regulatory compliance, strong ESG governance, and a dedicated Board-level ESG committee. Adhering to the majority of the BRSR principles, MAS has fostered a board with high gender diversity and independence, demonstrating leadership in ethical business practices. However, further strengthening of its anti-corruption policies and enhancing whistleblower training could solidify its position as a governance leader in the sector.

Social Score



SOCIAL IMPACT LEADERSHIP

MAS' Social Score of 57.9 highlights its significant strides in financial inclusivity, with 61.3% of borrowers being women and a focus on underserved regions and bottom-of-the-pyramid segments. This has contributed to job creation and economic empowerment in rural areas. However, there are opportunities for MAS to improve on gender diversity within its workforce, address gender pay parity, and introduce employee health and life insurance benefits. By doing so, MAS can further enhance its social performance and human rights practices.

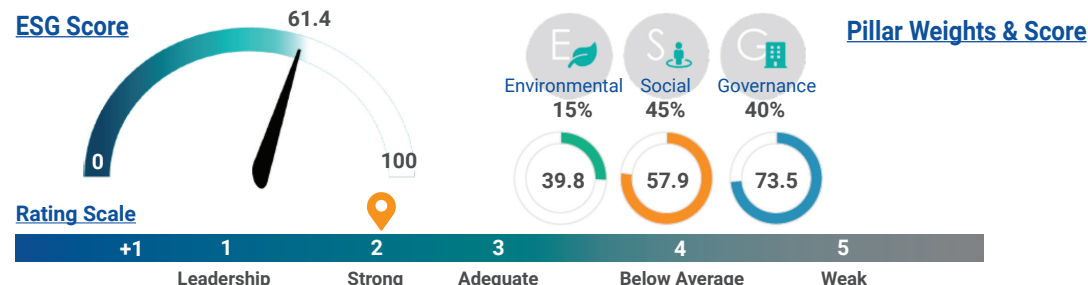
Environment Score



ENVIRONMENTAL PROGRESS AND OPPORTUNITIES

Although environmental impact is less significant for non-banking financial companies, MAS has made strides in green finance initiatives and carbon emissions reduction. The company reduced Scope 1 & 2 emissions and saw impressive growth in its green portfolio (10.5x in FY 2024). MAS has committed to reducing its carbon emissions by another 2% by FY 2025. However, the company must enhance its Scope 3 emissions accounting, track financed emissions, and increase its use of renewable energy to ensure comprehensive environmental impact.

MAS Financial Services Limited	Rating Symbol*	Rating Score	Rating Action
ESG Rating	CareEdge-ESG 2	61.4	Assigned
* Please refer to www.careedgeesa.com for detailed understanding of CareEdge-ESG's rating symbols and definitions.			
Strong position in managing ESG Risk through superior disclosures, policies, and performance			



All scores are on the scale of 0-100

About MAS Financials

(GRI 2-1, 2-2, 2-6)

COMPANY PROFILE

Catered to over 8,80,000+ active loan accounts across more than 12,000+ customer locations.

MAS Financial Services Limited, headquartered in Ahmedabad, India, is a non-banking financial company established in 1995. Registered with the Reserve Bank of India, MAS focusses on delivering financial services to underserved segments in urban, semi-urban, and rural areas across India, addressing the needs of both formal and informal sectors. With over 25 years of experience, MAS has been empowering individuals and enterprises through tailored credit solutions.

MAS Financial Services Limited offers a diversified range of financial products designed to meet the needs of various customer segments. These include Micro Enterprise Loans, SME Loans, Two-Wheeler Loans, Commercial Vehicle Loans, and Salaried Personal Loans. The company serves a diverse customer base, focussing on underserved

segments across both formal and informal sectors. This includes individuals seeking personal loans and vehicle financing, micro and small enterprises needing tailored credit solutions, and medium enterprises requiring financial products for expansion and operational efficiency.

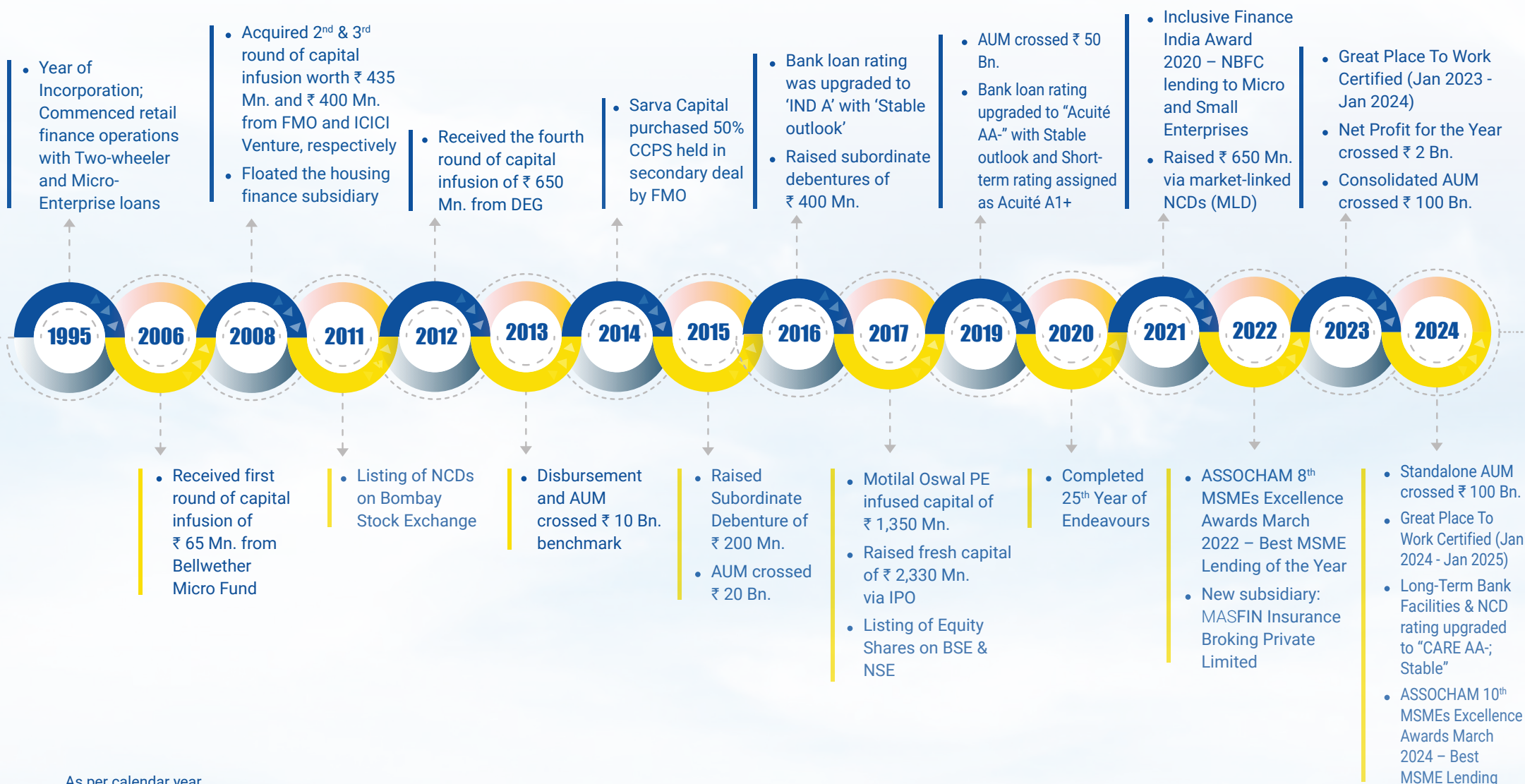
Operating across a wide geographical area in India, MAS Financial Services Limited has a strong presence in urban, semi-urban, and rural regions. The company has a network of 189 branches located in 12 states including Gujarat, Maharashtra, Rajasthan, and Delhi NCR. MAS continuously strives to expand its reach and improve its services to better serve its customers and drive inclusive growth. MAS believes in consistency and steady performance as the fastest paths to achieving enterprise goals. The company is committed to upholding the highest standards of integrity,

customer focus, and innovation. Dedicated to driving inclusive growth, MAS focusses on last-mile credit delivery to underserved regions, leveraging its robust distribution network and partnerships with MFIs, HFCs, and NBFCs. With a commitment to integrity, customer focus, and innovation, the company aims to penetrate the informal financial sector, foster inclusivity, and meet the untapped credit demand in India's hinterlands.

OUR JOURNEY

Since its inception in 1995, the company has made remarkable strides. Over the past 25 years, it has cultivated a strong ethos of excellence, empowering individuals and enterprises with access to suitable credit. The company's strong customer relationships are founded on strict adherence to best practices and an unwavering commitment to quality. Its achievements are a testament to the collective effort and dedication of the team to excellence, consistently meeting and exceeding stakeholder expectations.

Our Journey and Milestones Achieved So Far...

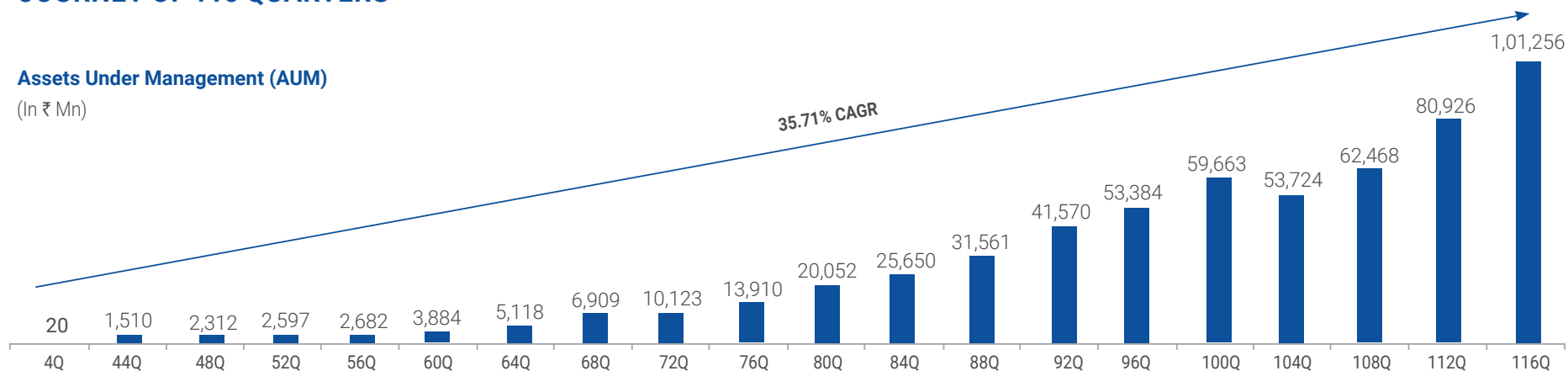


As per calendar year

JOURNEY OF 116 QUARTERS

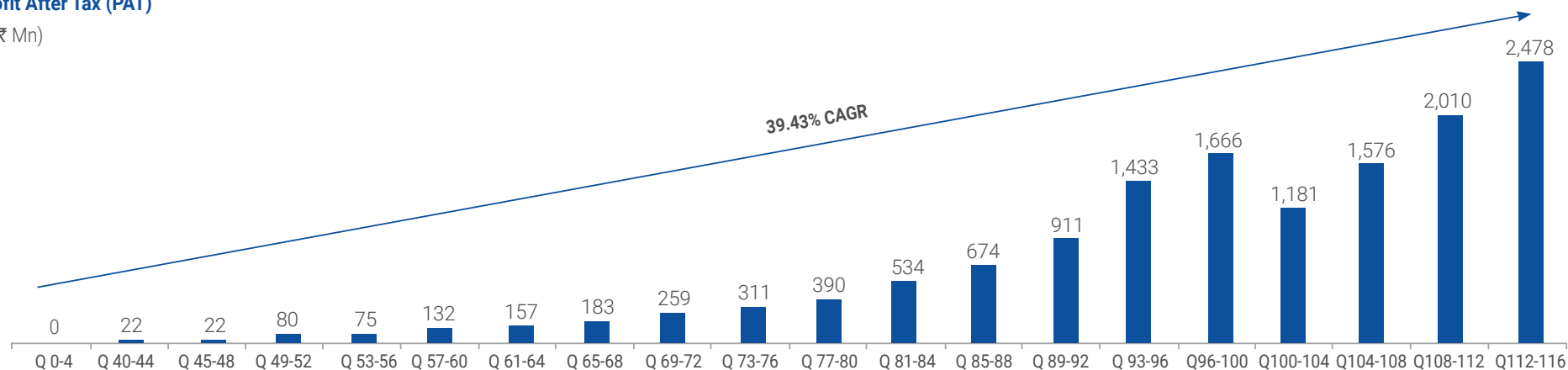
Assets Under Management (AUM)

(In ₹ Mn)



Profit After Tax (PAT)

(In ₹ Mn)



VISION, MISSION & VALUES

Vision of MAS puts emphasis on two things:

- To be one of the most efficient distributors of financial services
- To create value on a very large scale

Mission of MAS puts emphasis on three things:

- To constantly endeavour to attain excellence
- To create a very wide distribution network
- To be a catalyst in providing the most efficient financial services, which we term as financial inclusion

Our core values:

- Empowerment and Collaboration
- Agility and Performance
- Honesty

Belief:

- "We have miles to go & Promises to keep"
- "Together we can and we will"

OPERATION STRATEGY

MAS Financial Services Limited is dedicated to establishing a comprehensive financial network and enhancing its competitiveness. The company focusses on expanding

its reach and integrating advanced technology into its operations. By leveraging partnerships with 182 NBFCs and maintaining a robust network of 189 branches, MAS ensures the delivery of high-quality financial services across urban, semi-urban, and rural areas in India. Specialising in providing financial solutions to underserved segments, MAS caters to both formal and informal sectors.

The company is committed to accelerating its business goals and strengthening its market position through continuous innovation and improvement of its service offerings. MAS aims to replicate its successful financial services model across various regions, ensuring accessibility and convenience for its diverse customer base. By focussing on customer needs and leveraging technology, MAS strives to enhance operational efficiency, reduce turnaround times, and provide tailored financial solutions that drive economic development and financial empowerment. In the future, MAS will continue to deepen its market presence and expand its operations, with the goal of integrating excellent financial practices and fostering inclusive growth across all regions it serves.

BUSINESS NETWORK

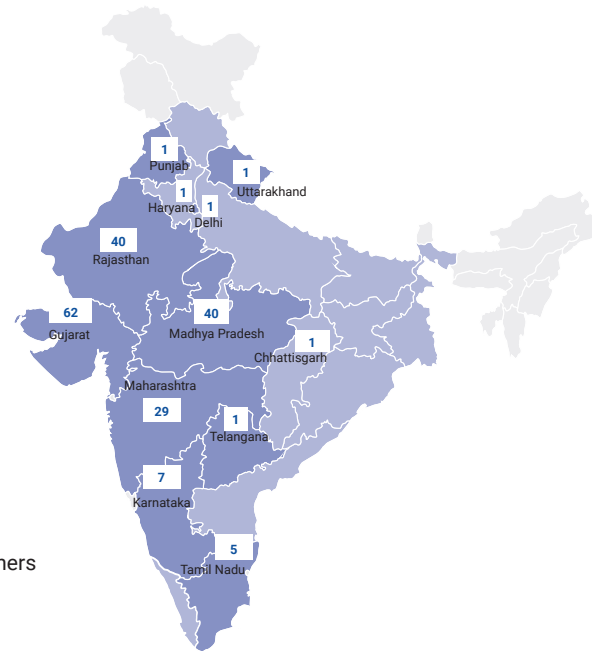
In its ongoing efforts to bring first-class services to the doorsteps of the masses, MAS Financial Services Limited has established numerous branches and service centres. With a network of over 189 branches in major cities across Gujarat, Maharashtra, Rajasthan, Madhya Pradesh, Tamil Nadu, Karnataka, Telangana, Chhattisgarh, Punjab, Haryana, Uttarakhand and Delhi NCR. This extensive network ensures that valued customers receive high-quality service, regardless of their location. Having already established a deeply penetrating network in Gujarat, MAS Financial Services Limited aims to replicate this success in neighbouring states. Managing over 8,80,000+ live loan accounts, the company's reach of more than 12,000+ locations is a testament to its strong credibility in providing loan solutions.

189

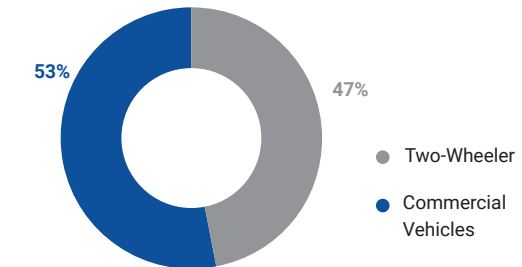
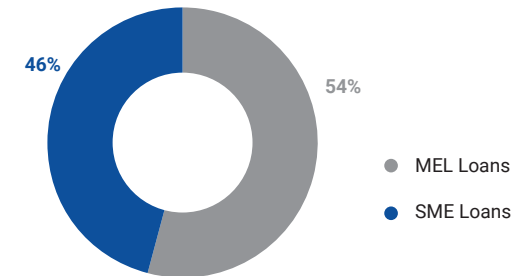
■ Branches

182

■ NBFC Partners



■ Presence through Branches and NBFC Partners
■ Presence through NBFC Partners



BUSINESS PORTFOLIO

Product Category	Description
Micro Enterprise Loans (MEL)	Micro Enterprises primarily include retailers, traders, small manufacturers, and service providers. Tenure up to 36 months. The ticket size of these loans' ranges from ₹ 0.5 lakh to ₹ 10 lakhs.
SME Loans	SMEs primarily include manufacturers, distributors, dealers, and service providers engaged in various industries and loans include working capital loans, loans for machinery and loans to purchase industrial sheds etc. Tenure up to 60 months. The ticket size of these loans' ranges from ₹ 10 lakhs to ₹ 5 crores
Two-Wheeler Loans	Two-wheeler loan primarily include loans to farmers, self-employed, salaried individuals, and professionals etc. Tenure up to 36 months. The ticket size of these loans' ranges from ₹ 25,000 to ₹ 1.50 lakhs.
Commercial Vehicle Loans	CV loans primarily include loans to small road transporters, traders etc. Tenure up to 60 months. The ticket size of loans for the purchase of old/new commercial vehicle ranges from ₹ 1 lakh to ₹ 15 lakhs.
Salaried Personal Loans	Salaried personal loans to salaried individuals of the approved companies to satisfy their personal need. Tenure up to 60 months. It provides loans of up to ₹ 10 lakhs.

MEMBERSHIP ASSOCIATIONS

(GRI 2-28)

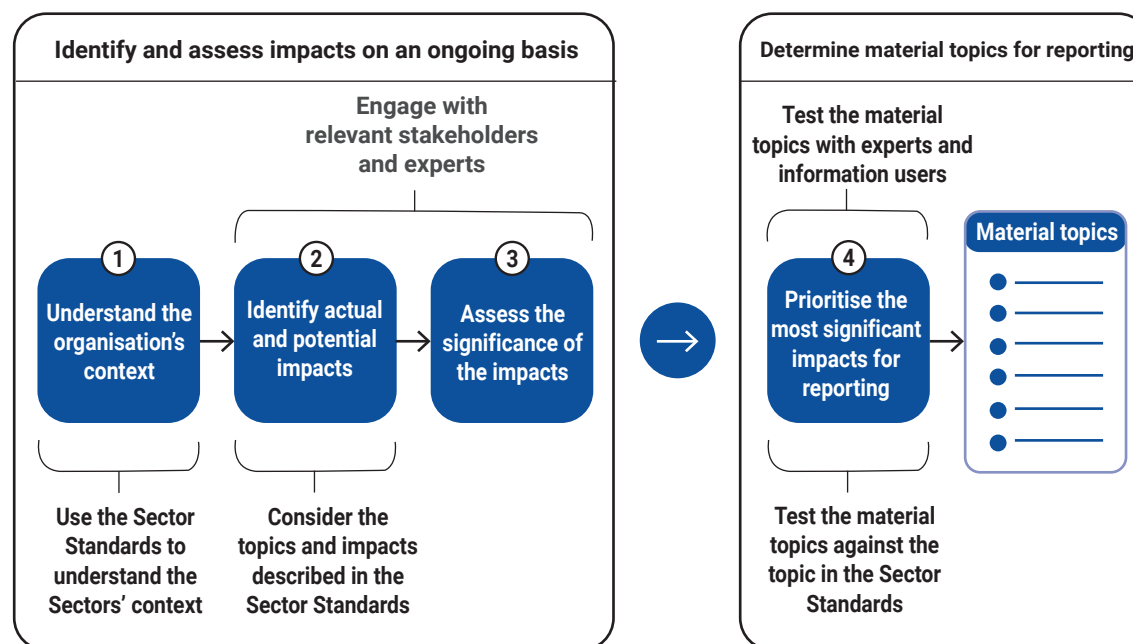
- Finance Industry Development Council (FIDC)
- The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- Fintech Association for Consumer Empowerment (FACE)
- Gujarat Finance Companies Association (GFCA)

Evolution of Materiality: Key Changes and Insights

(GRI 2-29, 2-30)

Materiality is the process of identifying and prioritising environmental, social, and governance (ESG) topics that are most relevant to an organisation and its stakeholders. These material topics are critical as they shape the organisation's ability to create long-term value, address key risks, and seize opportunities. By focussing on these priorities, organisations can align their strategies with stakeholder expectations, regulatory standards, and industry best practices, ensuring sustainable growth. Material topics typically include areas such as environmental stewardship, employee well-being, customer satisfaction, community development, and governance practices. Identifying and addressing these topics enables organisations to allocate resources effectively and make a meaningful impact.

In FY 2023, MAS Financial Services Limited conducted a comprehensive materiality assessment adhering to GRI Standards 2021. The objective was to identify and prioritise material topics through robust stakeholder engagement and analysis. The process involved evaluating actual and potential ESG impacts under three categories: Environment, People, and Economy. A structured methodology was followed, incorporating industry guidelines like the SASB framework, and stakeholder inputs from senior management, employees, customers, regulators, and communities. Engagement methods such as interviews, workshops, and surveys facilitated the collection of valuable insights. Topics were ranked based on severity, scope, likelihood, and irremediable nature, with the top 40% of significant positive and negative impacts selected for reporting. This thorough approach formed the foundation for MAS's sustainable development strategies and alignment with stakeholder expectations.



In FY 2024, MAS revisited its materiality assessment to refine and update its findings in response to evolving business and industry dynamics. While the methodology remained consistent, adjustments were made based on a peer assessment. These refinements involved re-evaluating

ESG priorities to align with industry trends, stakeholder feedback, and MAS's operational context. The updated materiality matrix reflects these adjustments, ensuring greater relevance and focus. Below you can find the updated Materiality list for FY 2024:

Environment	Climate change	SDG 13 (Climate Action), SDG 7 (Affordable and Clean Energy)
Social	Digitisation	SDG 9 (Industry, Innovation, and Infrastructure)
	Data Security	SDG 9 (Industry, Innovation, and Infrastructure)
	Selling Practices	SDG 12 (Responsible Consumption and Production)
	Customer Satisfaction	SDG 9 (Industry, Innovation, and Infrastructure), SDG 8 (Decent Work and Economic Growth)
	Customer Privacy	SDG 16 (Peace, Justice, and Strong Institutions)
	Employee Growth and Development	SDG 8 (Decent Work and Economic Growth)
	Employee Health and Wellbeing	SDG 3 (Good Health and Well-being)
	Community Initiatives/Social Responsibility	SDG 11 (Sustainable Cities and Communities), SDG 1 (No Poverty)
	Financial Inclusion	SDG 1 (No Poverty), SDG 10 (Reduced Inequalities)
Governance	Economic Performance	SDG 8 (Decent Work and Economic Growth)
	Indirect Economic Impacts	SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities)
	Business Ethics	SDG 8 (Decent Work and Economic Growth)

Notably, the list of material topics saw only one addition Financial Inclusion, reflecting MAS's focus on emerging ESG priorities. All other topics from the previous year were retained, with no deletions or significant changes. These updates ensure that MAS's materiality matrix remains relevant and aligned with stakeholder needs and business goals. This iterative approach highlights MAS's dedication to continuous improvement, addressing ESG risks and opportunities effectively while fostering trust and collaboration with its stakeholders.

Governance

MAS Financials believes that effective corporate governance is not just a regulatory framework but is supported by the principles of transparency, unity, integrity, spirit, and responsibility towards stakeholders, shareholders, employees, and customers.

The company actively ensures that its corporate governance is driven by high levels of competence and capability, meeting and exceeding expectations in managing its business and resources. This proactive approach enables MAS Financials to achieve its organisational goals and objectives, enhancing long-term shareholder value. By empowering top management to make sound business decisions and exercise prudent financial management, the company fosters a culture of transparency and professionalism in all its actions and activities.

MAS Financials is committed to maintaining the highest standards of integrity and ethical business practices, which are essential for building lasting trust with stakeholders. To ensure responsible growth and preserve this trust, the company has established a strong governance framework, sound policies, and effective monitoring mechanisms.

OUR LEADERSHIP

(GRI 2-9, 2-15)

At MAS Financial Services, the Board offers visionary leadership and strategic guidance to the management team. They are collectively dedicated to ensuring the long-term success of the Group by fostering sustainable shareholder

value. The robust reporting structure, which includes the Board, Board Committees, and Management Executive Committees, is fundamental to our Corporate Governance framework, ensuring effective oversight and accountability.

The Board Composition (as on 31st March, 2024)

The Board is composed of a diverse group of individuals with extensive experience in finance, sustainability, and

corporate governance. This diversity ensures a broad range of perspectives and expertise, which is crucial for effective decision-making. The Board of the company comprises 7 directors each with a 5-year tenure out of which 1 is the Promoter Executive Director, 1 is a Woman Executive Director, 1 is a Woman Independent Director, 4 are Independent Directors as on 31st March, 2024, the details of which are as below:

Name of Directors	Designation	Category
Mr. Kamlesh Chimanlal Gandhi	Chairman & Managing Director (Promoter)	Executive Director
Mrs. Darshana Pandya	Director & CEO (Non-Promoter, Non-Independent)	Executive Director
Mr. Balabhaskaran	Independent Director	Non-Executive Director
Mr. Chetan Ramniklal Shah	Independent Director	Non-Executive Director
Mr. Umesh Rajanikant Shah	Independent Director	Non-Executive Director
Mrs. Daksha Niranjana Shah	Independent Woman Director	Non-Executive Director
Mr. Narayanan Sadanandan	Independent Director	Non-Executive Director

The Board Committees (as on 31st March, 2024)

To ensure rigorous oversight, we have established several Board-level committees. The Board's committees concentrate on specific areas of expertise and make informed decisions within their designated authority. They

provide detailed recommendations to the Board on matters within their scope. These decisions and recommendations are then presented to the Board for information or approval, as required.

Committee	Members	Designation
Audit Committee	Mr. Chetan Shah	Chairman
	Mr. Balabhaskaran	Member
	Mr. Umesh Shah	Member
	Mrs. Darshana Pandya	Member
Nomination and Remuneration Committee	Mr. Umesh Shah	Chairman
	Mr. Chetan Shah	Member
	Mr. Balabhaskaran	Member
Stakeholder's Relationship Committee	Mr. Chetan Shah	Chairman
	Mrs. Darshana Pandya	Member
	Mr. Balabhaskaran	Member
Risk Management Committee	Mr. Chetan Shah	Chairman
	Mr. Umesh Shah	Member
	Mrs. Darshana Pandya	Member
CSR Committee	Mr. Umesh Shah	Chairman
	Mrs. Darshana Pandya	Member
	Mr. Balabhaskaran	Member

Our Board of Directors is dedicated to upholding the highest standards of transparency and accountability. Through rigorous nomination, selection, and evaluation processes, we ensure that our leadership team possesses the necessary skills, experience, and independence. Regular performance assessments and a balanced, transparent remuneration policy further reinforce our commitment to effective governance. By actively considering stakeholder views and maintaining robust oversight, we align our practices with the company's long-term objectives and sustainability goals.

Avoidance of Conflict of Interest

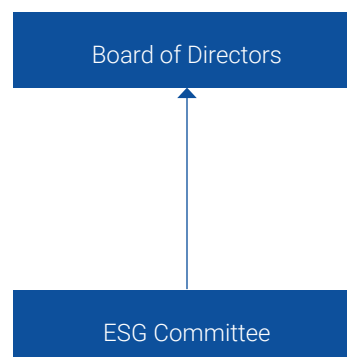
We maintain a zero-tolerance policy towards unethical business practices and prioritise adherence to relevant

principles, including those related to conflicts of interest. To ensure compliance with our Code of Conduct, we obtain annual declarations from directors affirming their commitment to upholding ethical standards. Additionally, the company has established policies on related party transactions, ensuring that all transactions conducted in the ordinary course of business are at arm's-length prices. This approach helps us avoid potential conflicts of interest and maintain the highest standards of integrity.

SUSTAINABILITY GOVERNANCE FRAMEWORK

(GRI 2-12, 2-13, 2-14)

MAS Financial has implemented a comprehensive governance framework to oversee the Group's sustainability strategy. Our framework transcends regulatory compliance by deeply integrating ESG principles into every aspect of our operations, fostering a culture of conscientiousness that drives long-term positive impact for our stakeholders and the environment. The responsibility for overseeing and managing the ESG issues, risks, impacts and opportunities has been distributed across various levels of the organisation, ensuring comprehensive engagement and accountability at different hierarchical tiers.



The Board

Oversight of ESG issues resides with the MAS Financials Board, the ESG oversight responsibilities have been allocated to the existing board committees, with various ESG issues delegated to these multiple committees. The Board is collectively responsible for reviewing the sustainability policies, systems, and strategic directions, as well as annual sustainability plans and the approval of other significant matters. The Board reviews and approves reported information, including material topics, by assessing the ESG guidelines annually or during significant operational changes. The Board is regularly appraised on ESG developments by the MAS Financials Chairman, who is also a member of the ESG Committee, which also include other senior management personnel.

ESG Committee

Aligned with its commitment to responsible business practices, the highest governing body of the company has established a dedicated ESG Committee which includes Chairman & Managing Director and Chief Executive Officer also apart from other members. The ESG Committee is responsible for providing direction and implementing oversight of the Group's overall sustainability strategy and programmes. It incorporates strategic input from the Board, to which it reports. The Committee oversees and coordinates the work undertaken across MAS operations to ensure that sustainability objectives are achieved. The committee ensures the policy's suitability, effectiveness, and alignment with objectives, focussing on establishing robust risk management and internal controls for addressing social, environmental, and governance responsibilities. The committee is informed by a structured reporting mechanism comprising other departments to ensure effective management. Simultaneously, the HR Head of the Company, tasked with handling employee grievances, regularly provides detailed reports on the nature

and resolution of these concerns. These reports contribute to a comprehensive evaluation of the organisation's impact on both its workforce and the wider society.

Risk Management Committee

The Risk Management Committee ensures that robust systems and processes are in place to monitor and evaluate risks including those related to ESG (Environmental, Social, and Governance) factors. It periodically reviews the risk management policy. Additionally, the Committee keeps the Board informed about evolving industry dynamics and complexities, ensuring that the company's sustainability strategy is effectively managed and aligned with its long-term goals.

Audit Committee

The Audit Committee upholds MAS Financial ethical standards and promotes good corporate governance practices. It assesses the effectiveness of internal controls and risk management systems concerning its ESG policy and compliance. Additionally, the Committee ensures the effectiveness of controls to ensure accuracy and transparency of non-financial reporting.

BUSINESS ETHICS

Material Topic- (GRI 2-16, 2-21, 2-25, 2-26, 2-27)

As per the goals set in FY 2023, we have advanced our governance and risk management framework, ensuring alignment to the framework and strengthening compliance and operational resilience.

At MAS Financial Services, business integrity is a core value upheld by everyone, from top management to each employee. We believe that ethical and honest conduct is essential for business continuity and maintaining stakeholder trust. This unwavering commitment to

responsible business conduct is reflected in comprehensive policies and governance frameworks designed to mitigate risks and uphold the highest standards of integrity.

The foundation of our ethical practices lies in a robust Fair Practice Code (FPC) and Code of Conduct, which provide clear principles for fair pricing, transparent disclosures, and respectful customer engagement. These policies also encompass ethical practices in collections and recovery, responsible marketing, and customer education. The company adheres strictly to the regulations of SEBI, RBI, and other regulators, reinforcing compliance with legal and industry standards. Employees are regularly trained on these principles to ensure they are well-informed and equipped to uphold ethical standards in all operations.

MAS Financial Services has instituted a comprehensive governance framework to ensure adherence to its ethical expectations. This framework includes active Board oversight, a robust risk management system, and high standards of transparency and accountability. Policies such as the "maker-checker" control system ensure dual authorisation for critical functions, minimising opportunities for unethical practices. Compliance is further reinforced through regular audits conducted by an independent internal audit team to verify adherence across departments.

REPORTING, CONTINUOUS IMPROVEMENT, AND STAKEHOLDER ENGAGEMENT

To address potential breaches of ethical standards, MAS has established effective reporting mechanisms. Customers can use a comprehensive grievance redressal platform, while employees benefit from a dedicated reporting system and oversight committee. An independent whistleblowing mechanism is also in place, enabling stakeholders to confidentially report unethical practices without fear of retaliation. These initiatives promote a

culture of transparency and trust within the organisation.

Ethical considerations are integrated into strategic decision-making and daily operations through Environmental, Social, and Governance (ESG) parameters tailored to each product. The company maintains a list of prohibited business activities to avoid practices with negative environmental or social impacts. Additionally, the Board ensures that ethical policies are consistently applied, aligning business growth with responsible stewardship.

MAS Financial Services adopts a proactive approach to ethical improvement. Ongoing audits and performance monitoring identify and address process gaps, while policies are updated to align with emerging ethical trends and industry risks. Stakeholders, including investors, customers, and suppliers, are actively engaged through open communication, training, and regular reporting to the Risk Management Committee. These efforts ensure that recurring ethical issues are addressed at the highest levels of governance.

Name	Description and Purpose	Applicable Object	Implementation
Policy on Code of Conduct for Board of Directors & Senior Management	This Code of Conduct establishes the standards and guidelines for the Board of Directors & Senior Management of MAS Financial Services Limited. It aims to ensure that all members act with honesty, integrity, and in the best interests of the company. The policy covers key areas such as conflict of interest, confidentiality, protection of assets, and periodic review. It is designed to promote ethical behaviour, compliance with legal standards, and effective governance, thereby supporting the company's goals and objectives.	Board of Directors & Senior Management	Training Sessions, Compliance Review, Incident Reporting
Internal Code of Conduct for Senior Management and Employees	This policy establishes a common and uniform procedure for managing the employee code of conduct. It is a mandatory condition of service, applicable to all employees while interacting on the company's business activities with other employees, stakeholders, customers, vendors, dealers, distributors, suppliers, and contractors. The policy aims to ensure professionalism, avoid conflicts of interest, maintain confidentiality, and outline disciplinary actions for misconduct. It promotes integrity, ethical behaviour, and adherence to legal standards, supporting the company's goals and objectives.	Senior Management & Employees	Training Sessions, Compliance Review, Incident Reporting
Code of Conduct to Regulate, Monitor and Reporting of Trading by Designated Persons	This Code of Conduct is established to regulate, monitor, and report trading activities by designated persons within MAS Financial Services Limited (MFSL). It aims to prevent the misuse of unpublished price-sensitive information (UPSI) and ensure ethical trading practices. The policy applies to all designated persons, including directors, senior management, and other employees who have access to UPSI. It addresses unethical practices such as insider trading, unauthorised disclosure of confidential information, and conflicts of interest.	All employees of the company	Training Sessions, Compliance Review, Incident Reporting

MAS Financials ensures the supervision of ethical matters through robust internal controls and standardised processes designed to protect assets enhance business efficiency and compliance with law and regulation. The company enforces strict compliance with statutes and laws across all business processes. The Audit Committee plays a crucial role in reviewing internal control systems, policies, and procedures, ensuring the orderly and efficient conduct of business.

During the reporting period, there were zero reported cases across all categories, including business integrity breaches, conflicts of interest, corruption or bribery, customer privacy data issues, data and privacy breaches, employee

misconduct, money laundering or insider trading, workplace harassment and discrimination, and others. This reflects our strong commitment to ethical conduct, a respectful workplace culture, and robust compliance mechanisms.

Compliance

MAS Financial Services Limited believes that business can support the rule of law, and maintains strict compliance with the regulations of SEBI, RBI, and other regulators. The company's robust internal control systems and risk management processes are continuously monitored and upgraded. This includes regular dialogue with statutory and internal auditors to ensure compliance. To detect and determine unethical practices, an independent reporting

mechanism has been implemented. The operational and IT mechanisms ensure all regulatory and tax compliances are met, while also safeguarding privacy and cybersecurity. MAS upholds a zero-tolerance policy towards unethical practices, with directors annually declaring their commitment to upholding ethical standards.

The company has established robust systems and processes to monitor compliance, supported by a structured reporting mechanism. Board-approved policies on Corporate Governance are available on the company's website, demonstrating its dedication to transparency and accountability. The Board of Directors, comprising a balanced mix of Executive, Non-Executive, and Independent

Directors, ensures effective oversight and governance. Regular updates and detailed reports are provided to the Board, facilitating informed decision-making and adherence to best practices.

MAS Financial Services Limited is committed to adhering to all applicable statutory provisions and maintaining high standards of corporate governance. During the financial year ended on 31st March 2024, a thorough Secretarial Audit was conducted to evaluate compliance with relevant laws and regulations. This audit included an examination of records, policies, and procedures, ensuring alignment with the Companies Act, 2013, SEBI regulations, and other pertinent legislation. The audit confirmed that MAS Financial Services Limited has generally complied with the statutory provisions, with a few exceptions noted.

Ethics and Transparency Communication

MAS Financial Services Limited is committed to maintaining the highest standards of ethics and transparency in all its operations. All directors are required to sign a statement of commitment to uphold ethical policies and management. For employees, MAS conducts large-scale annual training courses and quarterly intensive sessions to instil the principles of fair customer treatment and ethical conduct. New employees are required to complete mandatory courses on company policies, including the code of conduct and ethics, promoting a deep understanding of the company's behaviour guidelines. Regular communication through mandatory courses and internal mailers further enhances compliance awareness among staff. This comprehensive approach ensures that all employees are well-versed in ethical practices, fostering a culture of integrity and transparency throughout the organisation.

Reporting Channels

MAS Financials has established a communication channel through email at grievance@mas.co.in to facilitate the submission of complaints and grievances. All directors and employees can raise concerns regarding any serious irregularities, unfair practices, misconduct, or illegal activities occurring in the company. They can express these concerns without fear of punishment or unfair treatment. In exceptional cases, whistleblowers have the right to make protected disclosures directly to the Chairman of the Audit Committee via email at auditcommittee@mas.co.in. This complies with Section 177 of the Companies Act, 2013, the Companies (Meetings of Board and its Powers) Rules, 2014, and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation"), underscoring our dedication to maintaining the highest standards in governance.

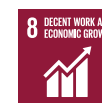
Our robust vigil mechanism allows employees and directors to report genuine concerns about unethical behaviour without fear of victimisation. The Audit Committee oversees these reports, ensuring that all concerns are addressed appropriately. The Audit Committee periodically reviews the functioning of the vigil mechanism, ensuring its effectiveness. All whistleblowers have been provided access to the Audit Committee without any denials. This integrated approach reinforces our commitment to ethical practices and transparent governance.



ECONOMIC PERFORMANCE

Materia Topic - (GRI 201-1)

As per the goals set in FY 2023, the Company achieved a ~30% increase in revenue to ₹ 1,224.57 crores. Additionally, PAT rose by 23.28% to ₹ 247.75 crores, reflecting strong financial performance.



MAS Financial Services Limited recognises significant opportunities across its product lines, particularly for NBFCs and other financial institutions. The company primarily focusses on the lower and middle-income segments which are key drivers of the economy. With a deep understanding of market dynamics, a commitment to innovation, and a customer-centric approach, MAS is well-positioned within the industry. The company is confident about future growth, actively exploring new opportunities, forging strategic alliances, and adapting to evolving market conditions to ensure sustained growth and profitability. MAS maintains a persistent commitment to creating a high-quality portfolio and adding value to the ecosystem. The strategic focus has resulted in continued growth for the fiscal year 2024. In terms of Standalone basis, the Company's revenue for the financial year was ₹ 1,224.57 crores, higher by ~30% over the previous year's revenue from operations of ₹ 939.85 crores. Net Profit (PAT) is ₹ 247.75 crores which is higher by 23.28% over the previous year's PAT of ₹ 200.96 crores. The Earnings per share is ₹ 15.11 (Previous years ₹ 12.25).

S. No.	Direct Economic Value Generated	Unit	FY 2024	FY 2023	FY 2022
1	Direct economic value generated: Revenues (A)	₹ crores	1,224.57	939.85	657.08
	Economic value distributed (B):				
	Operating costs	₹ crores	191.94	137.84	84.01
	Employee wages and benefits	₹ crores	87.05	62.49	42.23
2	Payments to providers of capital	₹ crores	614.16	474.82	319.54
	Payments to government by country	₹ crores	83.67	63.74	53.75
	Community investments	₹ crores			
	Total (B)	₹ crores	976.82	738.89	499.53
3	Economic value retained (A-B)	₹ crores	247.75	200.96	157.55

MAS has established strong internal controls and standardised operating processes to protect assets and ensure business efficiency. Our policies are designed to ensure strict adherence to statutes and laws, safeguarding assets, and maintaining accurate financial records. MAS implements comprehensive credit assessment processes, utilising reliable demographic data and maintaining strict adherence to credit screens. The company continuously strengthens its due diligence, audit processes, and evaluation mechanisms to address any negative impacts. MAS uses rigorous internal financial controls and regular audits to track the effectiveness of its actions. These controls have been developed for and implemented at every business process across the Company. MAS is continuously strengthening its due diligence, audit process, evaluation, and the exposure matrix for all its NBFC partners. The Audit Committee reviews the internal control system, ensuring the effectiveness and efficiency of operations. Lessons learned from these reviews are incorporated into operational policies and procedures to enhance performance.

Annual total compensation ratio

The annual total compensation ratio between the organisation's highest-paid individual and the median

annual total compensation for all employees (excluding the highest-paid individual) is 155.45:1. Additionally, the percentage increase in annual total compensation for the highest-paid individual compared to the median percentage increase for all employees (excluding the highest-paid individual) has been 24.37:17, 48% over the previous year.

FOSTERING ECONOMIC GROWTH AND FINANCIAL INCLUSION

Material Topic- (GRI 203), Non GRI-Financial inclusion

Since our inception in 1995, we have successfully created 2,38,79,702 jobs. As we continue our journey, we are steadily progressing towards our ambitious target of generating an additional 1,63,81,240 jobs by 2029.



The far-reaching indirect economic impacts resulting from our business operations hold profound significance within the realm of external benchmarks and stakeholder priorities, encompassing national and international

standards, protocols, and policy agendas. Our role in extending financial services to the unbanked is aligned with goals of financial inclusion and equality, in harmony with established standards. Likewise, our support for small and medium enterprises (SMEs) resonates with stakeholder expectations, as SMEs play a pivotal role in driving economic growth and job creation, aligning with both national and international priorities. Operating primarily in rural and semi-urban regions, our influence on vital sectors like agriculture and trading, advances policy agendas centered on sustainable development and community empowerment. With a substantial portion of our Assets Under Management (AUM) allocated to the Micro, Small, and Medium Enterprises (MSME) segment, we tangibly demonstrate our commitment, reinforcing our role as a catalyst for positive change in line with broader socio-economic objectives. MAS offers a diverse range of financial products and services and is in a strong position to meet the financial needs of customers in the low and middle-income segments.




Products and Services	Target Groups	Loans provided – FY 2024 (₹ Cr)
MSME Loans Micro-Enterprise Loan (MEL)	Medium enterprises spread across 190 business categories, including retailers, traders, small manufacturers, and service providers	4,685.99
Small & Medium Enterprises (SME)	Small enterprises spread across 190 business categories, including retailers, traders, small manufacturers, and service providers	3,617.17
Commercial Vehicle Loans	Farmers, self-employed, businessmen, professionals, and salaried customers in urban, semi-urban, and rural areas	652.44
Two-Wheeler Loans	Farmers, self-employed, businessmen, professionals, and salaried customers in urban, semi-urban, and rural areas	575.28
Salaried Personal Loans	Salaried individuals of the approved companies to satisfy their needs	687.58

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

As a result, the company prioritised infrastructure-related projects to support these schools and students. The infrastructure support provided by the company to schools has had a positive impact on the communities and local economies. By improving school infrastructure, students have access to better learning environments, which can lead to improved educational outcomes and future

employment opportunities. Additionally, the provision of essential facilities like fans, lights, benches, computers, and play areas has enhanced the overall wellbeing of students, positively influencing the local community.

Impact Journey So Far & Plans Going Forward

For Sustainable Livelihood and Employment Generation						
Particulars	The Journey so far		Taking it Forward		The Impact	
	1995-2025		2025-2030		1995-2030	
	No. of Clients	Jobs Created	No. of Clients	Jobs Created	No. of Clients	Jobs Created
 MSME Loans ¹	1,31,75,392	2,63,50,784	44,00,000	1,32,00,000	1,75,75,392	3,95,50,784
 Commercial Vehicles ²	1,46,892	2,93,784	1,45,000	2,90,000	2,91,892	5,83,784
 Two-Wheeler ³	12,52,628		12,90,000		25,42,628	
Total	1,45,74,912	2,66,44,568	58,35,000	1,34,90,000	2,04,09,912	4,01,34,568

For Shelter – Affordable Housing Loans			
No. of Clients ⁴	The Journey so far		The Impact
	2009-2025		1995-2030
	15,861		30,861

The above figures are inclusive of partnership businesses with NBFCs, MFIs & HFCs. Forward numbers refer to additional, incremental numbers

1. Considering 1,31,75,392 MSME clients employing 2 persons and 44,00,000 MSME clients employing on an average 3 persons

2. Considering Commercial Vehicle clients employing on an average 2 persons

3. Two-wheeler is to farmers & traders utilising it as means of transportation in rural areas

4. Belonging to MIG-LIG class of Rural, Semi-Urban and Urban areas

Sustainable Management Strategy

MAS Financial Services Limited is committed to sustainable growth and financial inclusion. By collaborating with strategic allies, customers, and partners, MAS integrates sustainability into its financial ecosystem, focussing on responsible investment and financing to maximise positive impacts in everyday life. The company provides comprehensive financial services and manages funds with a sustainability focus, working together with partners and customers to create shared value and achieve inclusive growth and economic empowerment.

SUSTAINABILITY POLICY

(GRI 2-23)

The policy applies to all employees, associates, and third parties involved in company activities, directing its focus on direct operations and customer services. The company acknowledges its responsibility to consider stakeholder interests and actively creates systems to understand and address their expectations and concerns. MAS is dedicated to establishing sustainable business partnerships, treating stakeholders as valued partners. By upholding ethical conduct and striving for sustainable development, MAS Financial Services Limited aims to make positive impacts in the areas of social, environmental, and governance while delivering value to stakeholders. Let's now delve into the specific areas covered by our policy.

Environment

In pursuit of a comprehensive climate change strategy, MAS is dedicated to diminishing its carbon footprint

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

Social

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

Governance

MAS places a strong emphasis on ethics and integrity, conducting all duties with the utmost standards in accordance with laws and best practices. Compliance is a key focus, ensuring adherence to regulatory requirements. The company is dedicated to robust information management, providing accurate and secure information to stakeholders while complying with relevant standards. Futureproofing the business involves fostering long-term customer relationships, a professional approach, effective risk management, and adherence to sector best practices. Prioritising data privacy and cybersecurity, MAS implements processes and policies to safeguard sensitive information. The commitment extends to delivering competitive, professional, value-adding, and innovative services that continuously improve operations to meet customer needs and expectations. The company vows not to finance activities deemed unacceptable under its Environmental, Social, and Governance (ESG) Policy. This commitment covers projects and corporate loans and includes restrictions on funding for activities such as the manufacture of banned drugs, trade in weapons, alcoholic beverages (excluding beer and wine), standalone casinos, gambling, pornography, narcotics, gutkha, tobacco, polluting industries without proper clearances, Ozone Depleting Substances (ODS) production, illegal products, radioactive materials, banned wildlife related products, and wildlife trade regulated under CITES. This aligns with the company's dedication to ethical business practices.

EMBEDDING POLICY COMMITMENTS

(GRI 2-24)

The Chairman & Managing Director, Mr. Kamlesh Gandhi, assumes the pivotal role of overseeing and implementing the responsibility business commitments, ensuring their integration into various levels and functions of the organisation's activities and business relationships. The highest governing body, including the ESG Committee, ensures that sustainability principles are embedded in the company's strategic direction. Regular updates and detailed reports on ESG issues are provided to the Board, facilitating informed decision-making and adherence to best practices.

MAS actively engages with stakeholders to understand and address their expectations and concerns. This includes establishing sustainable business partnerships and treating stakeholders as valued partners. The company fosters a culture of sustainability among employees through policies that promote equality, inclusivity, health, and safety. Employees are encouraged to participate in sustainability initiatives and are provided with the necessary training and resources. MAS prioritises customer trust by handling data sensitively and implementing robust measures against cybercrime. The company also promotes financial inclusion and supports businesses to foster employment.

Our ESG commitments are incorporated into daily operations, with specific targets set for reducing energy consumption, managing water resources, and minimising waste. The company promotes eco-friendly alternatives and ensures responsible disposal of electronic waste. The company ensures adherence to all relevant statutory and regulatory requirements, maintaining high standards of ethics and integrity. This includes robust information management and safeguarding sensitive information. MAS is committed to continuously improving its operations to meet customer needs and expectations. This involves future-proofing the business through effective risk management, long-term customer relationships, and adherence to sector best practices. The company does not finance activities deemed unacceptable under its ESG Policy, ensuring that its business practices align with its commitment to ethical conduct and sustainable development.

RISK MANAGEMENT AND MITIGATION OF IMPACTS

(GRI 2-25)

MAS Financial Services Limited is unwavering in its commitment to responsible operations, emphasising the integration of ESG (Environmental, Social & Governance)

and sustainability for enduring stakeholder value. With the objective of creating a robust ESG framework, MAS aims to mainstream environmental and social considerations into internal risk management and credit processes. It seeks to assess risks in financing activities, address potential adverse consequences, and identify opportunities for both environmental sustainability and fair growth. Stakeholder engagement, based on trust, values, and ethical conduct, is paramount to MAS's success. Regular revisions of the ESG framework align with evolving stakeholder expectations, and periodic materiality exercises identify crucial ESG topics.

As part of our comprehensive risk management strategy, we have seamlessly integrated the top six material issues into our company's risk management framework. We have thoroughly assessed the associated risks and impacts and developed detailed mitigation plans to address these challenges effectively. The table below provides a snapshot of these material issues, their assessed risks and impacts, and the corresponding mitigation strategies.

Material Issues	Sustainability Risks	Impacts	Actions
Stakeholder Relation and Selling Practices	Not addressing stakeholder concerns and feedback. Inadequate monitoring of sales practices.	Decreased stakeholder engagement, potential boycotts Systematic issues in sales processes, financial losses	1. Brand Management Strategy: Developed and maintained a positive brand image through effective communication and proactive reputation management. 2. Stakeholder Engagement: Engaged with customers, employees, investors, and the community, responding transparently to concerns and maintaining open communication channels.
Energy and Climate Change	Damage to physical assets and infrastructure due to extreme weather events Shifts in market demand and regulatory changes towards low-carbon technologies. Negative public perception due to inadequate climate action.	Increased operational costs, service disruptions, financial losses Stranded assets, reduced profitability in carbon-intensive sectors Loss of customer trust, decreased market share	1. Implement Energy Efficiency Measures: Deploy energy-efficient technologies like LED lighting and efficient technology and utilise power-saving modes for office equipment to reduce energy consumption. 2. Foster Employee Awareness and Engagement: Conduct training programmes, internal communications, and campaigns to raise employee awareness about sustainability, encouraging environmentally friendly practices such as reducing paper usage and promoting carpooling or public transportation.

Material Issues	Sustainability Risks	Impacts	Actions
Employee Growth and Development	<p>Lack of necessary skills for new digital banking platforms.</p> <p>High turnover due to limited career advancement.</p> <p>High stress from excessive workloads.</p> <p>Frequent regulatory changes requiring continuous learning.</p>	<p>Operational disruptions, increased training costs.</p> <p>Increased recruitment costs, service continuity disruptions.</p> <p>Increased absenteeism, lower morale, higher healthcare costs</p> <p>Compliance issues, fines, additional training costs.</p>	<ol style="list-style-type: none"> 1. Enhanced Employee Engagement: Implemented initiatives to boost engagement, job satisfaction, and work-life balance, such as regular feedback sessions, recognition programmes, skill development opportunities, and flexible work arrangements. 2. Offer Competitive Compensation and Benefits: Review and ensure competitive compensation packages that include salaries, performance-based incentives, insurance, and retirement plans, benchmarking against industry standards. 3. Facilitate Career Development and Growth: Provided clear paths for career development, training programmes, and internal promotion opportunities to encourage employee growth and foster loyalty. 4. Nurture a Positive Work Environment and Culture: Foster inclusivity, work-life balance, and open communication channels, promoting diversity and conducting regular employee surveys to identify areas for improvement.
Business Ethics	<p>Failure to adhere to ethical standards and regulations.</p>	<p>Regulatory fines, reputational damage, loss of trust of investors and stakeholders.</p>	<ol style="list-style-type: none"> 1. Code of Conduct and Compliance: Established a comprehensive code of conduct, communication, and reinforced ethical standards through training programmes, and ensured compliance with applicable laws and regulations. 2. Whistleblower Policy: Implemented a policy that encourages reporting of unethical behaviour, ensures whistleblower protection, and establishes a transparent process for addressing reported incidents. 3. Compliance Framework: Developed a robust framework to ensure adherence to laws, regulations, and best practices, conducting periodic audits and reviews to identify and address any non-compliance issues.
Data Security	<p>Malware encrypting critical data</p> <p>Vulnerabilities in third-party vendors' systems</p> <p>Employees falling victim to phishing scams</p>	<p>Operational disruptions, significant financial costs</p> <p>Data breaches, financial losses, reputational damage</p> <p>Compromised credentials, unauthorised access to systems</p>	<ol style="list-style-type: none"> 1. Data Security Measures: Implemented strong security measures like encryption, firewalls, access controls, and regular vulnerability assessments. 2. Employee Training: Educates employees on data security best practices, phishing awareness, and password hygiene. 3. Incident Response Plan: Developed a comprehensive plan to address data breaches, including notifying affected parties, cooperating with authorities, and implementing remediation measures.
Customer Privacy	<p>Unauthorised access to sensitive customer information.</p> <p>Improper use of customer data by employees or third parties.</p>	<p>Financial losses, reputational damage, loss of trust of investors and stakeholders.</p>	<ol style="list-style-type: none"> 1. Privacy Policies: Established clear privacy policies, ensuring compliance with privacy laws and regulations. 2. Data Consent and Transparency: Obtained explicit customer consent, communicated data usage purposes, and provided options for managing preferences. 3. Data Protection Measures: Implemented technical and organisational measures to protect customer data, regularly reviewing and updating security protocols. 4. Privacy Impact Assessments: Conduct assessments to identify and mitigate privacy risks associated with new products or processes, ensuring privacy compliance from the early stages.

Environmental Stewardship



MAS Financial Services Limited (MAS) places significant emphasis on fostering sustainable growth in its business operations. The company is committed to minimising its environmental impact and making a positive contribution to society, all while ensuring profitability. Our strategy for sustainable development guides the Company in fulfilling its responsibility towards mitigating the climate crisis and preserving the natural environment, for the present and future generations. As a finance sector company, MAS has relatively lower energy and materials requirements compared to energy-intensive industries, resulting in a smaller carbon footprint. The company's long-term sustainability strategy revolves around environmental stewardship, climate preservation, and the responsible use of natural resources. MAS continuously measures and monitors its environmental performance, seeking to enhance it over time. The company recognises the financial and non-financial implications of climate change and aims to improve energy efficiency within its organisational boundaries.

MAS is dedicated to adopting an environmentally conscious approach across all its business and operational activities. The management prioritises raising awareness among stakeholders about the importance of environmental conservation and encourages the promotion of eco-friendly products throughout value chains. The company is fully committed to optimising electricity, energy, and water resources to reduce carbon and water footprints, as well as minimise waste across all physical locations. Additionally,

we strive to adopt renewable energy sources whenever possible. We aim to conduct and expand extensive awareness campaigns to promote sustainable living practices amongst employees and other stakeholders. To ensure the effective implementation and monitoring of our environmental, social, and governance (ESG) initiatives, MAS has established an ESG committee. This committee is tasked with overseeing all activities related to our ESG commitments, ensuring we uphold our values and contribute positively to the environment.

ENERGY CONSUMPTION

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

MAS operates in multiple locations across India, boasting a network of more than 189 branches. To ensure both cost-effectiveness and reduced environmental impact, the company has implemented diverse energy management practices at these sites. The primary source of energy for MAS's company offices, regional offices, and branches is grid electricity. Additionally, diesel generators are installed in these facilities to serve as backup power sources in the event of outages. This combination of energy sources enables MAS to maintain efficient operations while minimising any adverse effects on the environment.

ENERGY MANAGEMENT INITIATIVES

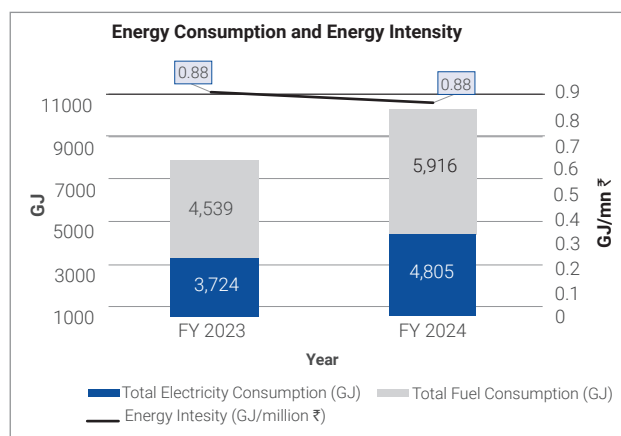
1) **Energy-Efficient Lighting:** MAS has implemented an energy management initiative by upgrading lighting systems to energy-efficient LED bulbs across its headquarters and branch offices. This change

significantly reduces energy consumption and lowers carbon emissions.

- 2) **Power Management Guidelines:** Clear instructions and training have been provided to all MAS employees regarding power management. Employees are encouraged to turn off computers, printers, and other electronic devices when not in use, contributing to energy conservation efforts.
- 3) **Paperless Initiatives:** MAS promotes a paperless work environment by digitising documentation and implementing digital workflows. This initiative reduces paper consumption, saves resources, and supports eco-friendly practices.
- 4) **Employee Awareness Campaigns:** MAS conducts regular awareness campaigns and training sessions to educate employees about the importance of energy conservation and sustainability. These efforts foster a culture of environmental responsibility and encourage employees to actively participate in energy-saving practices.
- 5) **Virtual Meetings and Telecommuting:** MAS encourages the use of virtual meetings and telecommuting options for employees whenever possible, reducing the need for business travel and lowering associated energy consumption.

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

Parameter	Unit	FY 2024	FY 2023
Total Electricity Consumption (A)	GJ	4,805	3,724
Total Fuel Consumption (B)	GJ	5,916	4,539
Energy Consumption through other sources (C) - Renewable Source	GJ	Nil	Nil
Total Energy Consumption (A+B+C)	GJ	10,721	8,262
Energy intensity per rupee of turnover (Total Energy Consumption (GJ)/ Turnover in million ₹)	GJ/million ₹	0.876	0.879



The total energy consumption increased from 8,262 to 10,721, indicating a rise in energy usage. On the other hand, the energy intensity remained constant at 0.88, reflecting a nearly constant energy efficiency over the last two years due to an equally proportional increase in the revenues in FY 2024 from the previous year.

CLIMATE CHANGE AND GHG EMISSIONS

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

As per the goals set in FY 2023, we achieved a 0.71% decrease in emission intensity per rupee of turnover, progressing towards a 2% decline in CO₂ emissions by 2025.

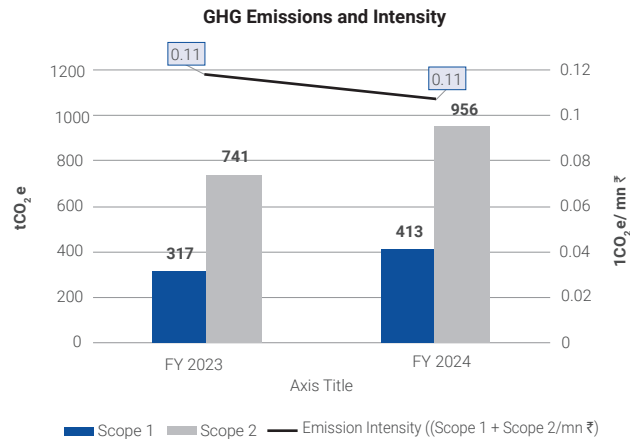
MAS acknowledges the significant role of greenhouse gas (GHG) emissions in contributing to climate change and recognises the regulatory frameworks established by international agreements like the United Nations (UN) Framework Convention on Climate Change and the subsequent UN Kyoto Protocol. The company is fully aware of the major GHGs, namely Carbon dioxide (CO₂), Methane (CH₄), Nitrous oxide (N₂O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulphur hexafluoride (SF₆), and Nitrogen trifluoride (NF₃).

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

To provide a comprehensive overview, MAS categorises its emissions into three distinct scopes. Scope 1 emissions refer to direct emissions resulting from the company's fuel usage in its operations, while Scope 2 emissions are linked to electricity consumption across its owned branches throughout India. Scope 3 emissions represent indirect emissions from activities within the value chain.

This year, we are calculating Scope 3 emissions specifically from Category 3 (Fuel and Energy-Related Activities), Category 5 (Waste Generated), and Category 7 (Employee Commute). However, we are actively working on conducting a more comprehensive Scope 3 analysis in the coming years to further refine and expand our understanding of our total environmental impact.

By thoroughly assessing these emissions, MAS aims to deepen its understanding of its environmental impact and actively develop strategies for reducing emissions in the future. We have systematically documented our emissions for the reporting period of 2023-24. As part of our forward-thinking approach, we have implemented enhanced due diligence and monitoring of ESG risks associated with certain loans, positioning ourselves to effectively manage or mitigate climate risks as part of our long-term sustainability efforts.



Parameter	Unit	FY 24	FY 23
Total Scope 1 emissions	tCO ₂ e	413	317
Total Scope 2 emissions	tCO ₂ e	956	741
Total Scope 3 emissions ¹	tCO ₂ e	811.13	610.28
Total Scope 1 and Scope 2 emission intensity per rupee of turnover	tCO ₂ e/ Mn ₹	0.1117	0.1125
Total Scope 1 and Scope 2 emission intensity in terms of physical output (optional)	tCO ₂ e/ employee	0.861	0.916

In FY 2024, Scope 1 emissions rose from 317 tCO₂e to 413 tCO₂e, reflecting an increase in direct greenhouse gas emissions. Similarly, Scope 2 emissions increased from 741 tCO₂e to 956 tCO₂e, driven by higher indirect emissions related to purchased electricity. Despite this, the overall

¹ Scope 3 Emissions from Category 3 - Fuel and energy-related activities, Category 5 - Waste generated and Category 7 - Employee Commute.

emissions intensity (Scope 1 + Scope 2) remained nearly unchanged at 0.11 tCO₂e per million ₹, as the revenue growth in FY 2024 was proportionally aligned with the increase in emissions.

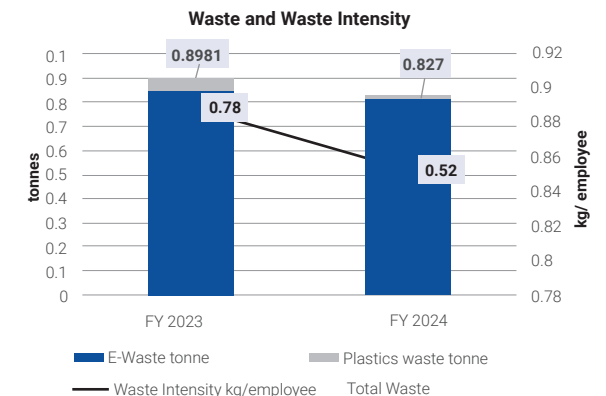
WASTE

(GRI 306)

MAS focusses on responsible waste management, particularly e-waste and plastic waste. E-waste, including discarded electronics, is recycled to prevent harmful toxins from polluting the environment. Plastic waste is managed through segregation, recycling, and reducing single-use plastics to minimise its ecological impact.

	Unit	FY 2024	FY 2023
Hazardous Waste Categories			
E-Waste	tonne	0.817	0.849
Non-Hazardous Waste Categories			
Plastics Waste	tonne	0.0100	0.0491
Total Waste	tonne	0.827	0.8981
Waste Intensity	Kg/employee	0.52	0.78

The waste intensity at MAS has significantly improved, decreasing from 0.78 kg/employee in FY 2023 to 0.52 kg/employee. This represents a notable 33.33% reduction in waste intensity per employee, reflecting MAS's commitment to sustainable waste management practices.



Empowering our Colleagues

(GRI 401, 403, 404, 405)



Our employees are the cornerstone of our success, serving as the vital engine that drives our organisation forward. At MAS Financials, we are committed to fostering a secure and inclusive work environment that consistently recognises and celebrates their invaluable contributions. Through thoughtfully designed initiatives and programmes, we prioritise enhancing the skills and expertise of our team members. By supporting their personal and professional growth, we empower our colleagues to achieve their full potential, ensuring that they thrive alongside the

organisation. Together, we cultivate a culture of excellence, collaboration, and shared success.

DIVERSITY, EQUITY, AND INCLUSION AT MAS FINANCIAL SERVICES

At MAS Financial Services, fostering a diverse and inclusive culture is central to our strategic approach to diversity, equity, and inclusion (DEI). We firmly believe that diverse teams are the breeding ground for innovative ideas, and we are dedicated to creating an environment that supports and values every employee.

Understanding the unique dynamics of our workplace and production activities, we remain committed to upholding

workplace accessibility standards to ensure equal opportunities for individuals with disabilities. We view diversity as a powerful driver of collaboration, knowledge-sharing, and enhanced performance – factors that enable us to deliver value and meet the evolving needs of our stakeholders.

The gender and age diversity of our employees and Board of Directors reflects our commitment to inclusivity, demonstrating our focus on creating a balanced and representative workforce. The data below highlights the diversity within MAS Financial Services, showcasing our progress and dedication to this core value.

DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

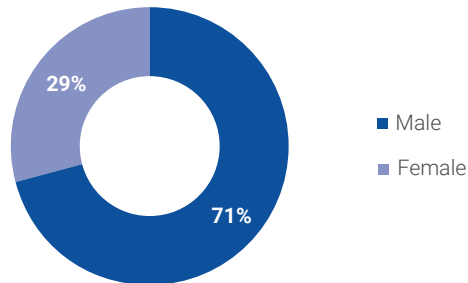
a. Percentage of individuals within the organisation's governance bodies in each of the following diversity categories:

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

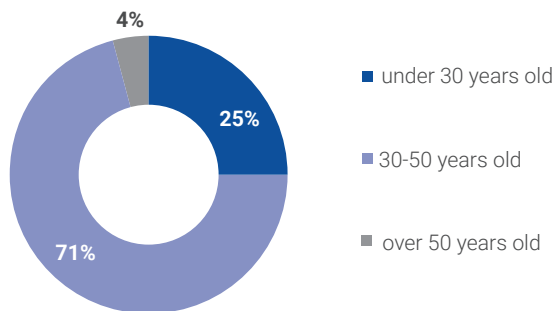
b. Percentage of employees per employee category in each of the following diversity categories:

i. Gender:	Male	Female	Total
	1,489	101	1,590
ii. Age group:	under 30 years old	30-50 years old	over 50 years old
	391	1136	63

Board gender diversity



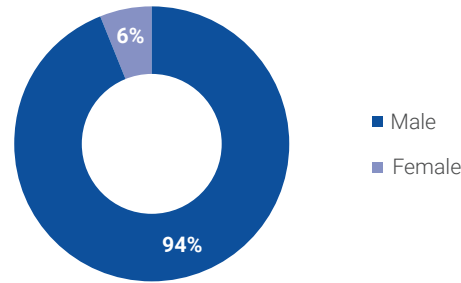
Employee age diversity



COMMITMENT TO GENDER PAY EQUALITY

At MAS Financial Services, we are steadfast in our dedication to gender equality, as reflected in our policy of maintaining

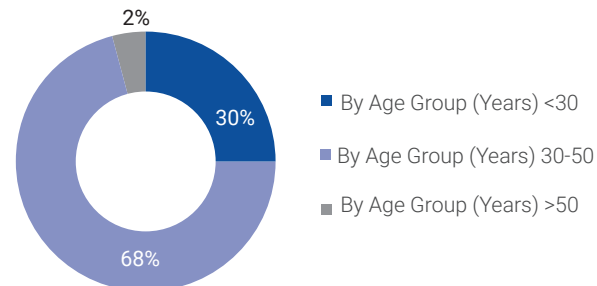
Employee gender diversity



a 1:1 ratio for basic salary and total compensation between men and women across all employee categories. This ensures that every position within the company is compensated equitably, regardless of gender.

Our commitment to fair pay underscores our belief in justice and inclusivity, creating a work environment where every employee's contributions are valued equally. By fostering a culture that celebrates diversity and promotes gender parity, we strengthen our organisational foundation and pave the way for a more equitable future.

Rate of new employee hires (By Age diversity)



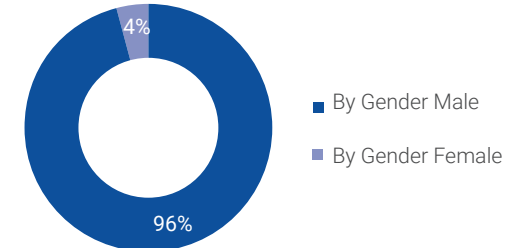
EMPLOYEE GROWTH AND DEVELOPMENT

Aligned with the growth trajectory of the Indian economy, MAS Financial Services is committed to delivering value-added financial services to the market. To achieve this, we emphasise strategic recruitment processes and creating a work environment that fosters employee satisfaction and engagement. Our Human Resources team is dedicated to acquiring and retaining top talent, ensuring that we attract professionals who align with the company's values and goals. By investing in our workforce, we sustain a culture of excellence and drive organisational success.

The data on new employee hires and employee turnover at MAS Financial Services is presented in the tables and graphs below, reflecting our efforts to strengthen and maintain a dynamic and skilled team.

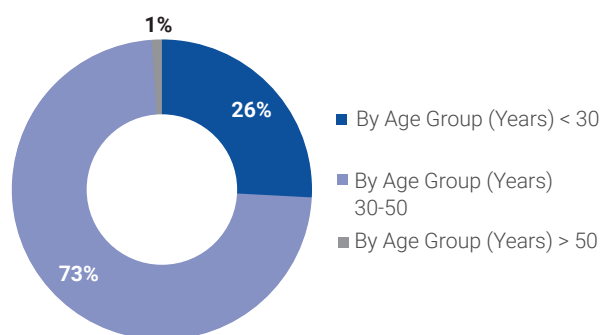
April 2023 to March 2024	By Age Group (Years)			By Gender	
	< 30	30-50	> 50	Male	Female
No. of new employee hires	253	581	22	823	33
Rate of new employee hires	30%	68%	3%	96%	4%

Rate of new employee hires (By gender diversity)

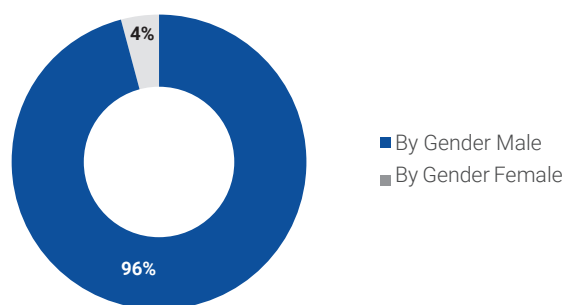


April 2023 to March 2024	By Age Group (Years)			By Gender	
	< 30	30-50	> 50	Male	Female
No. of employee turnover	199	552	10	732	29
Rate of employee turnover	26%	73%	1%	96%	4%

Rate of employee turnover (By Age diversity)



Rate of employee turnover (By Gender diversity)



SUPPORTING EMPLOYEES THROUGH LIFE'S MILESTONES

At MAS Financial Services, we recognise the importance of supporting our employees during significant life changes, such as welcoming a new family member. To facilitate this transition, we offer comprehensive parental leave benefits designed to provide parents the time and space needed to care for their newborns or newly adopted children.

Our parental leave policy ensures equitable support for both male and female employees, including adoption leave, so all parents have the opportunity to bond with and nurture their children. These benefits reflect our commitment to fostering a family-friendly workplace that prioritises employee happiness and well-being.

The data on parental leave utilisation at MAS Financial Services is presented in the table below:

April 2022 to March 2023	Male	Female
No. of employees entitled	1,489	101
No. of employees availed	23	1
No. of emp's returned to work	22	1
After return still employed for 12 months	16	0
Return to work rate	96%	100%
Retention rate	70%	0%

EMPOWERING GROWTH THROUGH TRAINING AND DEVELOPMENT

As per the goals set in FY 2023, we have achieved 5 training manhours per employee per year.

At MAS Financial Services, we are deeply committed to fostering a knowledgeable, skilled, and motivated workforce, ensuring that every employee is empowered to achieve their full potential, advance in their careers, and transition smoothly during retirement or departure.

Our training and development programmes are thoughtfully designed to enhance employee capabilities and equip them with the skills required to excel in their roles while contributing meaningfully to the organisation's success. These programmes include:

- Communication Skills Development
- Verbal Vantage Training
- Customer Care Etiquette
- Essentials of Giving and Receiving Feedback
- Excel Workshops
- Proactivity Training: From Procrastination to Proaction
- Front Desk and Office Work Etiquette
- Time Management Essentials
- Train the Trainer Programs

While MAS Financial Services does not currently offer formal transition assistance programmes, we are committed to supporting employees through internal resources and guidance to help them navigate career transitions effectively. We continue to explore ways to further enhance our support mechanisms, ensuring a seamless experience for employees at every stage of their professional journey.

	By Gender	
	Male	Female
Average Hours of training/employee	10	5.8

FOSTERING GROWTH THROUGH PERFORMANCE AND DEVELOPMENT REVIEWS

At MAS Financial Services, we place significant emphasis on employee development and career progression. As

part of our commitment to professional growth, we have established a structured system of regular performance and career development reviews. These reviews provide employees with a platform to discuss their career aspirations, set objectives, and receive constructive feedback from their managers.

By conducting these evaluations consistently, we ensure that employees are supported in enhancing their skills, addressing areas for improvement, and aligning their career paths with organisational goals. This approach fosters a culture of continuous learning and development, empowering employees to realise their full potential while contributing to the company's success.

Additionally, during the reporting period, 2,144 hours of training were delivered on human rights policies and procedures relevant to our operations, with 67.42% of employees receiving this critical training.

The table below highlights the percentage of employees receiving regular performance and career development reviews:

	By Gender	
	Male	Female
% of employees who received a regular performance and career development review	100	100

We are in the process of rolling out a cutting-edge training software module to deliver essential training programmes across all branches. This initiative is aimed at equipping employees with the knowledge and skills necessary to excel in their roles while fostering a culture of continuous learning and development.

The training software will cover a wide range of critical topics, including:

1. POSH Awareness
2. Human Rights at the Workplace
3. Code of Conduct Undertaking

4. Decision-Making
5. Developing Others
6. Time Management
7. Developing Emotional Intelligence
8. Information Security Awareness
9. Relationship Building

This comprehensive approach will ensure that employees at all levels are well-prepared to meet organisational standards, enhance their professional capabilities, and contribute to the company's success. By leveraging technology, MAS Financial Services aims to create a seamless and impactful learning experience for all team members.

COMMITMENT TO EMPLOYEE WELL-BEING AND SAFETY

At MAS Financial Services, we place a high value on the well-being of our employees, understanding that a happy and healthy workforce is integral to the success of our company. To ensure a secure and supportive work environment, we have implemented several programmes and procedures designed to prioritise the welfare of our staff.

OCCUPATIONAL HEALTH AND SAFETY

Our foremost commitment is to occupational health and safety. We continuously assess potential risks and evaluate work-related hazards to maintain a safe workplace. Recognising that workplace hazards can arise both routinely and unexpectedly, we focus on proactive risk identification and mitigation. Through internal audits and frequent assessments, we ensure a comprehensive safety strategy that adheres to all relevant laws and regulations. Our goal is to minimise mishaps, injuries, and exposure to health risks by maintaining proper safety protocols.

In addition to safety measures, we provide first aid kits at all locations to ensure prompt medical care in case of emergencies or injuries. Employees over the age of 45 with

three or more years of service are eligible for a medical examination, further supporting their health. We also offer the "Mindwell Hub" programme, which provides access to free counselling services with a reputable psychologist to help employees manage mental stress and promote mental well-being.

As part of our holistic approach to employee welfare, all staff members are covered by accident insurance, ensuring financial security in the unfortunate event of an accident.

FOSTERING A CULTURE OF HEALTH AND WELL-BEING

To foster a culture of health and well-being, we leverage internal communication channels to engage with employees. We regularly share critical health and safety updates, reminders, and educational materials. We also organise events and gatherings to raise awareness on important issues such as fire safety, POSH (Prevention of Sexual Harassment), and incident reporting procedures. Our LMS platform, Learning Café, offers e-learning modules on health and safety, ensuring employees have easy access to valuable information.

We also emphasise the importance of safety for employees who bike as part of their job duties, encouraging them to wear helmets and promoting other health-conscious practices like staying hydrated, exercising, and taking the stairs rather than the elevator.

LONG-TERM COMMITMENT TO EMPLOYEE WELFARE

At MAS Financial Services, we are deeply committed to creating a secure, clean, and compassionate work environment that prioritises our employees' well-being. We believe that by caring for our workforce, we enhance their overall health, job satisfaction, and productivity. By continuing to prioritise employee well-being, we aim to build a healthy workplace culture that ensures the long-term prosperity and growth of our organisation.

MAS Digital Transformation and Technology Integration

(GRI 401, 403, 404, 405)

As per the goals set in FY 2023, we have enhanced digitisation by increasing digital capabilities and expanding the count of paper-free or digitised processes.



MAS is aware that in the ever-changing world of digitisation, it is necessary to conform to market practices. The business effectively handles its IT needs and guarantees safe data storage by utilising an internal loan management system backed by a committed IT staff and effortlessly integrating digital solutions. MAS has strong tech team of around 80 employees (& growing) including developers, data scientists, data analysts and software engineers etc. The company focusses on building software and applications in house with minimum external dependency. Additionally, they acquire technology from external sources (SAAS) as required, ensuring the availability of cutting-edge solutions to facilitate their digital transformation journey.

MAS proactively integrates a range of Application Programming Interfaces (APIs) into its strong IT system as part of its digital transformation. These APIs are essential for facilitating seamless digital transactions and procedures, which improves operational effectiveness and client convenience.

Origination

- Centralised onboarding and OTP-based authentication
- Seamless application management with document upload
- Preliminary eligibility check



Decisioning

- Pre-set rule engines to determine creditworthiness
- EKYC, Bureau checks via integrated APIs
- Income analysis via Ix and bank statements



Operations

- Remote and paperless documentation (e-sign/ e-stamp APIs)
- Customer engagement via Whatsapp. SMS and emails



Disbursement & Collection

- 100% cashless disbursement
- 100% cashless collection via ENACH, BillDesk, PayTM and Bharatpe tieups



Outcomes

1 Significant TAT reduction in SME & Housing products where the borrowers are mainly from formal segment

We are integrating technology across all verticals of our operations by collaborating with 45+ APIs, thereby enabling authentic data sourcing.

To give clients transparent, quick, and efficient services, the organisation has made significant progress in digitising its financial services. Digital financial services are becoming the preferred method of service delivery due to rising client awareness and acceptance of digital platforms. In addition to raising customer satisfaction, this digitisation trend has broadened the company's consumer base and enhanced service effectiveness.

The organisation has taken several integration measures to accomplish these objectives, including integrating

2 Improvement in opex cost

several APIs, including those for bank statements, GST data, and CIBIL data. The use of account aggregators for bank statement data and the smooth operation of numerous products have been made possible by this integration.

The business is currently updating its IT systems for improved credit screening and offerings as part of its ongoing improvement efforts. Next, they intend to use a Business Rule Engine (BRE) and Artificial Intelligence (AI) to combine many data sources for quicker credit screening and data processing. It is anticipated that this incorporation of BRE and AI into the IT system will further improve the efficacy and efficiency of credit analysis.

3 Authenticated data sourcing enabling better & faster credit assessment

TECHNOLOGY LANDSCAPE

Lead Creation	Credit Assessment and Underwriting	Post Disbursement	Customer On boarding	Pre-Disbursal and Disbursement
<ul style="list-style-type: none"> Digital Marketing (Website, Social Media & WhatsApp) Login (LOS Platform) Daily Sales Lead Management Platform (LMS and DSAR) 	<ul style="list-style-type: none"> Bureau Check & Internal Dedupe Verification of KYC, Utility Bill & others Video PD BRE Based Credit Policy Check 	<ul style="list-style-type: none"> CRM Platform Call Centre WhatsApp Digital Collection Collections App 	<ul style="list-style-type: none"> EKYC PAN to GST ITR, GST and Banking Data Fetching Udyam Details OTP & Email Consent Other necessary APIs 	<ul style="list-style-type: none"> E-Agreement & E-NACH Bank Details Verification Penny Drop Digital Disbursal

With around 55% completion of its digital initiatives, the company aims to achieve 65% completion by September 2024. It is significant to remember that whilst technology facilitates improved credit analysis and offerings, human labour will always be essential to guaranteeing smooth operations and customised client experiences.

CHALLENGES IN DIGITAL INTEGRATION

While the adoption of digital tools has been essential for MAS's transformation, the company has faced several challenges:

1. Resistance to Change

Overcoming employee resistance to new digital tools has been a key challenge. MAS has tackled this by engaging employees early, offering comprehensive training, clear communication on the benefits, and involving key stakeholders in the selection and implementation phases. A culture of continuous learning and mentorship is encouraged.

2. Integration with Legacy Systems

Integration of new digital tools with legacy systems posed initial challenges. MAS has addressed this by selecting digital tools that offer robust integration

capabilities and utilising middleware solutions. Phased implementation ensures smooth transitions and reduces risks.

3. Lack of Digital Skills

The lack of technical skills among employees has been mitigated through targeted training programmes, hands-on learning opportunities, and external certifications. MAS has also brought in experts to guide the transformation process.

Key Digital Tools and Initiatives

MAS has leveraged various digital tools to streamline its operations and improve customer service. Key initiatives include:

Automation of Repetitive Tasks	Project Management and Collaboration	Data Analytics and Business Intelligence
Customer Relationship Management (CRM)	Time Tracking and Productivity Monitoring	Document Management
Cybersecurity Tools	Mobile Solutions	

These tools are integral to improving operational efficiency, ensuring that MAS remains competitive in a digital-first world.

Compliance and Security Enhancements

MAS is also committed to ensuring compliance and security in its operations. The company plans to implement India's leading compliance software "**Complinty**" which will streamline various compliance-related tasks. The software will cover areas such as compliance, legal updates, secretarial tasks, assessments, registrations, insurance, and document management. Key features of this implementation include:

- Identification of applicable laws based on client locations in India
- Regular uploading of compliance checklists
- Implementation of Complinty software with key modules
- Monthly updates to compliance checklists for Indian laws
- Ongoing IT support and helpdesk services
- Software upgrades for subscribed modules

- Provision of comprehensive online training for software modules to users for up to 3 months post Go-Live

In addition to this, MAS is pursuing **ISO/IEC 27001:2022 certification**, an international standard for Information Security Management Systems (ISMS), to further bolster its cybersecurity and data protection measures.

Through these efforts, MAS aims to continue advancing its digital transformation journey, ensuring operational excellence, compliance, and superior customer experience.

Measuring Success and Impact

To track the success and impact of its digital initiatives, MAS uses a variety of performance metrics, including:

1. Key Performance Indicators (KPIs)
2. Return on Investment (ROI)
3. Adoption and Usage Metrics
4. Digital Maturity Assessment
5. Business Impact and Strategic Alignment
6. Risk Reduction and Compliance
7. Continuous Improvement and Feedback Loops

These metrics provide a comprehensive view of the effectiveness of digital transformation efforts and their contribution to business outcomes.

Employee Training and Adoption

MAS prioritises employee training and adoption to maximise the success of its digital transformation initiatives. The process begins with pre-implementation planning and communication, ensuring employees are aware of upcoming changes and their significance. Training is tailored to specific roles, using interactive and multi-modal approaches to address diverse learning needs. Employees receive hands-on practice in sandbox environments to build confidence in using new systems. On-demand support and resources are readily available to address challenges, while change management strategies ensure sustained engagement. Measurable outcomes, incentives, and performance analytics are leveraged to track progress and improve training effectiveness. Furthermore, MAS fosters a culture of digital adoption, encouraging employees to embrace innovation and actively contribute to the organisation's growth.

Enhancing Customer Experience Through Technology

MAS leverages a range of advanced digital platforms and technologies to enhance customer experience, ensuring seamless, secure, and personalised services while driving growth and sustainability. The company focusses on robust infrastructure and scalability to support its expanding operations, cybersecurity enhancements to safeguard client data, and data-driven decision-making tools that provide valuable business intelligence. Additionally, MAS integrates sustainability and green tech solutions into its operations, aligning with environmental goals, and invests in employee experience technologies to foster a productive and innovative workforce. Together, these initiatives underscore MAS's commitment to delivering exceptional value to its clients and stakeholders.

Future Digital Upgrades and Innovations

Enhance Cybersecurity Measures	Leverage Data-Driven Decision-Making and Business Intelligence	Build Omnichannel Customer Engagement Platforms
Enhance Digital Customer Support Systems	Adapt Sustainability and Green Tech Innovations	

Strengthening Data Security and Safeguarding Customer Privacy

As per goals set in FY 2023, we establish compliance initiatives to maintain zero non-compliance cases from the baseline year, ensuring customer privacy and regulatory adherence.



MAS Financial Services Limited prioritises data security and customer privacy, ensuring compliance with all relevant regulations while collecting only essential information for customer support and product enhancement. Multiple robust security measures are in place to protect sensitive data and prevent unauthorised access.

COMPREHENSIVE SECURITY FRAMEWORK

MAS ensures data security and privacy during its digital transformation through the following practices:

- **Data Encryption:** Sensitive information is encrypted to prevent unauthorised access
- **Access Control and Authentication:** Multi-factor authentication (MFA) and role-based access controls ensure only authorised personnel can access data

- **Regulatory Compliance:** Compliance with data privacy laws, such as GDPR and RBI guidelines, is strictly maintained
- **Secure SDLC:** The secure software development life cycle ensures that data integrity is maintained throughout digital processes
- **Data Backup and Recovery:** Regular backups are performed on internal and external servers under regulated conditions, supported by disaster recovery plans
- **Monitoring and Incident Response:** Security systems are actively monitored, with incident response plans in place to address threats promptly
- **User Training and Awareness:** Employees undergo regular training to strengthen organisational readiness
- **Network and Infrastructure Security:** Advanced antivirus software, firewalls, and tightly controlled third-party access secure the infrastructure

PROACTIVE MEASURES FOR DATA PROTECTION

To address concerns about data breaches and compliance, MAS conducts regular IT and security audits through certified external agencies, identifying vulnerabilities and ensuring adherence to industry standards. Recovery procedures are periodically tested by the internal audit team through drills to enhance incident readiness.

Additionally, MAS ensures that new tools comply with industry regulations and clearly communicates its security measures to stakeholders, fostering trust. Internal servers house data in secure environments, with confidentiality preserved through strict access controls.

MAS's robust security framework has resulted in no reported data losses, breaches, or verified complaints about privacy violations. This impeccable record highlights the company's unwavering commitment to safeguarding personally identifiable information (PII) and maintaining customer trust.

There were no data breaches reported during the period. Consequently, there were no personal data breaches, and no account holders were affected.

Sustainable Selling Techniques

(Non GRI) - Material Topic

As per goals set in FY 2023, we ensure consistent follow-up with customers and achieve 100% fulfilment of sales commitments every year, driving customer satisfaction and fostering business growth.



At MAS Financial Services, we recognise the importance of effective and responsible selling strategies. We firmly believe that ethical and moral sales techniques, combined with adherence to legal standards, not only foster consumer trust but also ensure the stability and integrity of the financial system, contributing to the organisation's growth. Our

commitment to transparency ensures that clients are fully informed about interest rates, fees, and repayment plans. We provide clear and simple terms and conditions for all our financial products and services, and through consistent communication, we notify clients of any modifications to terms, charges, or policies.

We understand that sound financial lending products form the foundation of a robust economy, enabling access to various regions of India and promoting economic growth. Therefore, our sales techniques are designed to support societal advancement while aligning with our core values.

OUR SALES PRACTICES INCLUDE:

Transparency:

- Providing clear and straightforward terms and conditions for all financial products
- Ensuring clients are informed of changes in terms, charges, or policies through consistent communication

Ethical Lending:

- Adhering to legal standards and promoting responsible sales techniques to build consumer trust
- Supporting the stability and integrity of the financial system

Sustainability in Sales

- Incorporating environmental considerations into our sales processes to minimise our ecological impact

- Balancing financial services with sustainable practices that benefit the environment

As part of our mission for financial inclusion, we focus on connecting with underbanked and underserved communities. We aim to provide financial support to individuals who may not have access to traditional banking services through inclusive selling practices. By investing in our team and network partners, we ensure they possess the knowledge and skills required to serve a diverse clientele effectively.

Our Commitment to Financial Inclusion and Sustainability:

Reaching Underserved Communities:

- Offering financial support to individuals in remote and underserved regions
- Promoting long-term client relationships over immediate profits

Training and Development:

- Providing comprehensive training and guidance to our team and network partners to enhance their ability to serve clients effectively

Stakeholder Engagement:

- Actively listening to feedback from communities, partners, and clients to continuously refine sales strategies
- Strengthening environmental preservation efforts and stakeholder awareness through a feedback-driven approach

Transparency is a core value that directs our sales strategies. We maintain an open and honest approach in all dealings and strictly adhere to market conduct standards. By offering a wide range of secured and unsecured loans through our digital lending platform, we extend our reach to various retail client sectors while maintaining high-quality standards.

COMPLIANCE WITH REGULATORY REQUIREMENTS:

Adherence to RBI Guidelines:

- Following the Fair Practices Code to promote ethical lending practices
- Complying with the revised regulatory framework for Non-Banking Financial Companies (NBFCs), including capital requirements, governance standards, and prudential regulations

Robust KYC and AML Procedures:

- Implementing Know Your Customer (KYC) and Anti-Money Laundering (AML) measures to prevent fraud and ensure compliance with legal requirements

At MAS Financial Services, integrity, client focus, and sustainable growth remain the cornerstones of our operations. Through responsible marketing and ethical selling practices, we fulfil our commitment to societal and environmental betterment while ensuring the success of our organisation.

Customer Satisfaction

(Non GRI) - Material Topic

As per the goals set in FY 2023, we have addressed complaints by resolving 100% of complaints every year.



At MAS Financial Services, customer satisfaction is the cornerstone of our success. By prioritising transparency, continuous improvement, innovation, and open communication, we strive to meet and exceed client expectations, fostering trust and building long-lasting partnerships. Through active listening, timely service, effective feedback management, and a commitment to empowering our team with training and technology, we consistently enhance our offerings to address evolving customer needs. Our dedication to delivering exceptional service and promoting financial security ensures enduring client loyalty and mutual success.

KEY STRATEGIES AND INITIATIVES TO ENHANCE CUSTOMER SATISFACTION

Transparency and Communication

- Providing clear and thorough information about loan solutions to ensure clients fully understand their financial obligations
- Maintaining open communication channels to address queries and concerns promptly
- Keeping clients informed about new products, services, and updates through regular notifications and personalised communication

Timely and Efficient Service

- Streamlining loan processing procedures to reduce turnaround time and meet financial needs with minimal delays
- Ensuring transparency in loan terms, interest rates, and repayment schedules to build trust and confidence

Proactive Feedback Management

- Actively listening to customer feedback to identify areas for improvement and implement necessary changes

- Establishing strong systems to address complaints, resolve issues promptly, and use insights to enhance customer experience

Empowering Our Team

- Investing in extensive training and development programmes to equip staff with tools and knowledge for exceptional customer service
- Providing ongoing training to help team members adapt to evolving customer needs and exceed expectations

Digital Transformation

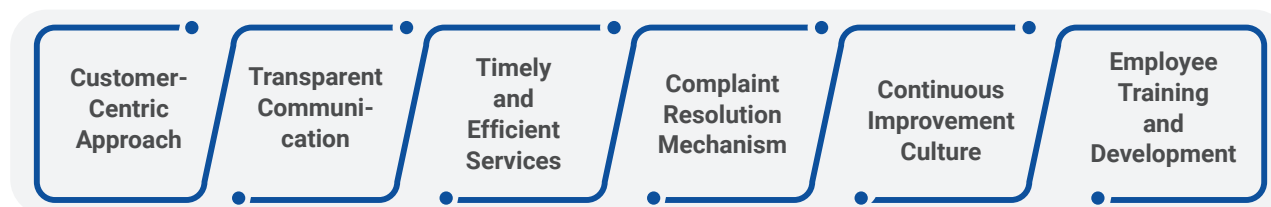
- Developing user-friendly online platforms for loan applications, account management, and customer support to enhance convenience
- Launching mobile applications for seamless, on-the-go access to our services

Financial Education and Awareness

- Conducting workshops and seminars to educate customers about financial products, planning, and investment options
- Sharing educational content through blogs, videos, and newsletters to help clients make informed financial decisions

Customer Loyalty Programmes

- Introducing rewards programmes offering discounts, exclusive offers, and benefits for repeat customers to foster loyalty



- Implementing referral programmes to incentivise existing clients to introduce new customers, expanding our reach

Efficient Complaint Resolution

- Establishing dedicated customer support teams to handle complaints and queries effectively
- Providing 24/7 customer support through multiple channels, including phone, email, and chat, to ensure prompt assistance

Ethical Practices

- Upholding transparency and integrity in all business practices to foster trust and credibility
- Adhering to regulatory requirements and industry standards to maintain a high level of reliability and compliance

	FY 2024	FY 2023
Total number of consumer-initiated complaints	236	138
Total number complaint resolved	232	136

At MAS Financial Services, we are committed to creating a culture of excellence in customer satisfaction, ensuring that every interaction contributes to a stronger, more trusting relationship with our clients.

Promoting Inclusive Community Development

We have significantly increased our CSR expenditure by 32.50%, rising from ₹ 27.84 lakhs to ₹ 36.89 lakhs compared to the previous year.



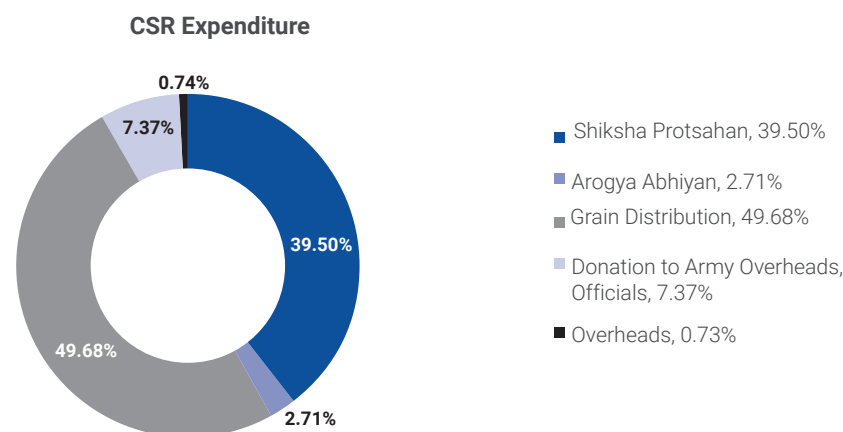
At MAS Financial Services, we are committed to supporting the growth and well-being of the communities in which we operate. We actively engage in a wide array of carefully designed social initiatives aimed at driving positive and lasting change. These programmes are strategically aligned with the needs of the communities we serve, ensuring that our efforts contribute to meaningful transformations. Throughout the fiscal year, our initiatives have made a significant impact, benefiting individuals and families, and fostering a spirit of empowerment and progress in the regions where we have a presence.

CSR PROJECT IMPACT

MAS has made significant contributions through its CSR projects, benefiting thousands of individuals, especially those from marginalised and vulnerable groups. Below are the key projects and their impact:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1.	MAS Arogya Abhiyan	150	100%
2.	Shiksha Abhiyan	9,500 students	100%
3.	MAS Menstrual Hygiene Programme	1,500 (on Quarterly basis)	100%
4.	Grain Distribution	300	100%

Total CSR Expenditure	₹ 36.89 lakhs
Shiksha Protsahan	39.50%
Arogya Abhiyan	2.71%
Grain distribution	49.68%
Donation to Army Officials	7.37%
Overheads	0.73%



ADVANCING EDUCATION: SHAPING FUTURE Generations

Education is key to improving the quality of life, particularly for disadvantaged individuals. MAS is committed to supporting talented students who are unable to continue their education due to financial constraints. The company provides financial assistance for tuition, as well as essential supplies such as school shoes, uniforms, school bags, stationery, and sweaters, ensuring that students can focus on their education without the added burden of extra expenses.

In FY 2023-24, we supported over 10,000 children from Government Primary Schools. Our management team actively collaborates with schools in Gandhinagar and Ahmedabad to assess the facilities and identify opportunities for additional support. In response to the challenges faced by students, such as intense heat during meals, MAS prioritised infrastructure improvements, including providing fans, lights, benches, computers, and creating play spaces equipped with swings. Most importantly, MAS constructed sheds to protect students from heat-related illnesses, ensuring their comfort and safety.



HEALTHCARE: ENSURING ACCESS TO MEDICAL CARE

MAS is dedicated to enhancing healthcare access for underserved communities. We have spent ₹ 1 lakh to support the "Arogya Abhiyan" project, which provides essential medical facilities to those in need. In addition, a total of ₹ 4 million has been earmarked to support healthcare access and address the medical challenges faced by individuals in these communities.

To further promote health and hygiene, we distribute approximately 5,000 sanitary pads annually to girls in villages near Ahmedabad. We also constructed a toilet in a government school in Gujarat, improving sanitation facilities for students.

COMMUNITY SUPPORT: ADDRESSING BASIC NEEDS

MAS is committed to meeting the basic needs of underserved communities. We have allocated ₹ 0.5 million for the grain distribution project, which aims to address food scarcity in underserved areas. In 2023-24, the company spent ₹ 1.83 million on this initiative, which provides essential grocery items to those in need.

In addition to food, MAS supports critical infrastructure needs, such as providing 20 air conditioners to the Army Hospital in Ahmedabad and contributing to the welfare of war widows. We also organised a blood donation camp in collaboration with the local police, collecting over 300 bottles of blood for the Red Cross Society widow.





LONG-TERM COMMITMENT TO RURAL DEVELOPMENT

As part of its long-term CSR strategy, MAS launched the "Shiksha Protsahan" project, a three-year initiative aimed at advancing education in rural areas. In FY 2023-24, the company allocated ₹ 1.46 million to help impoverished students through financial support, educational resources, and infrastructure upgrades. The company also provided 20 cycles to government primary school children promoted to Standard 9th, ensuring their daily commute was easier and more convenient.

Through these initiatives and continued efforts, MAS aims to contribute to the advancement of society by focussing on education, healthcare, sanitation, and meeting essential needs. We remain committed to increasing the impact and resources dedicated to our CSR efforts in the coming years, with the ultimate goal of improving the health, well-being, and quality of life for every community member we serve.



GRI Index

Statement of use	MAS Financials Services Limited has reported the information cited in this GRI content index for the period of "April 2023- March 2024" with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organisational details	6
	2-2 Entities included in the organisation's sustainability reporting	6
	2-3 Reporting period, frequency and contact point	1
	2-4 Restatements of information	1
	2-5 External assurance	1
	2-6 Activities, value chain and other business relationships	6
	2-7 Employees	4
	2-9 Governance structure and composition	13
	2-10 Nomination and selection of the highest governance body	Refer to Annual Report 2023-24 - Page 48
	2-11 Chair of the highest governance body	Refer to Annual Report 2023-24 Page 106
	2-12 Role of the highest governance body in overseeing the management of impacts	14
	2-13 Delegation of responsibility for managing impacts	14
	2-14 Role of the highest governance body in sustainability reporting	14
	2-15 Conflicts of interest	14
	2-16 Communication of critical concerns	17
	2-17 Collective knowledge of the highest governance body	13
	2-18 Evaluation of the performance of the highest governance body	Refer to Annual Report 2023-24 Page 40
	2-19 Remuneration policies	Refer to Annual Report 2023-24 Page 47

GRI STANDARD	DISCLOSURE	LOCATION
	2-20 Process to determine remuneration	Refer to Annual Report 2023-24 Page 47
	2-21 Annual total compensation ratio	18
	2-22 Statement on sustainable development strategy	20
	2-23 Policy commitments	20
	2-24 Embedding policy commitments	20
	2-25 Processes to remediate negative impacts	21
	2-26 Mechanisms for seeking advice and raising concerns	17
	2-27 Compliance with laws and regulations	16
	2-28 Membership associations	10
	2-29 Approach to stakeholder engagement	11
	2-30 Collective bargaining agreements	12
GRI 3: Material Topics 2021	3-1 Process to determine material topics	11
	3-2 List of material topics	12
	3-3 Management of material topics	Refer to ESG Report 2022-23 Page 31, 33, 34, 35, 36
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	18
	201-2 Financial implications and other risks and opportunities due to climate change	Refer to Annual Report 2023-24 Page 104
	201-3 Defined benefit plan obligations and other retirement plans	Refer to Annual Report 2023-24 Page 156
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	19
	203-2 Significant indirect economic impacts	18
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	23
	302-3 Energy intensity	24

GRI STANDARD	DISCLOSURE	LOCATION
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	24
	305-2 Energy indirect (Scope 2) GHG emissions	24
	305-3 Other indirect (Scope 3) GHG emissions	24
	305-4 GHG emissions intensity	25
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	25
	306-2 Management of significant waste-related impacts	25
	306-3 Waste generated	25
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	27
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	27
	401-3 Parental leave	27
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	29
	403-2 Hazard identification, risk assessment, and incident investigation	29
	403-3 Occupational health services	29
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	28
	404-2 Programmes for upgrading employee skills and transition assistance programmes	28
	404-3 Percentage of employees receiving regular performance and career development reviews	29
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	26
	405-2 Ratio of basic salary and remuneration of women to men	27
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	38
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	33