RED HERRING PROSPECTUS
Dated September 25, 2017
(Please read Section 32 of the Companies Act, 2013)
100% Book Building Offer

The Power of Distribution

MAS FINANCIAL SERVICES LIMITED

Our Company was incorporated as 'MAS Financial Services Limited', a public limited company under the Companies Act, 1956, with a certificate of incorporation issued by the Assistant Registrar of Companies, Gujarat (Dadra & Nagar Haveli) on May 25, 1995 at Ahmedabad. Our Company received a certificate for commencement of business on May 29, 1995 from the Assistant Registrar of Companies, Gujarat (Dadra & Nagar Haveli).

Registered and Corporate Office: 6, Narayan Chambers, Ground Floor, Behind Patang Hotel, Ashram Road, Ahmedabad 380 009, Gujarat, India; **Telephone**: +91 79 3001 6500; **Facsimile**: +91 79 3001 6597

Contact Person: Nirav Prakashchandra Patel, Company Secretary and Compliance Officer; **Telephone**: + 91 79 3001 6638; **Facsimile**: +91 79 3001 6561

E-mail: secretarial@mas.co.in; **Website**: www.mas.co.in; **Corporate Identity Number:** U65910GJ1995PLC026064

PROMOTERS OF OUR COMPANY: KAMLESH CHIMANLAL GANDHI, MUKESH CHIMANLAL GANDHI, SHWETA KAMLESH GANDHI AND PRARTHNA MARKETING PRIVATE LIMITED

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF MAS FINANCIAL SERVICES LIMITED (OUR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●]* PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]* PER EQUITY SHARE (THE "OFFER PRICE"), AGGREGATING UP TO ₹ 4,600.42 MILLION (THE "OFFER") COMPRISING OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹ 2,330 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 2,270.42 MILLION BY THE SELLING SHAREHOLDERS, COMPRISING AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 1,126.63 MILLION BY DEG – DEUTSCHE INVESTITIONS – UND ENTWICKLUNGSGESELLSCHAFT MBH ("DEG"), AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 793.38 MILLION BY NEDERLANDSE FINANCIERINGS – MAATSCHAPPIJ VOOR ONTWIKKELINGSLANDEN N. V. ("FMO") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 350.41 MILLION BY SARVA CAPITAL LLC ("SARVA CAPITAL", AND TOGETHER WITH DEG AND FMO, THE "SELLING SHAREHOLDERS") ("OFFER FOR SALE"). THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 70 MILLION FOR ELIGIBLE EMPLOYEES (DEFINED HEREINAFTER) (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●] % AND [●] % OF THE POST-OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY.

Our Company has, in consultation with the BRLM, undertaken a private placement of 3,990,422 Equity Shares for cash consideration aggregating to ₹ 1,350.00 million ("Pre-IPO Placement"). The size of the Fresh Issue, as disclosed in the Draft Red Herring Prospectus, has been reduced accordingly. See "Capital Structure" on page 76 for details of the Pre-IPO Placement.

A discount of up to [●]% (equivalent to up to ₹ [●]) on the Offer Price may be offered by our Company and the Selling Shareholders, in consultation with the BRLM to Eligible Employees Bidding in the Employee Reservation Portion ("Employee Discount**").*

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES.
THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN ALL EDITIONS OF FINANCIAL EXPRESS (ENGLISH), AN ENGLISH DAILY NEWSPAPER, ALL EDITIONS OF JANSATTA, A HINDI DAILY NEWSPAPER AND ALL EDITIONS OF FINANCIAL EXPRESS (GUJARATI), A GUJARATI DAILY NEWSPAPER (GUJARATI BEING THE REGIONAL LANGUAGE IN THE STATE WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the Syndicate Member.

The Offer is being made in terms of Rule 19(2)(b)(iii) of the SCRR, through the Book Building Process in accordance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI ICDR Regulations**"), wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIB**s"). Our Company and the Selling Shareholders in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis. Further, up to [●] Equity Shares aggregating up to ₹ 70 million will be offered for allocation and Allotment on a proportionate basis to the Eligible Employees Bidding in the Employee Reservation Portion, conditional upon valid Bids being received from them at or above the Offer Price. All Bidders, other than Anchor Investors, shall participate in the Offer mandatorily through the Applications Supported by Blocked Amount ("**ASBA**") process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "*Offer Procedure*" on page 431.

RISKS IN RELATION TO FIRST OFFER

This being the first public issue by the Issuer, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value of our Equity Shares. The Offer Price, as determined and justified by our Company and the Selling Shareholders in consultation with the Book Running Lead Manager in accordance with the SEBI ICDR Regulations and as stated in "*Basis for Offer Price*" on page 102 should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of the Issuer and this Offer, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 17.

COMPANY AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and this Offer, which is material in the context of this Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. The Selling Shareholders, severally and not jointly, accept responsibility for and confirm only the statements specifically confirmed or undertaken by such Selling Shareholder in this Red Herring Prospectus to the extent such statements contain information pertaining to the respective Selling Shareholder and its portion of the Offered Shares.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters dated April 26, 2017 and May 24, 2017, respectively. For the purposes of this Offer, NSE shall be the Designated Stock Exchange. A signed copy of this Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act 2013. For details of the material contracts and documents available for inspection from the date of this Red Herring Prospectus up to the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 516.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE OFFER
Motilal Oswal Investment Advisors Limited Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai 400 025, Maharashtra, India **Telephone:** + 91 22 3980 4200; **Facsimile:** +91 22 3980 4315 **E-mail:** mas.ipo@motilaloswal.com **Investor grievance E-mail:** moiaplredressal@motilaloswal.com **Website:** www.motilaloswalgroup.com **Contact person:** Subodh Mallya / Kristina Dias **SEBI Registration No.:** INM000011005	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India **Telephone:** +91 22 4918 6200; **Facsimile:** +91 22 4918 6195 **E-mail:** mas.ipo@linkintime.co.in **Investor Grievance E-mail:** mas.ipo@linkintime.co.in **Website:** www.linkintime.co.in **Contact Person:** Shanti Gopalkrishnan **SEBI Registration No.:** INR000004058

BID/ OFFER PROGRAMME*

BID/ ISSUE OPENS ON: OCTOBER 6, 2017*	**BID/ ISSUE CLOSES ON: OCTOBER 10, 2017**

** Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors. The Anchor Investors shall Bid during the Anchor Investor Bidding Date, i.e., one Working Day prior to the Bid/Offer Opening Date*

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SECTION I – GENERAL
DEFINITIONS AND ABBREVIATIONS

This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act or regulation, as amended or re-enacted from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

Unless the context otherwise indicates or implies, all references to "the Issuer", "the Company", "our Company" are references to MAS Financial Services Limited and references to "we", "our" or "us" are references to our Company, together with its Subsidiary.

Company Related Terms

Term	Description
Articles or Articles of Association or AoA	The articles of association of our Company, as amended.
Audit Committee	The audit committee of our Board, as described in "*Our Management*" on page 160.
Auditors or Statutory Auditors	Statutory auditors of our Company, namely, Deloitte Haskins & Sells, Chartered Accountants.
Average Disbursement	Average Disbursement is determined by dividing aggregate disbursement during a year/ period by the number of new loan accounts opened during the year / period.
Board or Board of Directors	The board of directors of our Company, including a duly constituted committee thereof.
CCDs	Compulsorily convertible debentures of face value ₹ 100,000 each, issued by our Company.
CCPS	Compulsorily convertible cumulative preference shares issued by our Company from time to time.
Company Secretary and Compliance Officer	Nirav Prakashchandra Patel, appointed as our company secretary and compliance officer pursuant to a board resolution dated December 23, 2015.
Commercial Vehicles	New and used commercial vehicles, used cars as well as tractors.
CSR Committee	The corporate social responsibility committee of our Board, as described in "*Our Management*" on page 160.
Customer Locations	Customer Locations refer to locations determined by distinct area codes relating to the customer address associated with each customer loan account as recorded in our operating and related internal reporting and accounting records.
DEG	DEG-Deutsche Investitions-und Entwicklungsgesellschaft MBH.
DEG Agreement	Subscription agreement dated June 13, 2012, executed amongst our Company, Kamlesh Chimanlal Gandhi, Mukesh Chimanlal Gandhi, Shweta Kamlesh Gandhi, erstwhile Mukesh Chimanlal Gandhi HUF, Prarthna Marketing Private Limited and DEG, as amended.
DEG Amendment Agreement	Second amendment agreement dated March 23, 2017 to the DEG Agreement.
DEG Offer Size	The final size of the Offer for Sale portion of DEG, as disclosed in this Red Herring Prospectus, being to the extent of the DEG Offered Shares.
DEG Offered Shares	Up to [●] Equity Shares aggregating up to ₹ 1,126.63 million, offered by DEG in the Offer for Sale as per its authorisation letter dated March 21, 2017.
Director(s)	Director(s) on our Board.
Equity Shares	Equity shares of our Company of face value of ₹ 10 each.
FMO	Nederlandse Financierings – Maatschappij voor Ontwikkelingslanden N.V.
FMO Offer Size	The final size of the Offer for Sale portion of FMO, as disclosed in this Red Herring Prospectus, being to the extent of the FMO Offered Shares.
FMO Offered Shares	Up to [●] Equity Shares aggregating up to ₹ 793.38 million offered by FMO in the Offer for Sale as per its consent letter dated March 21, 2017.
FMO-Sarva Agreement	Shareholders' agreement dated January 29, 2014, executed amongst our Company, Mukesh Chimanlal Gandhi, Kamlesh Chimanlal Gandhi, Shweta Kamlesh Gandhi, erstwhile Mukesh Chimanlal Gandhi HUF, FMO and Sarva Capital, as amended.
FMO-Sarva Termination Agreement	Amendment and termination agreement dated March 23, 2017 to the FMO-Sarva Agreement.
Group Company(ies)	Companies which are covered under the applicable accounting standards and other companies considered material by our Board, as disclosed in "*Our Group Company*" on page 179.
IPO Committee	The committee constituted by our Board for the Offer, as described in "*Our Management*" on page 160.
Key Management Personnel	Key management personnel of our Company in terms of the SEBI ICDR Regulations and the Companies Act, 2013, as disclosed in "*Our Management*" on page 160.

Term	Description
Memorandum or Memorandum of Association or MoA	The memorandum of association of our Company, as amended.
MOFSL	Motilal Oswal Financial Services Limited
MOSL	Motilal Oswal Securities Limited
NCDs	Non-convertible debentures issued by our Company from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in "*Our Management*" on page 160.
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1) (zb) of the SEBI ICDR Regulations, as disclosed in "*Our Promoters and Promoter Group*" on page 174.
Promoters	The promoters of our Company, being Kamlesh Chimanlal Gandhi, Mukesh Chimanlal Gandhi, Shweta Kamlesh Gandhi and Prarthna Marketing Private Limited.
Registered and Corporate Office	The registered and corporate office of our Company located at 6, Narayan Chambers, Ground Floor, behind Patang Hotel, Ashram Road, Ahmedabad 380 009, Gujarat, India.
Registrar of Companies or RoC	Registrar of Companies, Gujarat (Ahmedabad).
Restated Consolidated Financial Statements	The audited consolidated financial statements of our Company and our Subsidiary as of and for the fiscal years ended March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016 and March 31, 2017 and for the three month period ended June 30, 2017 and the related notes, schedules and annexures thereto, prepared in accordance with applicable provisions of the Companies Act and restated in accordance with the SEBI ICDR Regulations.
Restated Financial Statements	Collectively, the Restated Consolidated Financial Statements and the Restated Standalone Financial Statements.
Restated Standalone Financial Statements	The audited standalone financial statements of our Company as of and for the fiscal years ended March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016 and March 31, 2017 and for the three month period ended June 30, 2017, and the related notes, schedules and annexures thereto, prepared in accordance with applicable provisions of the Companies Act, and restated in accordance with the SEBI ICDR Regulations.
Sarva Capital	Sarva Capital LLC (earlier known as Lok Capital II LLC).
Sarva Initial Offer Size	The size of the Offer for Sale portion of Sarva aggregating to 60% of the Equity Shares issued and allotted to Sarva upon conversion of the Series B CCPS.
Sarva Offer Size	The final size of the Offer for Sale portion of Sarva Capital, as disclosed in this Red Herring Prospectus, being to the extent of the Sarva Offered Shares.
Sarva Offered Shares	Up to [●] Equity Shares aggregating up to ₹ 350.41 million offered by Sarva Capital in the Offer for Sale as per its consent letter dated March 21, 2017.
Selling Shareholders	Collectively, DEG, FMO and Sarva Capital.
Series A CCPS	0.01% compulsorily convertible cumulative preference shares of face value of ₹ 10 each, issued by our Company.
Series B CCPS	13.31% compulsorily convertible cumulative preference shares of face value of ₹ 10 each, issued by our Company.
Series C CCPS	9.75% compulsorily convertible cumulative preference shares of face value of ₹ 100,000 each, issued by our Company.
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board as described in "*Our Management*" on page 160.
"Subsidiary" and "MRHMFL"	The subsidiary of our Company, being MAS Rural Housing & Mortgage Finance Limited.
Upside Promoters	Collectively, Kamlesh Chimanlal Gandhi and Mukesh Chimanlal Gandhi.
7% CCPS	7% compulsorily convertible cumulative preference shares of face value of ₹ 10 each, issued by our Company.

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary (ies) to the Bidder as proof of registration of the Bid.
Allot or Allotment or Allotted	Unless the context otherwise requires, allotment of Equity Shares pursuant to the Fresh Issue and transfer of the respective proportion of the Offered Shares by each of the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders.
Allotment Advice	Advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	A successful Bidder to whom an Allotment is made.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with SEBI ICDR Regulations and who has Bid for an amount of at least ₹ 100 million.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors according to the terms of this Red Herring Prospectus and Prospectus, which will be decided by our Company and the

Term	Description
	Selling Shareholders in consultation with the BRLM.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of this Red Herring Prospectus and the Prospectus.
Anchor Investor Bidding Date	The date, one Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed.
Anchor Investor Offer Price	The price at which the Equity Shares will be Allotted to Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLM.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Selling Shareholders in consultation with the BRLM, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price.
Anchor Investor Pay-in Date	The Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/ Offer Closing Date.
ASBA or Application Supported by Blocked Amount	The application (whether physical or electronic) used by an ASBA Bidder to make a Bid authorising the relevant SCSB to block the Bid Amount in the relevant ASBA Account.
ASBA Account	An account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the ASBA Form.
ASBA Bid	A Bid made by an ASBA Bidder.
ASBA Bidder(s)	Any Bidder in the Offer except Anchor Investors.
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus.
"Banker to the Offer" or "Escrow Collection Bank"	Axis Bank Limited
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in "*Offer Procedure*" on page 431.
Bid(s)	An indication by an ASBA Bidder to make an offer during the Bid/ Offer Period pursuant to submission of the ASBA Form, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of the Anchor Investor Application Form, to subscribe to/ purchase Equity Shares at a price within the Price Band, including all revisions and modifications thereto, as permissible under the SEBI ICDR Regulations and in terms of this Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form. For Eligible Employees Bidding in the Employee Reservation Portion, the Bid Amount is net of the Employee Discount. However, in case of Eligible Employees Bidding at Cut-Off Price, the Bid Amount is the Cap Price less Employee Discount, as applicable, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, *i.e.*, Designated Branches of SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bid Lot	[●] Equity Shares.
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of Financial Express (English), an English daily newspaper, all editions of Jansatta, a Hindi daily newspaper and all editions of Financial Express (Gujarati), a Gujarati daily newspaper (Gujarati being the regional language in the state where our Registered and Corporate Office is located), each with wide circulation and in case of any revision, the extended Bid/ Offer Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.

Term	Description
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of Financial Express (English), an English daily newspaper, all editions of Jansatta, a Hindi daily newspaper and all editions of Financial Express (Gujarati), a Gujarati daily newspaper (Gujarati being the regional language in the state where our Registered and Corporate Office is located), each with wide circulation, and in case of any revision, the extended Bid/ Offer Opening Date also to be notified on the website and terminals of the Syndicate Member.
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made.
Book Running Lead Manager or BRLM	The book running lead manager to the Offer, being Motilal Oswal Investment Advisors Limited.
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com.
CAN or Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bidding Date.
Cap Price	The higher end of the Price Band, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted.
Client ID	Client identification number maintained with one of the Depositories in relation to demat account.
CDP or Collecting Depository Participant	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Cut-Off Price	Offer Price, which shall be any price within the Price Band finalised by our Company and the Selling Shareholders, in consultation with the BRLM. Only Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, investor status, occupation and bank account details.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms used by the ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries, updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (at www.bseindia.com and www.nseindia.com, respectively) as updated from time to time.
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account, and the SCSBs transfer funds from the ASBA Accounts to the Public Offer Account or the Refund Account, as appropriate, in terms of this Red Herring Prospectus following which our Board of Directors shall Allot Equity Shares to successful Bidders in the Fresh Issue and the Selling Shareholders may give delivery instructions for the transfer of the respective Offered Shares.
Designated Intermediary(ies)	Collectively, the Syndicate, Sub-Syndicate Members/ agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect ASBA Forms from the ASBA Bidders in the Offer.
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, respectively.
Designated Stock Exchange	NSE
Draft Red Herring Prospectus or DRHP	The draft red herring prospectus dated March 24, 2017, issued in accordance with the SEBI ICDR Regulations, which did not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto.
Eligible Employee	A permanent and full-time employee working in India or abroad of (i) our Company or our

Term	Description
	Subsidiary, or a Director of our Company, whether whole-time or part-time, as on the date of this Red Herring Prospectus, (ii) who is based, working and present in India as on the date of submission of the ASBA Form and who continues to be in such employment until submission of the ASBA Form, but excludes our Promoter and Promoter Group and such other persons not eligible under applicable laws, rules, regulations and guidelines.
Employee Discount	Discount of up to ₹ [●] to the Offer Price that may be offered to Eligible Employees Bidding in the Employee Reservation Portion subject to the Bid Amount not exceeding ₹ 500,000, as decided by our Company and the Selling Shareholders in consultation with BRLM.
Employee Reservation Portion	Up to [●] Equity Shares aggregating up to ₹ 70 million, available for allocation to Eligible Employees on a proportionate basis.
Eligible NRI	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and this Red Herring Prospectus will constitute an invitation to purchase the Equity Shares.
Escrow Account	An account opened with the Escrow Collection Bank and in whose favour Anchor Investors will transfer the Bid Amount through direct credit/NEFT/RTGS.
Escrow Agreement	The agreement dated September 16, 2017 amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLM, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof.
First or sole Bidder	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted.
Fresh Issue	The issue of up to [●] Equity Shares aggregating up to ₹ 2,330 million by our Company for subscription pursuant to the terms of this Red Herring Prospectus.
General Information Document or GID	The General Information Document for investing in public issues, prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI, suitably modified and updated pursuant to, *inter alia*, the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by SEBI and included in "*Offer Procedure*" on page 431.
Maximum RIB Allottees	Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot.
Monitoring Agency	Axis Bank Limited
Monitoring Agency Agreement	Agreement dated September 14, 2017 entered into between our Company and the Monitoring Agency.
Mutual Fund Portion	5% of the Net QIB Portion or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Net Offer	The Offer less the Employee Reservation Portion.
Net Proceeds	The Offer Proceeds less the amount to be raised with respect to the Offer for Sale and less our Company's share of the Offer expenses.
Net QIB Portion	The QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non-Institutional Bidders	Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹200,000 (but not including Eligible Employees Bidding in the Employee Reservation Portion).
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net Offer consisting of not less than [●] Equity Shares which shall be available for allocation to Non-Institutional Bidders on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
Non-Resident or NR	A person resident outside India, as defined under FEMA and includes FPIs, FVCIs and NRIs.
Offer	The initial public offer of up to [●] Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] each, consisting of the Fresh Issue and the Offer for Sale.
Offer Agreement	The agreement dated March 23, 2017 amongst our Company, the Selling Shareholders and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer for Sale	The offer for sale of up to [●] Equity Shares aggregating up to ₹ 2,270.42 million by the Selling Shareholders, comprising of an offer for sale of the DEG Offered Shares, the FMO Offered Shares and the Sarva Offered Shares, in terms of this Red Herring Prospectus.
Offer Price	The final price at which Equity Shares will be Allotted to successful Bidders in terms of this Red Herring Prospectus. A discount of up to [●] % (equivalent of ₹ [●]) per Equity Share on

Term	Description
	the Offer Price may be offered to Eligible Employees bidding in the Employee Reservation Portion. The Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLM on the Pricing Date, in accordance with the Book-Building Process and in terms of this Red Herring Prospectus.
Offered Shares	Equity Shares being offered for sale by the Selling Shareholders in the Offer, collectively, the DEG Offered Shares, the FMO Offered Shares and the Sarva Offered Shares.
Offer Proceeds	The proceeds of this Offer that is available to our Company and the Selling Shareholders.
Pre-IPO Placement	The private placement of 3,990,422 Equity Shares for cash consideration aggregating to ₹ 1,350.00 million by our Company, in two tranches, in consultation with the BRLM. For further details in relation to the Pre-IPO Placement, see "*Capital Structure – Notes to Capital Structure"* on page 425.
Price Band	The price band ranging from the Floor Price of ₹ [●] per Equity Share to the Cap Price of ₹ [●] per Equity Share, including any revisions thereof. The Price Band and the minimum Bid lot size will be decided by our Company and the Selling Shareholders, in consultation with the BRLM.
Pricing Date	The date on which our Company and the Selling Shareholders, in consultation with the BRLM, will finalise the Offer Price.
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
Public Offer Account	The bank account opened with the Banker to the Offer under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date.
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations.
QIB Bidders	QIBs who Bid in the Offer.
QIB Portion	The portion of the Offer, being not more than 50% of the Net Offer consisting of not more than [●] Equity Shares, which shall be allocated to QIBs (including Anchor Investors). Our Company and the Selling Shareholders, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis.
Qualified Purchaser / QP	As defined in section 2(a)(51) and the related rules of the U.S. Investment Company Act.
Red Herring Prospectus or RHP	This Red Herring Prospectus dated September 25, 2017 issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which does have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/ Offer Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date.
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made.
Refund Bank(s)	The Bankers to the Offer with whom the Refund Account(s) will be opened, in this case being Axis Bank Limited.
Registrar Agreement	The agreement dated March 23, 2017, entered amongst our Company, the Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and having terminals at any of the Broker Centres and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI.
RTAs or Registrar and Share Transfer Agents	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registrar to the Offer or Registrar	Link Intime India Private Limited.
Resident Indian	A person resident in India, as defined under FEMA.
Retail Individual Bidder(s) or Retail Individual Investor(s) or RII(s) or RIB(s)	Resident Indian individual Bidders other than Eligible Employees Bidding in the Employee Reservation Portion, who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs).
Retail Portion	The portion of the Offer being not less than 35% of the Net Offer, consisting of not less than [●] Equity Shares, available for allocation to Retail Individual Bidders as per the SEBI ICDR

Term	Description
	Regulations.
Revision Form	Form used by the Bidders (other than QIBs and Non-Institutional Investors) to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Forms or any previous Revision Form(s). QIB Bidders and Non-Institutional Bidders are not allowed to modify their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date.
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time.
Share Escrow Agent	The escrow agent appointed pursuant to the Share Escrow Agreement, namely Link Intime India Private Limited.
Share Escrow Agreement	The agreement dated September 16, 2017 amongst our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment.
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders.
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLM and the Syndicate Member, to collect ASBA Forms and Revision Forms.
Syndicate Agreement	The agreement dated September 16, 2017 amongst our Company, the Registrar to the Offer, the Selling Shareholders, the BRLM and the Syndicate Member in relation to the procurement of Bid cum Application Forms by the Syndicate.
Syndicate Member	Motilal Oswal Securities Limited
Syndicate or Members of the Syndicate	The BRLM and the Syndicate Member.
Underwriters	[●].
Underwriting Agreement	The agreement dated [●] amongst the Underwriters, our Company and the Selling Shareholders, entered into on or after the Pricing Date but prior to filing of Prospectus.
U.S. Bank Holding Company Act	Bank Holding Company Act of 1956, as amended.
U.S. Investment Company Act	U.S. Investment Company Act of 1940, as amended.
U.S. Person	As defined in Regulation S under the Securities Act.
U.S. QIBs	Qualified Institutional Buyers, as defined in Rule 144A under the Securities Act.
Volcker Rule	Section 13 of the U.S. Bank Holding Company Act, as amended (together with the rules, regulations and published guidance thereunder).
Working Day	All days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to the time period between (a) announcement of Price Band and the Bid/Offer Closing Date, “Working Day” shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and (b) the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

Technical/ Industry Related Terms/ Abbreviations

Term	Description
AUM	Assets under management.
CAR	Capital adequacy ratio.
CIBIL	Credit Information Bureau (India) Limited.
CRAR	Capital to Risk Assets Ratio
CRISIL	CRISIL Limited.
DSA	Direct sales agent.
Employees State Insurance Act	Employees State Insurance Act, 1948.
Employees Provident Fund Act	Employees Provident Funds and Miscellaneous Provisions Act, 1952.
HFC	Housing finance company.
IBEF	India Brand Equity Foundation.
ICRA	ICRA Limited.
India Ratings	India Ratings and Research Private Limited.
LCV	Light commercial vehicle.
LTV	Loan-to-value.
Minimum Wages Act	The Minimum Wages Act, 1948.

Term	Description
MFI	Microfinance institutions.
MHCV	Medium and heavy commercial vehicle.
MUV	Multi-utility vehicle
NBFC	Non-banking financial company as defined under section 45I of the RBI Act.
NBFC-SI	A systemically important NBFC within the meaning of Regulation 2(1)(zla) of the SEBI ICDR Regulations.
Negotiable Instruments Act	Negotiable Instruments Act, 1881.
NHB	National Housing Bank.
NPA	Non-performing asset.
PAR	Portfolio at risk.
PDC	Post dated cheque(s).
SME	Small and medium enterprises.
SUV	Small utility vehicle.
Tier I Capital	As defined under the Master Directions 2016, Tier I capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I capital of such company as on March 31 of the previous accounting.
Tier II Capital	As defined under the Master Directions 2016, Tier II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of fifty five percent; (c) General provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; and (f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent the aggregate does not exceed Tier I capital.
Workmen’s Compensation Act	Workmen’s Compensation Act, 1923

Conventional and General Terms or Abbreviations

Term	Description
₹ or Rs. or Rupees or INR	Indian Rupees, the official currency of the Republic of India.
AGM	Annual general meeting.
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012.
AS or Accounting Standards	Accounting standards issued by the Institute of Chartered Accountants of India.
BSE	BSE Limited.
CAGR	Compounded Annual Growth Rate. CAGR is calculated by dividing the value of a component at the end of the period in question by its value at the beginning of that period and raising the result to the power of one divided by the length of the period and subtracting one from the subsequent result.
Category II FPI	FPIs registered as “Category II foreign portfolio investors” under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Category III FPI	FPIs registered as “Category III foreign portfolio investors” under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
CDSL	Central Depository Services (India) Limited.
CENVAT	Central Value Added Tax.
CEO	Chief Executive Officer.
CESTAT	Customs, Excise and Service Tax Appellate Tribunal.
CIN	Corporate Identity Number.
CIT	Commissioner of Income Tax.
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder.
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections by the Ministry of Corporate Affairs, Government of India as of the date of this Red Herring Prospectus, along with the relevant rules made thereunder.
CSR	Corporate social responsibility.
Depositories	NSDL and CDSL.
Depositories Act	The Depositories Act, 1996, read with regulations thereunder.

Term	Description
DIN	Director Identification Number.
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.
DP ID	Depository Participant's Identification.
DP or Depository Participant	A depository participant as defined under the Depositories Act.
DRP	Disaster recovery planning.
EBITDA	Earnings before interest, taxes, depreciation and amortisation.
EGM	Extraordinary general meeting.
EMI	Equated monthly instalments.
EPS	Earnings per share (as calculated in accordance with AS-20).
ERP	Enterprise Resource Planning.
FAQ	Frequently asked question.
FCNR	Foreign currency non-resident account.
FDI	Foreign Direct Investment.
FDI Circular	Consolidated Foreign Direct Investment policy circular of 2017, effective from August 28, 2017, issued by the DIPP.
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder.
Financial Year or Fiscal or Fiscal Year or FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year.
FIPB	The erstwhile Foreign Investment Promotion Board, Ministry of Finance, Government Of India.
FPI(s)	Foreign Portfolio Investors as defined under the SEBI FPI Regulations.
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations.
GDP	Gross Domestic Product.
GIR	General Index Register.
GoI or Government or Central Government	Government of India.
GST	Goods and Services Tax.
HUF	Hindu Undivided Family.
ICAI	The Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
Income Tax Act	The Income Tax Act, 1961, read with rules thereunder.
Ind AS	Indian Accounting Standards.
India	Republic of India.
Indian Accounting Standard Rules	The Companies (Indian Accounting Standards) Rules of 2015.
Indian GAAP	Generally Accepted Accounting Principles in India.
IPO	Initial public offering.
IRDAI	Insurance Regulatory and Development Authority of India.
IRR	Internal rate of return.
IST	Indian Standard Time.
IT	Information technology.
ITAT	Income Tax Appellate Tribunal.
KYC	Know Your Customer.
MAT	Minimum Alternate Tax.
Master Directions 2016	Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016
MCA	Ministry of Corporate Affairs, Government of India.
MICR	Magnetic ink character recognition.
MoU	Memorandum of Understanding.
Mn or mn	Million.
N.A. or NA	Not Applicable.
NAV	Net Asset Value.
NACH	National Automated Clearing House, a consolidated system of ECS.
NCT	National Capital Territory
NEFT	National Electronic Fund Transfer.
NRE Account	Non-Resident External account.
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000.
NRO Account	Non-resident ordinary account.
NSDL	National Securities Depository Limited.
NSE	The National Stock Exchange of India Limited.
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the

Term	Description
	extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer.
p.a.	Per annum.
P/E Ratio	Price/Earnings Ratio.
PLR	Prime lending rate.
PAN	Permanent Account Number.
PAT	Profit after tax.
RBI	Reserve Bank of India.
RBI Act	Reserve Bank of India Act, 1934.
RONW	Return on net worth.
RTGS	Real Time Gross Settlement.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act 1992.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012.
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
SEBI Portfolio Manager Regulations	Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993.
SEBI Stock Broker Regulations	Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992.
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996.
Securities Act	United States Securities Act of 1933, as amended.
State Government	The government of a state in India.
Stock Exchanges	The BSE and the NSE.
STT	Securities Transaction Tax.
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
TAN	Tax deduction account number.
TDS	Tax deducted at source.
U.S. or USA or United States	United States of America.
USD or US$	United States Dollars.
U.S. GAAP	Generally accepted accounting principles in the U.S.
VAT	Value Added Tax.
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations.
Year/ Calendar Year	Unless context otherwise requires, shall refer to the twelve month period ending December 31.

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI ICDR Regulations, the Companies Act, the SEBI Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, capitalised terms in "*Statement of Tax Benefits*", "*Objects of the Offer*", "*Financial Statements*", "*Basis for Offer Price*", "*Regulations and Policies*", "*History and Certain Corporate Matters*", "*Financial Indebtedness*", "*Selected Statistical Information*", "*Outstanding Litigation and Material Developments*" and "*Offer Procedure*" on pages 106, 99, 202, 102, 146, 151, 387, 183, 389 and 431 respectively, shall have the meanings given to such terms in such sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

All references in this Red Herring Prospectus to "India" are to the Republic of India. All references in this Red Herring Prospectus to the "U.S.", "USA" or "United States" are to the United States of America.

Currency and Units of Presentation

All references to *"Rupee(s)"*, *"Rs."* or "₹" or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to *"US$"* or *"U.S. Dollars"* or *"USD"* are to United States Dollars, the official currency of the United States of America.

This Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of SEBI ICDR Regulations. Unless otherwise stated, the exchange rates referred to for the purpose of conversion of foreign currency amounts into Rupee amounts, are as follows:

Currency	Exchange rate (₹) as on					
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
USD	64.74	64.84	66.33	62.59	60.10	54.39

Source: www.rbi.org.in
Note: In case March 31 of any of the respective years is a public holiday, the previous working day has been considered.

Such conversions should not be considered as a representation that such currency amounts have been, could have been or could be converted into Rupees at any particular rate, the rates stated above or at all.

Financial and Other Data

Our Company's fiscal year commences on April 1 of each year and ends on March 31 of the next year. Accordingly, all references to a particular Fiscal are to the 12-month period ended March 31 of that year, unless otherwise specified.

Unless stated or the context requires otherwise, our financial information in this Red Herring Prospectus is derived from our Restated Standalone Financial Statements or our Restated Consolidated Financial Statements.

We prepare our financial statements in accordance with Indian GAAP. There are significant differences between Indian GAAP, IND AS, U.S. GAAP and IFRS. The reconciliation of the financial information to IND AS, IFRS or U.S. GAAP has not been provided. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. See "*Risk Factors – Our Company will be required to prepare financial statements under Ind AS from April 1, 2018. The transition to Ind AS in India is a recent requirement and the impact of these changes to our historical financial statements prepared in accordance with Indian GAAP is currently unclear and cannot be quantified.*" on page 31 for risks involving differences between Indian GAAP and IFRS or U.S. GAAP and risks in relation to IND AS.

On February 16, 2015, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Rules, 2015 ("**IND AS Rules**") for the purpose of enacting changes to Indian GAAP that are intended to align Indian GAAP further with IFRS. The IND AS Rules provide that the financial statements of the companies to which they apply shall be prepared in accordance with IND AS, although any company may voluntarily implement IND AS for the accounting period beginning from April 1, 2015. NBFCs having a net worth of more than ₹ 5,000 million are required to mandatorily adopt IND AS for the accounting period beginning from April 1, 2018 with comparatives for the period ending on March 31, 2017.

The degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies, Indian GAAP, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. We urge you to consult your own advisors regarding such differences and their impact on our financial data.

We use a variety of financial indicators and ratios to measure and analyze our financial performance and financial condition from period to period and to manage our business. These financial indicators and ratios are defined by our management and are presented, along with a brief explanation, in "*Selected Statistical Information*" on page 183. While these financial indicators and ratios are widely used in our industry, they may not be comparable to similar financial indicators and ratios used by other companies engaged in the financial services industry in India. Other companies may use different financial indicators and ratios or calculate these ratios differently, and similarly titled measures published by them may therefore not be comparable to ours. Several of these financial indicators and ratios are not defined under the Indian GAAP and therefore should not be viewed as substitutes for measures derived to calculate operational performance or profitability under Indian GAAP. Further, these financial measures and ratios have limitations as analytical tools, and should not be considered in isolation from, or as a substitute for, analysis of our historical performance, as reported and presented in the Restated Financial Statements included in this Red Herring Prospectus.

Unless stated otherwise, all the figures in this Red Herring Prospectus have been presented in millions or in whole numbers where the numbers have been too small to present in million. One million represents 1,000,000 and one billion represents 1,000,000,000. Certain figures contained in this Red Herring Prospectus, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Market and Industry Data

Unless stated otherwise, industry and market data used in this Red Herring Prospectus have been obtained or derived from publicly available information as well as industry publications and sources, including the India Brand Equity Foundation. Industry publications generally state that the information contained in those publications has been obtained from sources considered to be reliable but their accuracy, adequacy or completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry data used in this Red Herring Prospectus is reliable, it has not been independently verified and neither we, nor the BRLM, jointly or severally, make any representation as to its accuracy or completeness. The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in *"Risk Factors"* on page 17.

Additionally, certain industry related information in the sections titled "*Summary of Industry*", "*Summary of Business*", "*Industry Overview*", "*Our Business*", "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" on pages 45, 49, 109, 129, 17 and 355, respectively, has been derived from certain industry reports prepared by CRISIL, namely, CRISIL Overview of NBFCs in India; CRISIL Agri Report, 2016 (collectively, the "**CRISIL Reports**").

The CRISIL Reports are subject to the following disclaimer:

"CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data/ Report and is not responsible for any errors or omissions or for the results obtained from the use of Data/ Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. MAS Financial Services Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."

For further details, see *"Risk Factors – Some of the information disclosed in this Red Herring Prospectus is based on information from industry sources and publications which have not been independently verified by us."* on page 37.

Statements and undertakings by the Selling Shareholders

Only statements and undertakings which are specifically "confirmed" or "undertaken" by the Selling Shareholders, as the case may be, in this Red Herring Prospectus shall, severally and not jointly, deemed to be statements and undertakings made by such Selling Shareholders. All other statements and/or undertakings in this Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholders.

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “goal”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “should” “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our growth and expansion strategies, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally and changes in competition in our industry. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- The ability of our high risk borrowers to service our loans;
- Maintenance of relationships with MFIs, NBFCs and HFCs to whom we extend loans, and defaults by these institutions of loans extended by us;
- Maintenance of relationships with our sourcing intermediaries, including DSAs as well as sourcing partners;
- Compliance with periodic observations made by the RBI in their inspections;
- The quality of our loan portfolio and NPA levels;
- Maintenance of adequate funding sources;
- Competition in the NBFC and HFC sectors in India;
- Our ability to continue assigning/ securitizing receivables in our loan portfolio;
- Our ability to effectively manage interest rate risks;
- The long term impact of currency demonetization measures recently imposed by the GoI;
- Our ability to effectively raise adequate additional capital;
- Our ability to effectively manage and sustain our rate of growth, or maintain operational efficiencies;
- Our ability to successfully diversify our product portfolio; and
- Increase in our cost of funds, including as a result of downgrade of our credit ratings.

For further discussion on factors that could cause our actual results to differ from the expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 17, 129 and 355, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, Promoters, Directors, the Selling Shareholders, the BRLM nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with regulatory requirements, our Company and the BRLM will ensure that investors are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges. The Selling Shareholders will, severally and not jointly, ensure that investors are informed of material developments in relation to statements and undertakings made by them in relation to themselves and their respective portion of the Offered Shares in this Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II - RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or the Equity Shares or the industry in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business prospects, results of operations and financial condition. In order to obtain a complete understanding about us, prospective investors should read this section in conjunction with "Our Business", "Selected Statistical Information", and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 129, 183 and 355, respectively, as well as the other financial and statistical information included in this Red Herring Prospectus. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Offer.

This Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus. For further information, see "Forward-Looking Statements" on page 16.

Unless otherwise indicated, the financial information included herein are based on our Restated Consolidated Financial Statements for Fiscal 2013, 2014, 2015, 2016, 2017 and as of and for the three months period ended June 30, 2017 included in this Red Herring Prospectus. For further information, see "Financial Statements" on page 202.

*Unless the context otherwise requires, in this section, references to "we", "us", or "our", refers to MAS Financial Services Limited along with our Subsidiary, MAS Rural Housing & Mortgage Finance Limited ("**MRHMFL**") on a consolidated basis and references to "Company" or "our Company" refers to MAS Financial Services Limited on a standalone basis.*

INTERNAL RISK FACTORS

1. ***Our Company, Promoters, Directors and our Subsidiary are involved in certain legal proceedings, any adverse developments related to which could materially and adversely affect our business, reputation and cash flows.***

   There are outstanding legal proceedings involving our Company, Promoters, Directors and Subsidiary which are incidental to our business and operations. These proceedings are pending at different levels of adjudication before various courts, tribunals and appellate tribunals. We cannot assure you that these proceedings will be decided in our favour. A summary of the material outstanding criminal proceedings, tax proceedings, statutory and regulatory authorities and other 'material' litigation, if any, involving our Company, its Promoters, Directors and Subsidiary is set out below:

   Litigation involving the Company

   (₹ in million)

S. No.	Nature of litigation	Number of cases	Approximate amount involved
Against the Company			
1.	Criminal proceedings	4	-
2.	Tax proceedings	2	4.28
By the Company			
3.	Criminal proceedings	21,342	1,039.17

Litigation involving the Promoters

Kamlesh Chimanlal Gandhi

(₹ in million)

S. No.	Nature of litigation	Number of cases	Approximate amount involved
Against the Promoter			
1.	Criminal proceedings	2	-

Mukesh Chimanlal Gandhi

(*₹ in million*)

S. No.	Nature of litigation	Number of cases	Approximate amount involved
Against the Promoter			
1.	Criminal proceedings	2	-

Litigation involving the Promoters/ Directors

Kamlesh Chimanlal Gandhi

(*₹ in million*)

S. No.	Nature of litigation	Number of cases	Approximate amount involved
Against the Director			
1.	Criminal proceedings	2	-

Mukesh Chimanlal Gandhi

(*₹ in million*)

S. No.	Nature of litigation	Number of cases	Approximate amount involved
Against the Director			
1.	Criminal proceedings	2	-

Darshana Saumil Pandya

(*₹ in million*)

S. No.	Nature of litigation	Number of cases	Approximate amount involved
Against the Director			
1.	Criminal proceedings	1	-

Bala Bhaskaran

(*₹ in million*)

S. No.	Nature of litigation	Number of cases	Approximate amount involved
Against the Director			
1.	Criminal proceedings	1	-

Umesh Rajanikant Shah

(*₹ in million*)

S. No.	Nature of litigation	Number of cases	Approximate amount involved
Against the Director			
1.	Criminal proceedings	1	-

Mukesh Chimanlal Gandhi

(*₹ in million*)

S. No.	Nature of litigation	Number of cases	Approximate amount involved
Against the Director			
1.	Criminal proceedings	1	-

Litigation involving the Subsidiary

(*₹ in million*)

S. No.	Nature of litigation	Number of cases	Approximate amount involved
By the Subsidiary			
1.	Criminal proceedings	17	10.04

In particular, Kamlesh Chimanlal Gandhi and Mukesh Chimanlal Gandhi are named in a criminal inquiry application filed by an individual before the Chief Judicial Magistrate, Junagarh under the Gujarat Moneylenders Act, 2011 and sections 406, 209 and 420 of the IPC. The application alleges that our Company, Promoters and certain other individuals connived to charge surplus interest and misused certain blank cheques issued by the complainant. Further, all our Directors, including Kamlesh Chimanlal Gandhi and Mukeshlal Chimanlal Gandhi, have also been made parties in a criminal appeal filed against the Company and others in a matter pertaining to alleged offences under sections 120B, 420, 465, 468, 469 and 471 of the Indian Penal Code. See "*Outstanding Litigation and Material Developments*" on page 389.

The amounts claimed in the abovementioned proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities. For further information on material legal proceedings involving our Promoters, Directors, our Company, our Subsidiary and Group Company, see "*Outstanding Litigation and Material Developments*" on page 389.

2. ***Our business operations involve transactions with relatively high risk borrowers. Any default from our customers could adversely affect our business, results of operations and financial condition.***

We offer a wide range of financial products and services that address the specific financing requirements of low and middle income individuals as well as micro, small, and medium enterprises. Similarly, our housing loans are focused on affordable housing and two-wheeler loans are principally focused on first time users with limited access to capital through formal banking channels. A significant portion of our customer base is typically less economically stable than large corporates, and as a result, is usually adversely affected by declining economic conditions. Earning capacity of customers in these segments depends on various macro and micro economic factors that affect them from time to time. We have a greater risk of loan defaults and losses in the event there are adverse economic conditions which may have a negative effect on the ability of our borrowers to make timely payments of their loans.

A significant portion of our target customers typically have limited access to credit with limited to no prior credit history. As a result, we are more vulnerable to customer default risks including delay in repayment of principal or interest on our loans. Although we have our own customised due diligence and credit analysis procedures, there can be no assurance that we will be able to ensure a lower delinquency rate. Our profitability depends on our ability to evaluate the right income levels of our customers, assess the credit risks and to price our loans accordingly. For further information, see *"Our Business – Financing Products"* on page 134. Our customers may default on their obligations as a result of various factors including bankruptcy, insolvency, lack of liquidity and/or failure of the business or commercial venture in relation to which such borrowings were sanctioned. Certain product segments and micro-enterprise loans in particular, are mostly unsecured and are susceptible to higher levels of credit risks. For further information, see "*Risk Factors – Some of our loans we provide are unsecured and are susceptible to certain operational and credit risks which may result in increased levels of NPAs which may adversely affect our business, prospects, results of operations and financial condition."* on page 25. Additionally, although our SME, two-wheeler, Commercial Vehicle, and housing loan segments involve certain collateral, we may still be exposed to defaults in payment, which we may not be able to fully recover. For further information, see "*Risk Factors – We may not be able to recover our secured loans on a timely basis, or at all, the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under such defaulted loans. Our inability to recover the outstanding amounts under the loans may adversely affect our business."* on page 25. If our borrowers fail to repay loans in a timely manner or at all, our business prospects, financial condition and results of operations will be adversely impacted.

3. ***We extend loans to other financial institutions such as MFIs, NBFCs and HFCs. If there is a default by these financial institutions or if we are unable to maintain our relationships with these institutions, our business, financial condition and results of operations may be adversely affected.***

We extend loans to MFIs, HFCs and other NBFCs that operate in sectors similar to ours, particularly focused on geographical areas where we have limited direct operations. As of June 30, 2017 we extended loans to 98 such institutional borrowers. As of June 30, 2017, long-term loans extended to such borrowers was ₹ 18,160.70 million. Typically, a portion of their receivables and book debts are hypothecated to us (providing coverage of at least 100% of the outstanding loan amount). Additionally, these financial institutions are required to maintain an agreed percentage of the loan amount as cash collateral or security deposits along with promoter guarantees in certain cases, provide general repayment undertakings and pay penal interest in case defaults in repayment. There can be no assurance that these financial institutions will not default in their payments. Also, there can be no assurance that we will not experience any default or deterioration in the performance of portfolio of receivables that is hypothecated to us under such arrangements.

We conduct due diligence on the hypothecated portfolio to ensure that the agreed credit policies are complied with. However, we have limited control on the quality of the underlying assets. In accordance with our arrangements with these institutions, we obtain a list of underlying portfolio of receivables within the periods stipulated in the sanction letter. If any of these underlying assets turns sub-standard, our arrangement with these institutions requires that they are replaced with standard assets. Personal guarantees from promoters/directors are the preferred form of security for these transactions and a portion of their receivables are hypothecated to us. Additionally, as agreed at the time of sanction, an agreed percentage of the loan amount is maintained as cash reserves or a specific amount is placed as a security deposit by these financial institutions. We also take demand promissory notes, letters of continuity and other general undertakings as collateral security. In the event such default or deterioration is not secured by guarantees or if we are unable to enforce such guarantees or other securities, our business and results of operations would be materially and adversely affected. Although in certain circumstances, we also have the right to convert outstanding loan amounts into fully paid up shares in such institutional borrowers, there can be no assurance that to the ownership of such stake will enable us to ultimately realise the default amounts.

Our business depends on the continuity of our relationship with these financial institutions. While we believe that our long-term relationship with these financial institutions has been successful in developing a certain level of loyalty and establishing knowledge partnerships, there can be no assurance that we will be successful in maintaining such relationships over time or increasing the number of such relationships. If we are not able to maintain existing relationships or develop new relationships with such institutions or if we are unable to understand their funding requirements and provide funds on a timely basis or offer interest rates that meet their needs, our relationship with these institutions could decline and as a result, our business prospects, financial condition and results of operations could be adversely affected.

4. ***As an NBFC, we are subject to periodic inspections by the RBI. Non-compliance with observations made by RBI during these inspections could expose us to penalties and restrictions.***

   Under section 45N of the Reserve Bank of India, 1934 ("**RBI Act**") we are subject to periodic inspections by the RBI to verify correctness or completeness of any statement, information or particulars furnished to the RBI for the purpose of obtaining any information or particulars which our Company has failed to furnish on being called upon to do so. In recent inspection reports, the RBI has, among other things, identified deficiencies in our operations such as, (a) non-compliance with Credit Concentration/ Exposure Norms and exceeding single party credit/ composite exposure in relation to our Subsidiary; (b) delays in submitting returns with the RBI; (c) having a high leverage ratio; (d) charging interest to certain SME's at rates higher than our internal credit policies; (e) our policy on assignment of receivables was not in line with RBI guidelines, (f) our internal audit coverage was not adequate, and (g) our customer complaint redressal mechanism was not centralised and inadequate, While we have responded to RBI and addressed such observations; there can be no assurance that the RBI will not make similar or other observations in the future. If we are unable to resolve such deficiencies to RBI's satisfaction, our ability to conduct out business may be adversely affected. Imposition of any penalty or adverse findings by the RBI during the ongoing or any future inspections may have an adverse impact on our business prospects, financial condition and results of operations.

5. ***Our inability to maintain relationships with our sourcing intermediaries could have an adverse effect on our business, prospects, results of operations and financial condition.***

   In addition to our sales team, we have entered into commercial arrangements with a large number of sourcing intermediaries, which include commission based DSAs, as well as revenue sharing arrangements with various dealers and distributors where part of loan default is guaranteed, by the sourcing partner. However, there can be no assurance that the guarantee provided by such sourcing partners would be sufficient to cover the loan defaults. If we are unable to provide services required by these sourcing intermediaries on a timely basis or offer products that meet the needs of their customers, the number of such arrangements and amount of loans originated by them, could decrease and adversely affect our business, prospects, financial condition and results of operations.

   As of June 30, 2017, we had 332 sourcing intermediaries in the two-wheeler loan segment, 395 sourcing intermediaries in the Commercial Vehicle loan segment, and 55 sourcing intermediaries in housing loan segment. These are non-exclusive arrangements and our loan origination is dependent to an extent on continuing such relationships on commercially reasonable terms. There can be no assurance that we will be successful in maintaining our relationships with these sourcing intermediaries or increasing the number of sourcing intermediaries we work with. These sourcing intermediaries could originate loans for our competitors thereby adversely affecting our business prospects. In addition, sourcing intermediaries may not be able to effectively market our loan products, and any misbehaviour or misrepresentation by these sourcing intermediaries to the customers may impair or harm our reputation. If our relationships with these sourcing intermediaries are discontinued or such arrangements are affected or modified, our ability to originate loans may be affected which may in turn adversely affect our business, prospects, financial condition and results of operations.

6. ***The quality of our portfolio may be impacted due to higher levels of NPAs and our business may be adversely affected if we are unable to provide for such higher levels of NPAs.***

   As of March 31, 2015, 2016, 2017 and June 30, 2017, our Gross NPA ratios were 0.99%, 1.03%, 1.06% and 1.14%

respectively, while our Net NPA ratios were 0.81%, 0.89%, 0.92% and 0.96%, respectively. However, there can be no assurance that our future NPA ratios will be consistent with our past experience or at levels that will maintain our profitability. Also, there can be no assurance that we will be able to maintain our NPA ratios at levels with the credit performance of our customers, or at which our credit and our underwriting analysis, servicing and collection systems and controls will be adequate. We may not be successful in our efforts to improve collections and/or recover existing NPAs. In addition, we may experience greater defaults in principal and/or interest repayments in future. Thus, if we are unable to maintain our level of NPAs, the overall quality of our loan portfolio may deteriorate and our results of operations may be adversely affected.

Moreover, there can also be no assurance that there will be no deterioration in our provisioning coverage as a percentage of gross NPAs or otherwise, or that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs. In the event of any further deterioration in our NPA portfolio, or if our provisioning coverage is insufficient to cover our existing or future levels of NPAs, our ability to raise additional capital and debt funds as well as our business prospects, financial condition and results of operations could be adversely affected.

In addition, any adverse regulatory developments relating to the assessment and recognition of NPAs and provisioning therefore may have an adverse effect on our financial performance. For example, the regulatory framework applicable to NBFCs in India was amended in November 2014 to require NBFCs such as us to follow more stringent NPA evaluation criteria. Prior to Fiscal 2016, the RBI required NBFCs to classify an asset as an NPA when it had remained overdue for a period of six months or more. By a circular dated November 10, 2014 (which was subsequently incorporated in the Master Direction-NBFC-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016), the RBI announced that the asset classification norms for NBFCs are to be made consistent with those applicable to banks, in a phased manner, as follows: assets (other than lease-rental and hire purchase assets) become NPAs if they become overdue: (a) for five months or more in Fiscal 2016; (b) for four months or more in Fiscal 2017; and (c) for three months or more in Fiscal 2018 In addition, the overdue period for higher provisioning requirements are also expected to be reduced in a phased basis. For further information, see "*Regulations and Policies*" on page 146. Our repayment schedules may not be adequate to cater to any losses that may arise out of similar unanticipated adverse regulatory developments. Growth of our business and AUM may be adversely affected in the event our NPA levels increase which could materially and adversely affect our business prospects, financial condition and results of operations.

7. ***Our business requires substantial funds, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.***

Our liquidity and profitability are, in large part, dependent upon our timely access to, and costs associated with raising capital. Our funding requirements historically have been met from a combination of term loans, working capital facilities and assignment or securitization of our portfolio to banks and financial institutions to meet their priority sector and retail lending commitments, commercial paper, cash credit, convertible and non-convertible debentures, as well as equity contributions. On account of priority sector lending, we believe we have access to funds at relatively lower costs. Any change in RBI regulations on priority sector lending, or our inability to maintain relationships with such banks, could adversely affect our results of operations and financial condition. Our Gross Finance Costs was ₹ 1,581.00 million, ₹ 2,123.99 million, ₹ 2,573.30 million and ₹ 668.41 million in Fiscal 2015, 2016, 2017 and the three month period ended June 30, 2017, respectively. Our Cost of Borrowings was 9.09%, 9.21%, 9.47%, and 9.05%, as of March 31, 2015, 2016, 2017 and June 30, 2017, respectively. Our business depends and will continue to depend on our ability to access diversified low cost funding sources. As a financial services company, we face certain additional regulatory restrictions on our ability to obtain financing from banks. For further information, see "*Regulations and Policies"* on page 146.

Pursuing our growth strategy and introducing new product offerings to our customers will have an impact on our long-term capital requirements. With the growth of our business, we may be increasingly reliant on funding from debt capital markets. The market for such funds is competitive and our ability to obtain funds at competitive rates will depend on various factors. If we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates for our loans. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors, including the regulatory environment and policy initiatives in India, lack of liquidity in the market, developments in the international markets affecting the Indian economy, investors' and/or lenders' perception of demand for debt and equity securities of NBFCs, and our current and future results of operations and financial condition. If we are unable to obtain adequate financing or financing on terms satisfactory to us and in a timely manner, our ability to grow or support our business and to respond to business challenges could be limited and our business prospects, financial condition and results of operations would be materially and adversely affected.

8. ***Our inability to compete effectively in an increasingly competitive industry may adversely affect our net interest margins, income and market share.***

The financial services market is being served by a range of financial entities, including, traditional banking institutions, captive finance affiliates of players in various industries, NBFCs and small finance banks approved by RBI to enhance credit penetration. For example, we compete with Janalakshmi Financial Services and Bharat Financial Inclusion Limited in micro-enterprise loan segment *(Source: CRISIL MF Opinion, 2016)*, Shriram Transport Finance Company Limited and Mahindra and Mahindra Financial Services Limited in auto finance segment *(Source: CRISIL AF Opinion, 2016)*; and Dewan Housing Finance Limited and PNB Housing Finance Limited in housing loan segment. *(Source: CRISIL HF Industry Information, 2016)*. Majority of small finance banks which received approval for commencement of operations from RBI are focused on the low and middle income individuals and micro, small and medium enterprises. Many of these competitors may have greater financial resources, may be larger in terms of business volume and may have significantly lower cost of funds compared to us. Many of them may also have greater geographical reach, long-standing partnerships and may offer their customers other forms of financing that we may not be able to provide. Moreover, interest rate is the most significant factor that determines customer decision making in selecting a financier, and certain captive finance affiliates of vehicle or equipment manufacturers or even real estate companies, may offer loans at lower rates to retain market share. There can be no assurance that we will be able to compete successfully with such competitors and gain market share.

Our ability to compete effectively will depend, in part, on our ability to maintain or increase our margins. Our margins are affected in part by our ability to continue to secure low-cost funding, and the interest rates at which we extend loans to our customers. Our ability to increase interest rates on the loans we extend, however, is limited by the increasing popularity of standardized and variable interest rate financing products, variable payment terms and lower processing fees introduced by our competitors. There can be no assurance that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive NBFC and HFC sectors. Our inability to compete effectively in the increasingly competitive market may adversely affect our net interest margins, income and market share.

9. ***As part of our business strategy, we have assigned or securitized a significant portion of the receivables from our loan portfolio to banks and other financial institutions. Any deterioration in the performance of any portfolio of receivables assigned to banks and other institutions may affect our ability to conduct further assignment and securitization and thus adversely impacting our business prospects, financial condition and results of operations.***

We have assigned or securitized a significant portion of the receivables from our loan portfolio (typically fixed interest loans that are standard assets) to banks and other institutions to obtain funding and minimise our risk. The banks purchase our portfolio to meet their priority sector and retail lending commitments. In Fiscal 2015, 2016 and 2017 and the three month period ended June 30, 2017, we raised ₹ 9,070.55 million, ₹ 12,047.87 million, ₹ 15,125.07 million and ₹ 3,081.90 million, respectively, by securitization and assignment of our receivables. These securitization and assignment transactions are conducted on the basis of our internal estimates of our funding requirements, and may vary from time to time. As of March 31, 2015, 2016 and 2017 and June 30, 2017, we had Off-book AUM of ₹ 7,675.40 million, ₹ 9,609.43 million, ₹ 12,143.39 million and ₹ 11,755.05 million, respectively, representing 36.56%, 35.59%, 36.44%, and 34.06%, respectively, of our AUM as of such dates. Any deterioration in the performance of any batch of receivables assigned to banks could adversely affect our credibility and hence our ability to conduct further assignments and securitizations. We may also be named as a co-plaintiff in legal proceedings initiated by an assignee in relation to the securitized assets. Also, there can be no assurance that our future NPA ratios will be consistent with prior experience or at levels that will enable us to maintain our current quality of loan portfolio. This could have an adverse impact on our business prospects, financial condition and results of operations and our assignment and securitization plans in the future.

10. ***Our financial performance is subject to interest rate risk, and an inability to manage our interest rate risk may have a material adverse effect on our interest income from financing activities, thereby adversely affecting our business prospects and financial performance.***

Our results of operations, including our interest income from financing activities are dependent on our ability to manage our interest rate risk. Our various financing products provide a range of loans at fixed or floating rates of interest. Our funding arrangements also include both fixed and floating rate borrowings. Our Gross Finance Costs towards all our funding sources was ₹ 1,581.00 million, ₹ 2,123.99 million, ₹ 2,573.30 million and ₹ 668.41 million in Fiscal 2015, 2016, 2017 and the three month period ended June 30, 2017, respectively. Since our financing products involve both floating and fixed rates, an inability to match our borrowing profile with our loan product portfolio may lead to various risks such as, increase in interest rate. Our net interest income from financing activities and net interest margin would be adversely impacted in case of an increase in interest rate, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds. In the event of a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, it could adversely impact our interest income from financing activities and net interest margin. Additional risks arising from increasing interest rates, among others, include:

- increase in the rates of interest charged (where floating rates are typically used) on certain financing products in our product portfolio, which could result in the extension of loan maturities and higher monthly instalments due from borrowers which, in turn, could result in higher rates of default;
- increase in defaults resulting from extension of loan maturities and higher monthly instalments due from borrowers;
- reduction in the volume of loan disbursements as a result of a customer's inability to service high interest rate payments;
- inability to raise low cost funds as compared to some of our competitors, who may have access to lower cost deposits; and
- inability to collect anticipated interest amount in case of prepayment of loans by our customers.

Interest rates are highly sensitive and fluctuations thereof are dependent upon many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic as well as international economic and political conditions, inflation and other factors. Interest rates in India have been volatile in the past. There can be no assurance that we will be able to adequately manage our interest rate risk. If we are unable to effectively manage our interest rate risks, it could have an adverse effect on our net interest margin, thereby adversely affecting our business prospects, financial condition and results of operations.

11. ***The recent currency demonetisation measures imposed by the Government of India adversely affected the Indian economy and similar unanticipated measures may adversely affect our business our business operations, financial condition, results of operations and financial condition.***

On November 8, 2016, the GoI withdrew the legal tender of the ₹ 500 and ₹ 1,000 denominations of bank notes. Pursuant to this currency demonetisation, these high denomination notes have no value and cannot be used for transactions or exchange purposes. These notes were replaced with a new series of bank notes of ₹ 500 and ₹ 2,000 denominations through banks. In an effort to monitor replacement of demonetized notes, the GoI had initially specified limits for exchange and withdrawal of currency all over India. The process of demonetization and replacement of these high denomination notes significantly reduced the liquidity in the Indian economy being a cash-based economy. There was substantial impact on predominantly cash-based businesses and unorganised sectors in particular. A majority of our customers are low and middle income individuals, and micro, small and medium enterprises that have been substantially affected by this measure which in turn had an impact on our collections.

While the comprehensive and long-term impact of this currency demonetization measure is still being ascertained, other similar measures in the future may also have a significant adverse impact on the economy, our target customer segments and our business prospects.

12. ***Our Company's business is highly regulated and we may be adversely affected by future regulatory changes. Our Company is subject to regulations in relation to minimum capital adequacy requirements and a decline in our CRAR will require us to raise fresh capital which may not be available on favourable terms, or at all. This in-turn may affect our business, prospects, results of operations and financial condition.***

As an NBFC, we have to mandatorily obtain a certificate of registration issued by the RBI. We are also required to have minimum net owned funds of ₹ 2.50 million. We are also required to create a reserve fund and transfer at least 20% of our net profit every year prior to any dividend being declared. We are also subject to regulations relating to the capital adequacy for NBFCs, which determine the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio and of the risk adjusted value of off-balance sheet items, as applicable. Under the RBI's Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended from time to time, our Company is required to have a regulatory minimum CRAR of 15%. As of June 30, 2017, our Company's CRAR was 23.80% on a standalone basis, of which Tier I capital was 18.52%. The RBI through a notification dated November 10, 2014 on 'Revised Regulatory Frame work for NBFC' which was superseded by incorporation in the Master Direction-NBFC-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, had announced that the minimum Tier I capital requirements for all NBFCs that have an asset size of ₹ 5,000 million and above is expected to be increased in a phased manner as follows: 8.5% by March 31, 2016 and 10% by March 31, 2017. As we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us, and this may adversely affect the growth of our business. In addition, any change in RBI or other government regulations in relation to securitizations by NBFCs could have an adverse impact on our assignment and securitization plans in the future. This could result in non–compliance with applicable capital adequacy ratios, which could have a material adverse effect on our business prospects, financial condition and results of operations.

In addition, we are also subject to the corporate laws, taxation laws and other laws in effect in India which require continued monitoring and compliance on our part. The introduction of additional government control or newly implemented laws and regulations, depending on the nature and extent thereof and our ability to make corresponding adjustments, may adversely affect our business, results of operations and financial condition. In particular, decisions taken by regulators concerning economic policies or goals that are inconsistent with our interests could adversely affect our results of operations. These laws and regulations and the way in which they are implemented and enforced may change from time to time and we cannot assure you that future legislative or regulatory changes will not have an adverse effect on our business, financial condition, cash flows and results of operations. Additionally, we are required to make various filings with the RBI, the Registrar of Companies and other regulatory authorities pursuant to the provisions of RBI regulations, the Companies Act and other regulations. If we fail to comply with these requirements, or a regulator alleges we have not complied with these requirements, we may be subject to penalties and compounding proceedings.

In addition, a number of States in India have enacted laws to regulate money lending transactions. These laws establish a maximum rate of interest that can be charged. There is ambiguity on whether or not NBFCs are required to comply with the provisions of these state money lending laws. There are severe civil and criminal penalties for non-compliance with the relevant money lending statutes. In the event that the government of any state in India requires us to comply with the provisions of their respective state money lending laws, or imposes any penalty against us for prior non-compliance, our business prospects, financial condition and results of operations could be adversely affected.

13. ***An inability to effectively manage and sustain our rate of growth, or maintain operational efficiencies, may adversely affect our business and we may not be able to increase our revenues or maintain our profitability.***

We have experienced consistent growth for over two decades of our operating history. Our AUM increased at a CAGR of 33.37%, from ₹ 10,531.91 million from March 31, 2013 to ₹ 33,325.65 million in March 31, 2017, and our Return on Average AUM was 3.16% in March 31, 2013 to 2.34% in March 31, 2017. Although we have maintained a consistent and stable growth, we do not believe that our prior growth rates are sustainable or a good indicator of our future performance. Maintaining such levels of growth will continue to place demands on our management and other resources and there is no assurance that these demands will be met successfully. There can be no assurance that we would be able to increase revenue or maintain profitability on a quarterly or an annual basis. If this occurs, our business prospects, financial condition and results of operations will be adversely affected.

Our growth exposes us to a wide range of risks, including business risks, such as the possibility that the number of our NPAs may grow faster than anticipated, as well as operational, fraud, regulatory and legal risks. As we move to newer geographies, we may not be able to maintain the level of our NPAs or the quality of our portfolio. It will require us to continuously develop and improve our operational, financial and internal controls. There can be no assurance that we will be able to successfully pursue our growth strategies of penetrating deeper into our existing markets, expansion of our housing finance portfolio and cross-selling of our products to our existing customers, and leveraging our technology platforms or that pursuing these strategies will provide us the anticipated benefits in terms of growth and profitability. Further, we may be unable to develop adequate infrastructure or devote sufficient financial resources or develop and attract talent to manage our growth. Our inability to pursue these strategies successfully or at all, or an inability to manage our growth, may adversely affect our prospects. There can be no assurance that we will be able to sustain our growth strategy successfully or that we will be able to further expand our operations or our financing product portfolio.

14. ***We may not be able to successfully diversify our product portfolio, which may materially and adversely affect our business prospects and impact our ability to conduct further assignments and securitizations and consequently adversely impact our financial performance.***

As of June 30, 2017, our AUM in micro-enterprise loan segment constituted 57.81% and SME loan segment constituted 24.23% of our AUM as of such date. We intend to increasingly diversify our product portfolio by increasing focus on other product segments. Also, as part of our SME loan segment, we intend to finance working capital needs of manufacturers, distributors and dealers of agricultural input products including seeds, fertilizers, insecticides and pesticides, farming accessories and agricultural equipment. We do not have any prior experience in this segment and therefore, may not be able to successfully expand our portfolio in this segment. Also, there can be no assurance that we will be able to establish a robust customer origination network for agricultural input and equipment sector by establishing sourcing arrangements with dealers and distributors of agricultural input and equipment on commercially reasonable terms or at all. Our inability to pursue this growth and expansion strategy successfully or at all, may adversely affect our future financial performance. We intend to increase the number of sourcing partners and DSAs that we have sourcing arrangements with. However, there can be no assurance that we will be able to negotiate such arrangements on commercially favourable terms or at all. In addition, we also intend to increase the number of financial institutions we extend loans to serve our objective of expanding our geographical reach while maintaining a relatively lower risk profile. We cannot assure you that we will successfully identify capable institutional borrowers or develop an ongoing relationship with them.

In order to expand our housing finance business, we intend to increase the geographic reach of MRHMFL's operations by establishing additional branch offices in the States that it currently operates and also launch branch offices in new States. There can be no assurance that we will be able to successfully implement our growth plans for our housing business. We cannot assure that any proposed diversification of our product portfolio or expansion of operations will in future yield and/or continue to yield favourable results, as our overall profitability and success will be subject to various factors, including, among others, our ability to obtain necessary statutory and/or regulatory approvals and licenses in connection with such businesses in a timely manner, and our ability to compete with banks and other NBFCs that are already established in these product segments or geographic areas.

15. ***Some of our loans we provide are unsecured and are susceptible to certain operational and credit risks which may result in increased levels of NPAs which may adversely affect our business, prospects, results of operations and financial condition.***

Our micro-enterprise loans are given to customers who primarily include small and medium sized manufacturers, dealers and service providers and are (with the exception of a limited security deposit taken from borrowers) mostly unsecured in nature. We may not be able to recover these loans through our standard recovery proceedings. As of June 30, 2017, our unsecured loan portfolio was ₹ 5,100.71 million out of On-book AUM of ₹ 22,762.36 million. These unsecured loans present a higher risk of loss in case of a credit default as compared to loans to customers in other asset-backed financing products. In addition, there can be no assurance that our monitoring and risk management procedures will succeed in effectively predicting the right income levels of these customers or that our loan loss reserves will be sufficient to cover any actual losses. If our recovery team is unable to recover payments under these unsecured loans, we typically initiate legal action in respect of dishonoured non-cash instruments. However, there can be no assurance that these legal proceedings would be commercially feasible or conclude in a manner favourable to us in a timely manner or at all. If there is a default by customers on repayment of such unsecured loans or if we are unable to recover our principal and interest through such legal proceedings, we may experience increased levels of NPAs and we may be required to make related provisions and write-offs that may have an adverse effect on our business prospects, financial condition and results of operations.

16. ***We may not be able to recover our secured loans on a timely basis, or at all, the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under such defaulted loans. Our inability to recover outstanding amounts under loans may adversely affect our business.***

As collateral for loans extended, machinery, stock, vehicles or agricultural equipment purchased by our customers are hypothecated in our favour, immovable property is mortgaged for housing loans or other guarantee is obtained on a case by case basis. We collect post dated cheques or NACH authorisation letters from our customers at the time of disbursement. However, there can be no assurance that these instruments would be honoured when submitted to the respective banks for clearance. In case of a dishonour of instrument, we liaise with customers to work out a payment plan; however, there can be no assurance that we would be able to successfully retrieve payments due to us.

There can be no assurance that we will be able to sell such machinery, stock, vehicles or agricultural equipment or properties provided as collateral at prices sufficient to cover the amounts under default, or that we would be able to invoke other securities, such as personal guarantees. In addition, there may be delays associated with such processes. Further, certain ownership documents of the immovable properties that are mortgaged to us may not be duly registered or adequately stamped. Failure to adequately stamp and register a document renders the document inadmissible in evidence. Consequently, should any default arise in relation to the corresponding loans, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such mortgaged properties. Further, if any of our borrowers take recourse of arbitration or litigation against our repayment claims, it may cause a further delay in our recovery process leading to depreciation of the secured asset. A failure or delay in recovering the expected value from sale of collateral security could expose us to a potential loss. Any such losses could adversely affect our business prospects, financial condition and results of operations.

Although a majority of our collection takes place through non-cash models such as post-dated checks and NACH, in certain cases, payment in cash is collected directly from customers by our recovery team. We mostly outsource such recovery and collection processes to independent contractors. Such cash collections expose us to the risk of loss, theft, fraud, misappropriation or unauthorized transactions by our employees or such independent contractors. In addition, any misbehaviour or use of any unauthorised or illegal collection methods by our third party collection agencies could adversely affect our reputation and/or result in legal or regulatory proceedings against us. Our internal control measures to detect and prevent any unauthorized transactions, fraud or misappropriation by our employees may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our business prospects, financial condition and results of operations. In addition, we may be subject to regulatory or other proceedings in connection with any such unauthorized transaction, fraud or misappropriation by independent contractors or employees.

17. ***Our risk management measures may not be fully effective in mitigating our risks in all market environments or against all types of risks, which may adversely affect our business and financial performance.***

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data. Our hedging strategies and other risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, current, or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events.

Many of our customers may not have any credit history supported by tax returns, bank or credit card statements, statements of previous loan exposures, or other related documents, have limited formal education, and may only be able to furnish limited information for us to assess their creditworthiness accurately. In addition, we may not receive updated information regarding any change in their financial condition or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation. It is therefore, difficult to carry out credit risk analyses on our customers. Although we have established stringent policies and procedures, they may not be fully effective. For further information, see "*Our Business - Risk Management"* on page 143.

Although we have established policies and procedures, they may not be fully effective. Our future success will depend, in part, on our ability to respond to new technological advances and evolving NBFC, vehicle finance and housing finance sector standards and practices on a cost-effective and timely basis. The development and implementation of standards and practices entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies or adapt our transaction-processing systems to customer requirements or evolving market standards.

18. ***Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and lending markets and, as a result, would negatively affect our net interest margin and our business.***

The cost and availability of capital is dependent on our short-term and long-term credit ratings. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Currently, our long-term bank loans are rated IND-A Stable Outlook by India Rating Agency. For further information about credit ratings, see "*Our Business – Credit Ratings*" on page 142. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and debt markets and, as a result, negatively affect our net interest margin and our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. The ratings provided by the rating agencies may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions.

19. ***We may face asset-liability mismatches, which could affect our liquidity and consequently may adversely affect our operations and profitability.***

Assets and liability mismatch ("**ALM**") represents a situation when financial terms of an institution's assets and liabilities do not match. ALM is a key financial parameter indicative of an NBFC's performance. We cannot assure you that we will be able to maintain a positive ALM at all times. We may rely on funding options with short term maturity periods for extending long term loans, which may lead to a negative ALM. Further, mismatches between our assets and liabilities are compounded in case of pre-payment of financing facilities we grant to customers. Any mismatch in our ALM, may lead to a liquidity risk and have an adverse effect on our business prospects, financial condition, results of operations and profitability.

20. ***If we do not generate sufficient amount of cash from operations, our liquidity and our ability to service our indebtedness and fund our operations would be adversely affected.***

While we believe that our cash flow from operations, available cash and borrowings will be adequate to meet our future liquidity needs, we have substantial debt service obligations and working capital requirements. We cannot assure you that our business will generate sufficient cash flow from operations such that our anticipated revenue growth will be realized or that future borrowings will be available to us under credit facilities in amounts sufficient to enable us to repay our existing indebtedness, fund our expansion efforts or fund our other liquidity needs. If we are unable to service our existing debt, our ability to raise debt in the future will be adversely affected which will have a significant adverse effect on our business prospects, financial condition and results of operations.

Further, we face potential asset liability mismatches creating liquidity shortage or surplus and depending upon the interest rate movement, such situations may adversely affect our interest income from financing activities. As is typical for NBFCs, a portion of our funding requirements is met through short-term funding sources such as cash credit and short-term loans from banks. If we do not generate sufficient cash flow from operations to service our debt obligations and working capital requirements, it may have an adverse effect on our business prospects, financial condition and results of operations.

21. ***System failures or inadequacy and security breaches in computer systems may adversely affect our business.***

Our business is increasingly dependent on our ability to process, on a daily basis, a large number of transactions. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communications services.

Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. The information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of products. Our information technology support systems connect our branches and aid us in performing the processes involved in a loan transaction. This ensures centralization of the operations and customer database. We have developed proprietary software, which we use to efficiently link and manage our operations. Our operations rely on the secure processing, storage and transmission of these confidential and other information in our computer systems and networks. Our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security.

Any failure to effectively maintain or improve or upgrade our management information systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems. Any of the foregoing could affect our operations or result in financial losses, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located.

22. ***Our business relies significantly on our operations in the States of Gujarat and Maharashtra, and any adverse changes in the conditions affecting these States can adversely impact our business, financial condition and***

results of operations.

As of June 30, 2017 we had over 3,165 Customer Locations in Gujarat, Maharashtra, Madhya Pradesh, Rajasthan, Karnataka and Tamil Nadu and the NCT of Delhi served through 121 branches. A significant portion of our AUM originates from Gujarat and our entire organisation network is monitored from our head office in Gujarat. Our business is dependent on the overall performance of the state of Gujarat. In the event of a regional slowdown in the economic activity in Gujarat or a slowdown in sectors we finance, or any other developments that make our products in Gujarat less economically beneficial, we may experience more pronounced effects on our financial condition and results of operations. We also have significant interests and operations in Maharashtra also. While we have expanded our operations to other States such as Madhya Pradesh, Karnataka, Rajasthan, Delhi and Tamil Nadu, our branches, products and customer base continues to be concentrated in the States of Gujarat and Maharashtra.

Our business, financial condition and results of operations have been and will continue to be largely dependent on the performance of, and the prevailing conditions affecting these States. The market for our products in Gujarat and Maharashtra may perform differently from, and be subject to, market and regulatory developments that are different from requirements in other Indian States. We cannot assure you that the demand for our products will grow, or will not decrease, in the future, in this region and these may have an adverse effect on our business prospects, financial condition and results of operations.

23. ***Our Subsidiary is an HFC and operates in an extensively regulated environment and is subject to any changes in laws and regulations applicable to HFCs, especially on the provisioning norms for NPAs and capital adequacy requirements. If our Subsidiary is unable to comply with such regulatory requirements, it could have a material and adverse effect on our business.***

Our Subsidiary operates in the housing finance business and is registered with the NHB. MRHMFL makes provisions for standard assets as well as NPAs in accordance with the prudential norms prescribed by the NHB under the Housing Finance Companies (NHB) Directions 2010 ("**NHB Directions**"). However, these provisioning requirements may require MRHMFL to reserve lower amounts than the provisioning requirements applicable to banks and financial institutions in other countries. While we did not have any NPAs as of March 31, 2014 and 2015, the provisioning coverage ratio (i.e., the proportion of gross NPAs for which provisions had been made) of MRHMFL was 15.00%, 17.38% and 17.31% as of March 31, 2016, March 31, 2017, and June 30, 2017, and MRHMFL's net NPAs, as a percentage of their total loan portfolio, was 0.15% and 0.34% and 0.36%, respectively. These provisioning requirements could also change over time and more stringent provisioning norms for HFCs may be introduced by the NHB in the future. The NHB Directions also require that HFCs shall maintain a minimum capital adequacy ratio, consisting of Tier I capital and Tier II capital of not lower than 12% of its aggregate risk weighted assets and risk adjusted value of off-balance sheet items, as applicable. Further the total Tier II capital at any point of time shall not exceed 100% of the Tier I capital. At a minimum, Tier I capital shall not be less than 6% of risk weighted assets. Further, these guidelines also require that the Tier II capital shall not exceed the Tier I capital. There can be no assurance that our Subsidiary will be able to raise adequate additional capital required under these regulations in the future on favourable terms, and this may adversely affect the growth of our business.

MRHMFL is subject to periodic inspections by the NHB with respect to such controls and regulations and any irregularities found during such investigations could expose MRHMFL to penalties. In recent inspection reports, the NHB has, among other things, identified deficiencies in the operations of MRHMFL, such as (a) incorrect classification of certain assets (including standard assets and NPAs) which would lead to higher provisioning, (b) overstatement of MRHMFL's net owned funds (by failing to deduct deferred tax assets), (c) failure to file audited financial statements for Fiscal 2012 within the timelines specified by the NHB, (d) failure to create a special reserve (based on deferred tax liability) in terms of the Income Tax Act, (e) failure by us and our auditors to identify and accurately classify loans given towards property and life insurance as part of a housing loan, (f) failure to maintain a policy for staff accountability and lapses, and (g) failure to have a system to monitor and control DSAs, and (h) not training recovery agents adequately, or intimating borrowers on details of recovery agents. While MRHMFL has responded to NHB and addressed such observations, there can be no assurance that the NHB will not make similar or other observations in the future.

Further, there can be no assurance that MRHMFL will be able to timely adapt to new laws, regulations or policies that may come into effect from time to time with respect to the housing finance sector. There can be no assurance that MRHMFL will not be subject to any adverse regulatory action in the future. The costs of compliance may be high, which may affect the profitability of MRHMFL. If MRHMFL is unable to comply with any such regulatory requirements in a timely manner or at all, our business prospects, financial condition and results of operations may be materially and adversely affected.

24. ***Our Subsidiary's affordable housing finance business is subject to certain tax and fiscal benefits which may be discontinued in the future by the Government of India ("GoI") or by state governments relating to financing of purchase or construction of property.***

Our Subsidiary is in the affordable housing finance business carrying on its operations in Gujarat, Maharashtra, Rajasthan and Madhya Pradesh. Tax reliefs have been instrumental in driving growth in the housing and housing finance sectors. The government has provided tax reliefs to both borrowers and lenders. *(Source: CRISIL HF Industry Information, 2016).* The GoI has also provided incentives to the housing finance industry which are aimed at providing low-cost, long-term credit to the low and middle income segments in rural and urban parts of India. Pursuant to these initiatives, the NHB provides refinance for certain qualifying loans at reduced rates to qualifying HFCs through its schemes. In addition, the RBI has provided certain incentives to the housing finance industry by extending priority sector status to certain housing loans and making funds available to housing finance companies at lower rates. Certain other key measures taken by the RBI to assist in fulfilling the GoI's objectives include reduction in risk weights applicable for affordable housing loans for the purpose of calculation of CRAR and allowing HFCs to raise long-term ECBs for on-lending towards affordable housing, which the RBI defines as housing loans with a size of up to ₹ 2.5 million, subject to the condition that the cost of the individual housing unit shall not exceed ₹ 3.0 million. In the budget 2017-18, it is proposed to facilitate higher investment in affordable housing and accordingly, NHB will refinance individual housing loans of about ₹ 200 billion in 2017-18. In addition, certain other tax benefits are also permitted to be availed by our Subsidiary. Further, Indian tax laws currently allow HFCs to claim a tax deduction up to 20% of profits from the provision of long-term finance for the construction or purchase of houses in India.

There can be no assurance that the NHB, RBI and the GoI will continue to offer such tax benefits to borrowers at the current levels or at all, which may adversely affect the demand for housing and consequently housing finance. In addition, the GoI may not implement proposals to facilitate investment in affordable housing. If there is any discontinuation or modification to the tax and fiscal benefits available to MRHMFL, its business prospects, financial condition and results of operations may be adversely affected.

25. ***Some of our corporate records are not traceable. There have been certain instances of discrepancies in statutory filings and records made by our Company with the RoC under applicable law.***

Certain corporate records and regulatory filings made by us, including those in relation to filings made in relation to (i) reclassification of authorised share capital of the Company, pursuant to shareholders' resolutions dated February 16, 1998 and March 29, 2001, respectively, and (ii) redemption of 9,550 13.5% redeemable cumulative preference shares on October 10, 2000, are not traceable. Further we and our Promoters have been unable to trace a significant number of share-transfer forms pertaining to transfer of Equity Shares by and to our Promoters since our incorporation till 2013. Despite having conducted an extensive search of our records, and a search in the records of the RoC, we have not been able to retrieve the aforementioned documents, and accordingly, have relied on other documents, including minutes of meetings of our board of directors and shareholders, our statutory registers of members and share transfer, annual reports and audited financial statements for such matters. We cannot assure you that the abovementioned form filings and resolutions will be available in the future.

Further, there have been certain discrepancies in relation to statutory filings and records required to be made by us with the RoC, as stated below:

S. No.	Relevant corporate action and date	Particulars
1.	Allotment of 8,800 Equity Shares dated March 31, 1998	The return of allotment filed with the RoC erroneously recorded that 500 equity shares were allotted to Mamtaben P. Shah, jointly with Pareshkumar M. Shah, three times, instead of 500 Equity Shares allotted to Mamtaben P. Shah (jointly with Pareshkumar M. Shah), 500 Equity Shares allotted to Jainy Rajeshkumar Shah (jointly with Rajeshkumar M. Shah) and 500 Equity Shares allotted to Lilaben Manilal Shah (jointly with Manilal Mansukhlal Shah), respectively.
2.	Allotment of 250,000 Equity Shares dated March 31, 2001	The return of allotment filed with the RoC erroneously recorded the face value per equity share as ₹ 100, instead of ₹ 10.
3.	Allotment of 3,000,000 Equity Shares dated August 16, 2007	The return of allotment filed with the RoC erroneously recorded the total nominal value of equity shares issued

S. No.	Relevant corporate action and date	Particulars
		including the present allotment as ₹ 95,000,000, instead of ₹ 90,000,000.
4.	Allotment of 500,000 Equity Shares dated March 31, 2008	The return of allotment filed with the RoC erroneously recorded the total nominal value of equity shares issued including the present allotment as ₹ 308,747,640, instead of ₹ 95,000,000.
5.	Bonus issue of equity shares dated December 28, 2011	The board resolution dated December 28, 2001 approving the bonus issue erroneously recorded the premium per equity share as ₹ 120, instead of *nil*.
6.	Allotment of 20,000,000 preference shares dated April 23, 2008	The total nominal value of preference shares issued including the present allotment was not recorded in the return of allotment filed with the RoC. This should have been recorded as ₹ 265,000,000.
7.	Allotment of 20,000,000 preference shares dated June 23, 2008	The return of allotment filed with the RoC erroneously recorded the total nominal value of preference shares issued including the present allotment as ₹ 400,000,000, instead of ₹ 465,000,000
8.	Allotment of 25,141,290 preference shares dated August 19, 2008	Two returns of allotment were inadvertently filed with the RoC. Further, in the correct return, the total nominal value of preference shares issued including the present allotment was erroneously recorded as ₹ 651,412,900, instead of ₹ 716,412,900

We cannot assure you that we will not be subject to proceedings initiated against any authority (including the RoC) in relation to such discrepancies in future.

26. ***The success of our business operations is dependent on our senior management team and key management personnel as well as our ability to attract, train and retain employees.***

The continued success of our business operations is attributable to our senior management team and key management personnel. We believe that the experience of our senior management team has enabled us to experience consistent growth and profitability as well as maintain a robust liquidity and capital position. Our ability to sustain our growth depends upon our ability to attract and retain key personnel, developing managerial experience to address emerging business and operating challenges and ensuring a high standard of customer service. Hiring and retaining such personnel who are qualified and experienced in credit-appraisal and asset valuation, in the vehicle finance sector and affordable housing segment, may be difficult. We may also face attrition of our existing workforce as a result of increased competition or other factors relating to our businesses. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline.

We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us. We also have temporary sales, marketing and recovery personnel (including proprietorships) who work for us on a commission basis. However, a change in law or regulations which may result in these employees being regarded as a part of our work force, hence making us liable for social welfare payments. Any inability to attract and retain talented employees, or the resignation or loss of key management personnel, or retain our temporary personnel at commercially viable terms, may have an adverse impact on our business, future financial performance and the price of our Equity Shares.

27. ***We depend on the accuracy and completeness of information about customers and counterparties for our credit assessment and risk management. Any misrepresentation, errors in or incompleteness of such information could adversely affect our business and financial performance.***

In deciding whether to extend credit or enter into other transactions with customers, we rely on information furnished to us by or on behalf of customers (including in relation to their financial transactions and past credit history). We may also rely on certain representations from our customers as to the accuracy and completeness of that information. For ascertaining the creditworthiness and encumbrances on collateral we may depend on the respective registrars and sub-registrars of assurances, credit information companies or credit bureaus such as CIBIL, and on independent valuers in relation to the value of the collateral, and our reliance on any misleading information given may affect our judgement of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, prospects, results of operations and financial condition. In case of financial institutions we extend loans to, we rely on information provided by them for our due diligence purposes. We may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business prospects, financial condition and results of operations.

Moreover, the availability of accurate and comprehensive credit information on retail customers and small businesses in India is more limited than for larger corporate customers, which reduces our ability to accurately assess the credit risk associated with such lending. Although as part of our credit policy, we are required to conduct credit checks of all our customers, including with credit bureaus, and conduct site-visits and personal discussions, there can be no assurance that such credit information will be accurate or comprehensive. There may be relatively less financial and credit information available on micro, small and medium enterprises and in relation to the possibility of double-financing obtained by any such clients, than may have been available in a more developed economy, and the availability of such financial and credit information in India may be considered to suffer from an absence of competitive pressure at present. Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our non-performing and restructured assets, which could materially and adversely affect our business prospects, financial condition and results of operations.

28. Our Company will be required to prepare financial statements under Ind AS from April 1, 2018. The transition to Ind AS in India is a recent requirement and the impact of these changes to our historical financial statements prepared in accordance with Indian GAAP is currently unclear and cannot be quantified.

Our Company currently prepares its annual and interim financial statements under Indian GAAP. Companies in India, including our Company, will be required to prepare annual and interim financial statements under Indian Accounting Standard 101 "First-time Adoption of Indian Accounting Standards". Our Company meets the criteria to adopt Ind AS in the first phase (i.e., accounting periods beginning from April 1, 2018) with comparatives for the period ending on March 31, 2017.

There is not yet a significant body of established practice on which to draw informing judgments regarding its implementation and application. Additionally, Ind AS differs in certain respects from IFRS and therefore financial statements prepared under Ind AS may be substantially different from financial statements prepared under IFRS. There can be no assurance that our Company's balance sheets, statements of profit and loss, cash flow statements or other financial statements will not be presented differently under Ind AS than under Indian GAAP or IFRS, and we have not conducted a review to identify or determine the extent of any such differences. Our management may also have to divert significant time and additional resources in order to implement Ind-AS on a timely and successful basis. When our Company adopts Ind-AS reporting, it may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. There can be no assurance that the adoption of Ind AS by our Company will not adversely affect our business prospects, financial condition and results of operations.

29. We require certain statutory and regulatory approvals and licenses for conducting our business and an inability to obtain or maintain such approvals and licenses in a timely manner, or at all, may adversely affect our operations.

We require various approvals, licenses, registrations and permissions for operating our business, including a registration for our Company with the RBI as a NBFC and our Subsidiary with NHB as an HFC. We are also required to comply with the prescribed requirements including exposure limits, classification of NPAs, Know Your Customer ("**KYC**") requirements and other internal control mechanisms. For further information, see "*Regulations and Policies*" on page 146. In the future, we will be required to maintain such permits and approvals and obtain new permits and approvals for any proposed expansion strategy or diversification into additional business lines or new financial products. There can be no assurance that the relevant authorities will issue any of such permits or approvals in a timely manner, or at all, and/or on favourable terms and conditions. Our failure to comply with the terms and conditions, to which such permits or approvals are subject, and/or to maintain or obtain the required permits or approvals may result in an interruption of our business operations and may have a material adverse effect on our business operations, future financial performance and price of our Equity Shares.

In the event that we are unable to comply with the requirements within the specified time limit, or at all, we may be subject to regulatory actions by the RBI or MRHMFL may be subject to regulatory actions by NHB including the levy of fines or penalties and/or the cancellation of our license to operate as an NBFC or MRHMFL's license to operate as an HFC, as the case may be. We cannot assure you that we would not breach the exposure norms in the future. Any levy of fines or penalties or the cancellation of our license to operate as an NBFC or MRHMFL's license to operate as an HFC, due to the breach of exposure or other applicable norms, may adversely affect our business, prospects, results of operations, financial condition and the trading price of our Equity Shares. In addition, we require various registrations to operate our branches in the ordinary course of our business. These registrations typically include those required to be obtained or maintained under legislations governing shops and establishments, professional tax, GST registrations and trade licenses of the particular state in which they operate. For further information on key approvals and licenses that are pending grant/ renewal in respect of certain material branches of our Company and Subsidiary, see "*Government and Other Approvals*" on page 397. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, we may be liable to fines and/or penalties, our certificates of registration may be suspended or cancelled and we shall not be able to carry on such activities.

30. ***Our indebtedness and the conditions and restrictions imposed by our financing arrangements could restrict our ability to obtain additional financing, raise capital, conduct our business and operations in the manner we desire.***

As of June 30, 2017, our long term borrowings (including current maturities and excluding security deposits received from customers and assignment and securitization) were ₹ 3,437.14 million and short term borrowings were ₹ 9,080.09 million. We will continue to incur additional indebtedness in the future. Our indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flow may be used towards servicing of our existing debt, which will reduce the availability of our cash flow to fund working capital, capital expenditures and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted;
- fluctuations in market interest rates may affect the cost of our borrowings, as our indebtedness is at variable interest rates; and
- there could be a material adverse effect on our business, prospects, results of operations and financial condition if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements.

Some of the financing arrangements entered into by us include conditions and covenants that require our Company to obtain lender's consents prior to carrying out certain activities and entering into certain transactions including certain actions and matters in relation to the Offer. Some of these covenants include, altering our capital structure; changing our current ownership / control, formulating a scheme of amalgamation, material change in management, undertaking guarantee obligations, declaration of dividend, and amending constitutional documents, for which we have to obtain consent from lenders. We are also required to maintain certain financial ratios and ensure compliance with regulatory requirements. We have received consents from all relevant lenders for consent to undertake the Offer.

A failure to observe the covenants under our financing arrangements or failure to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities, trigger cross-default provisions and the enforcement of security provided. There can be no assurance that we will be able to persuade our lenders to grant extensions or refrain from exercising such rights which may adversely affect our operations and cash flows. As a result, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Additionally, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing or generate sufficient cash to fund our liquidity requirements.

In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms or at all. For further information, see "*Financial Indebtedness*" on page 387. Occurrence of any of the above contingencies with respect to our indebtedness could materially and adversely affect our business prospects, financial condition and results of operations.

31. ***If we do not generate sufficient amount of cash flows from operations, our liquidity and our ability to service our indebtedness and fund our operations would be adversely affected.***

We have substantial debt service obligations, working capital requirements and contractual commitments and our cash flow from operations, available cash and borrowings may not be adequate to meet our future liquidity needs.

See "*Management's Discussion and Analysis on Financial Condition and Results of Operations*" on page 355. We cannot assure you that our businesses will generate sufficient cash flow from operations such that our anticipated revenue growth will be realized or that future borrowings will be available to us under credit facilities in amounts sufficient to enable us to repay our existing indebtedness, fund our expansion efforts or fund our other liquidity needs. If we are unable to service our existing debt, our ability to raise debt in the future will be adversely affected which will have a significant adverse effect on our results of operations and financial condition.

32. ***The interests of our Promoters and Directors may cause conflicts of interest in the ordinary course of our business.***

Our Promoter Directors, namely, Kamlesh Chimanlal Gandhi and Mukesh Chimanlal Gandhi are bound by non-compete obligations under agreements entered with our Company for appointment as Managing Director and Whole-time Director, respectively, not (without previous consent of our Board) engage, directly or indirectly in any similar or competing business as our Company. However, we cannot assure you that such arrangements would be enough to protect the interest of our Company against any current or potential conflict of interests. Further, certain of our individual Promoters and Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. We cannot assure you that these individuals will exercise their rights as shareholders to the benefit and best interest of our Company.

Our Promoter Directors collectively own 30.30% shareholding in our Subsidiary, MRHMFL, through which we operate our housing finance business. Our Promoter Directors may be able to influence the operations of MRHMFL. We cannot assure you that the actions of our Promoter Directors in MRHMFL will be aligned with the interests of shareholders in our Company, thereby directly limiting the ability of investors to benefit from the growth of MRHMFL. Such factors may have an adverse effect on our business prospects, financial condition and results of operations.

33. ***Some of our Promoters and Directors have provided personal guarantees for loan facilities obtained by our Company and MRHMFL, and any failure or default by our Company or MRHMFL to repay such loans could trigger repayment obligations on them, which may impact their ability to effectively service their obligations as our Promoters and Directors and thereby, adversely impact our business and operations.***

Our Promoters, Kamlesh Chimanlal Gandhi, Mukesh Chimanlal Gandhi and Shweta Kamlesh Gandhi have guaranteed certain term loans and cash credit facilities availed by our Company, amounting to ₹ 3,250 million and ₹ 15,550 million, respectively. As on August 31, 2017, the total amount outstanding in relation to these facilities was ₹ 2,078.09 and ₹ 9,084.51 million, respectively. Kamlesh Chimanlal Gandhi, Mukesh Chimanlal Gandhi and Shweta Kamlesh Gandhi have also guaranteed facilities amounting to ₹ 2,388.40 million availed by the Subsidiary, of which an amount of ₹ 1,402.91 million is currently outstanding. As of August 31, 2017, outstanding amounts from credit facilities personally guaranteed by Kamlesh Chimanlal Gandhi, Mukesh Chimanlal Gandhi and Shweta Kamlesh Gandhi amounted to ₹ 12,565.51 million, which constituted 82.43% of our consolidated indebtedness as on such date.

As on March 31, 2017, the net worth of Kamlesh Chimanlal Gandhi, Mukesh Chimanlal and Shweta Kamlesh Gandhi was ₹ 116.48 million; ₹ 247.44 million and ₹ 204.92 million, respectively.

Any default or failure by our Company or the Subsidiary to repay its loans in a timely manner or at all could trigger repayment obligations on the part of Kamlesh Chimanlal Gandhi and Mukesh Chimanlal Gandhi in respect of such loans. This, in turn, could have an impact on their ability to effectively service their obligations as Promoters and Directors of our Company, thereby having an adverse effect on our business, results of operation and financial condition. Furthermore, in the event that these individual withdraw or terminate their guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our business prospects, financial condition, results of operations and cash flows.

34. ***We have in this Red Herring Prospectus included certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial performance. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies.***

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. We have also included in the Red Herring Prospectus, financial information including, but not limited to our Average AUM, Total Borrowed Funds, and Cost of Borrowings that may be different from those followed by other financial services companies. For further information, see "*Selected Statistical Information*" on page 183. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other NBFCs, HFCs and financial services companies.

35. ***Our measures to prevent money laundering may not be completely effective and we may be subject to scrutiny and penalties by the RBI for failure to implement effective measures. Moreover, various state government laws regulating money lending transactions could adversely affect our business, prospects, results of operations and financial condition.***

Our implementation of anti-money laundering measures required by the RBI and NHB (with respect to our Subsidiary), including KYC policies and the adoption of anti-money laundering and compliance procedures in all our branches, may not be effective. There can be no assurance that attempts to launder money using us as a vehicle will not be made. If we were associated with money laundering, our reputation may be adversely affected. Additionally, certain States in India have enacted laws to regulate money lending transactions, which may for instance establish a maximum rate of interest that can be charged. In the event we are required to comply with the provisions of these state money lending laws, there may be severe civil and criminal penalties for non-compliance with the relevant money lending statutes. In the event that the government of any state in India requires us to comply with the provisions of their respective state money lending laws, or imposes any penalty against us for prior non-compliance, our business prospects, financial condition and results of operations could be adversely affected.

36. ***We have certain contingent liabilities and commitments, which may adversely affect our financial condition.***

The following table sets forth certain information relating to our contingent liabilities and commitments not provided for:

Particulars	Amount (₹ in million)	
	As of March 31, 2017	**As of June 30, 2017**
Contingent Liabilities		
In respect of disputed Income-tax matters: Future cash outflows in respect of the matter above are determinable only on receipt of decision pending with the authorities.	2.85	2.85
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for:		
a) Tangible Assets	11.48	5.00
b) Intangible Assets	0.90	0.90

For further information on such contingent liabilities, see "*Financial Statements*" on page 202.

In the event that any of these contingent liabilities materialize, our business prospects, financial condition and results of operations may be adversely affected.

37. ***Our business may be affected by seasonal trends in the Indian economy. Any significant event such as unforeseen floods, earthquakes, epidemics or economic slowdowns during peak seasons would materially and adversely affect our results of operations and growth strategies.***

Our business operations and the non-banking financial services and housing finance industries may be affected by seasonal trends in the Indian economy. We have recently commenced extending term loans to farmers for purchase of new tractors, agricultural equipment, related accessories and implements. We intend to expand our presence in the agricultural value chain financing industry by offering products to cover the long term and short term credit needs in all aspects of agriculture. Our agricultural value chain product lending segment's growth strategy will be significantly impacted by traditional crop seasons in India. In India, majority of farmers depend on the monsoon for cultivation owing to the reduced access to artificial irrigation. Generally, the period from October to March is the peak period in India for retail economic activity. Our disbursements are likely to be highest in this period. This increased or seasonal activity is the result of several holiday periods, improved weather conditions, crop harvests and the business conditions our customers operate in. We generally experience higher volumes of business during this period. Any significant event such as unforeseen floods, earthquakes, epidemics or economic slowdowns during this peak season would materially and adversely affect our business prospects, financial condition and results of operations. During these periods, we may continue to incur operating expenses, but our revenue from operations may be delayed or reduced.

38. We may not be able to adequately protect our intellectual property rights.

Our ability to compete effectively depends in part upon protection of our rights in that we use. In 2006, we initially registered our trademark with the Trade Marks Registry, Ahmedabad. We have recently renewed this trademark for ten years until May 16, 2026. We have also obtained registration with respect to with Trade Marks Registry, Ahmedabad for ten years until February 8, 2026. There is no assurance that we would be able to renew these registrations upon expiry of their terms. If we are unable to renew the registration of our trademarks, our operations could be adversely affected. For further information, see "*Government and other Approvals*" on page 397. MRHMFL has not registered or applied for registration of any intellectual property rights. There can be no assurance that we will be able to effectively protect our trademarks from infringement or recover damages for any such infringement through legal proceedings.

39. We have entered into certain transactions with related parties in the past and any such transactions or any future related party transactions may potentially involve conflicts of interest, which may adversely affect our business, prospects, financial conditions, and results of operation.

We have entered into certain transactions with related parties, including our Promoters and Directors and may continue to do so in future. In Fiscal 2015, 2016 and 2017 and the three month period ended June 30, 2017, the total amount of such related party transactions was ₹ 123.88 million, ₹ 277.34 million, ₹ 248.79 million and ₹ 35.86 million, respectively. While we believe that all such transactions are in compliance with applicable laws and are on arms-length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties, or that we will be able to maintain existing terms in cases where the terms are more favourable than if the transaction had been conducted on arm's length basis. It is likely that we will enter into other related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our business prospects, financial condition and results of operations, including because of potential conflicts of interest or otherwise. For further information in relation to transactions with related parties, see "*Related Party Transactions*" on page 182.

40. We have issued Equity Shares at prices that may be lower than the Offer Price in the last 12 months.

We have issued 24,000,188 Equity Shares pursuant to a bonus issue dated November 18, 2016, to holders of Equity Shares as of October 31, 2016. Additionally, in the last 12 months, our Company has also issued Equity Shares pursuant to the Pre-IPO Placement and conversion of Series A CCPS, Series B CCPS, Series C CCPS and CCDs. The price at which such Equity Shares were issued may be lower than the Offer Price. For details of allottees and the price at which such Equity Shares were issued, see "*Capital Structure – Share Capital History - History of Equity Share Capital of our Company*" on page 76.

41. We have experienced negative cash flows in relation to our operating activities and investment activities in recent years/ periods. Any negative cash flows in the future would adversely affect our results of operations and financial condition.

We had a negative cash flow from operating activities of ₹ 2,669.81 million, ₹ 2,800.54 million and ₹ 1,642.71 million and ₹ 1,163.21 million for Fiscal 2015, 2016 and 2017, and for the three month period ended June 30, 2017, respectively. Further, we had a negative cash flow from investing activities of ₹ 17.71 million, ₹ 35.01 million, ₹

38.05 million and ₹ 17.90 million, respectively for Fiscal 2015, Fiscal 2016, Fiscal 2017 and the three month period ended June 30, 2017, respectively. If we experience any negative cash flows in the future, this could adversely affect our business prospects, financial condition and results of operations. For further information, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 202 and 355, respectively.

42. ***We have provided corporate guarantees in relation to certain loans obtained by our Subsidiary and any default by our Subsidiary may result in invocation of the parent guarantee.***

We have provided corporate guarantees as security in relation to certain loans obtained by MRHMFL, our Subsidiary, from four lenders, namely, Dena Bank, IDBI Bank, National Housing Bank and ICICI Bank Limited. As on August 31, 2017, an amount of ₹ 330.76 million was outstanding in respect of these facilities. Any default by MRHMFL in meeting its obligations under any of these loans may result in the invocation of the corresponding corporate guarantee against us. We may accordingly be obligated to undertake the obligations of MRHMFL in relation to this loan, which may affect our business prospects, financial condition, results of operations and cash flows.

43. ***Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.***

After the completion of the Offer, our Promoters and Promoter Group will own, directly and indirectly, approximately [●]% of our outstanding Equity Shares. Any future equity issuances by us, including in a primary offering, may lead to the dilution of your shareholdings. Any future equity issuances by us or sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares. There can be no assurance that our Company will not issue Equity Shares or that our significant shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

44. ***Our Company will not receive any proceeds of the Offer for Sale.***

DEG, FMO and Sarva Capital have agreed to offer up to ₹ 1,126.63 million, ₹ 793.38 million and ₹ 350.41 million Equity Shares respectively, aggregating up to ₹ 2,270.42 million, held by them in the Offer for Sale. The proceeds from the Offer for Sale will be remitted to the Selling Shareholders and our Company will not benefit from such proceeds.

45. ***Our Group Company has incurred losses during recent fiscal periods.***

Our Group Company have incurred losses in the recent fiscals, as set forth below:

(in ₹)

Name of the Group Company	Fiscal 2015	Fiscal 2016	Fiscal 2017
Swalamb Mass Financial Services Limited	(3,420)	(3,450)	(3,450)

We cannot assure you that our Group Company will not incur losses in future. For details of financial information of the Group Company, see *"Our Group Company - Swalamb Mass Financial Services Limited*" on page 179.

46. ***Insurance obtained by us may not adequately protect us against all losses and could adversely affect our business prospects, financial condition and results of operations.***

We maintain insurance coverage that we believe is in accordance with industry standards. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We have taken a corporate cover policy including a fidelity guarantee policy which covers all our employees. We have a money insurance policy in respect of cash in safe and in transit. In addition, our directors are insured under a directors' and officers' liability insurance policy. We also maintain insurance coverage against losses occasioned by fire, burglary for the premises and equipment in our offices, public liability insurance, group and personal accident insurance covering our employees. For further information, see "*Our Business - Insurance*" on page 144. There can however be no assurance that the terms of our insurance policies will be adequate to cover any loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business prospects, financial condition and results of operations.

47. ***Majority of our branches are located on leased premises and non-renewal of lease or license agreements or their renewal on terms unfavourable to us could adversely affect our operations.***

Majority of our branches are located on leasehold or licensed premises (that typically extend till eleven months). If any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavourable to us, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations. All or any of the leases or licenses may not be renewed on similar terms or at all, or we may be evicted from all or a number of these premises and be required to pay damages to the landlord. This may adversely impact our business prospects, financial condition and results of operations.

Further, certain lease and license agreements are not duly registered or adequately stamped. Failure to adequately stamp and register a document does not affect the validity of the underlying transaction but renders the document inadmissible in evidence. Consequently, should any dispute arise in relation to our use of the relevant properties, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such properties.

48. ***Some of the information disclosed in this Red Herring Prospectus is based on information from industry sources and publications which have not been independently verified by us.***

The information disclosed in the "*Risk Factors*", "*Summary of Industry*", "*Summary of Business*", "*Industry Overview*", "*Our Business*", and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" sections of this Red Herring Prospectus is based on certain research reports by CRISIL Limited and India Brand Equity Foundation which have not been verified by us independently. Industry sources and publications generally state that the information contained therein has been obtained from sources considered to be reliable, but their accuracy, adequacy or completeness are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

49. ***Our Promoters and Promoter Group will continue to retain majority shareholding in our Company after the Offer, which will allow them to exercise significant influence over our Company.***

Upon completion of the Offer, our Promoters and Promoter Group will control approximately [●]% of our outstanding Equity Shares. Accordingly, our Promoters and Promoter Group will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholder approval, including the composition of our Board, the adoption of amendments to our articles of association, the approval of mergers, strategic acquisitions and joint ventures and the sale of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoters and Promoter Group. The interests of our Promoters and Promoter Group as our controlling shareholder may not be aligned with the interests of other shareholders.

50. ***Our management will have flexibility over the use of the Net Proceeds and they may not apply the Net Proceeds in a manner that increases the value of your investment.***

We intend to use the Net Proceeds for towards augmenting our capital base to meet future capital requirements. For further information, see "*Objects of the Offer*" on page 99. Our management will have broad discretion to use the Net Proceeds from the Fresh Issue the application of these Net Proceeds will depend on the judgment of our management. Our management may not apply the Net Proceeds in a manner that increases the value of your investment. Pending utilization of the Net Proceeds, we intend to deposit such Net Proceeds only in scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as may be approved by our Board or IPO Committee.

51. The average cost of acquisition of the Promoters may be significantly lower than the lower end of the Price Band.

Our Promoters have acquired Equity Shares at an average cost ranging from ₹ 1.06 to ₹ 2.38, which may be significantly lower than the Floor Price. See *"Risk Factors – Prominent Notes"* on page 43. Accordingly, the average cost of acquisition of Equity Shares of our Promoters should not be taken to be indicative of the Price Band, Offer Price or the trading price of our Equity Shares after listing

EXTERNAL RISK FACTORS

Risks Relating to the Equity Shares

52. There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all.

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until Allotment of Equity Shares pursuant to this Offer. In accordance with current regulations of SEBI, our Equity Shares are required to be listed on the Stock Exchanges within six Working Days from the Bid and Offer Closing Date, subject to any change in the prescribed timeline in this regard.

However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

53. The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.

The Offer Price of the Equity Shares will be determined by the Company and the Selling Shareholders in consultation with the BRLM through the Book Building Process. This price will be based on numerous factors, as described under "*Basis for Offer Price*" on page 102 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Offer Price.

54. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

The amount of future dividend payments, if any, will depend upon a number of factors, including but not limited to our future earnings, financial condition, cash flows, working capital requirements, contractual obligations, applicable Indian legal restrictions and capital expenditures. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing agreements our Company may enter into to finance our fund requirements for our business activities. There can be no assurance that we will be able to pay dividends in the future. For further information relating to our dividend policy, see "*Dividend Policy*" on page 199.

55. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.

The annual rate of inflation (based on monthly wholesale price index), was at 1.88% (provisional) for the month of July, 2017 (over July, 2016) as compared to 0.90% (provisional) for the previous month and 0.63% during the corresponding month of 2016. (*Source: Index Numbers of Wholesale Price in India, Review for the month of July 2017, published on August 14, 2017 by Government of India, Ministry of Commerce and Industry*) Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees or any other expenses. There can be no assurance that we will be able to pass on any additional expenses to our payers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

56. The Equity Shares have never been publicly traded and the Offer may not result in an active or liquid market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares at or above the Offer Price, or at all.

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the stock exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and volatility in the Stock Exchanges and securities markets elsewhere in the world.

57. ***The Equity Shares may experience price and volume fluctuations.***

The market price of the Equity Shares can be volatile as a result of several factors beyond our control, including volatility in the Indian and global securities markets, our results of operations, the performance of our competitors, developments in the Indian finance and lending sector, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies, and significant developments in India's fiscal regulations.

General or industry specific market conditions or stock performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance also affect the price of the Equity Shares. For these reasons, investors should not rely on recent trends to predict future share prices, results of operations or cash flow and financial condition.

58. ***Financial instability, economic developments and volatility in securities markets in other countries may also cause the price of the Equity Shares to decline.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Europe and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. Recently, the currencies of a few Asian countries including India suffered depreciation against the US Dollar owing to amongst other, the announcement by the US government that it may consider reducing its quantitative easing measures. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, prospects, future financial performance and the prices of the Equity Shares.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Since September 2008, liquidity and credit concerns and volatility in the global credit and financial markets increased significantly with the bankruptcy or acquisition of, and government assistance extended to, several major US and European financial institutions. These and other related events, such as the European sovereign debt crisis and a slowdown in economic growth in China, have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in global credit and financial markets. In response to such developments, legislators and financial regulators have implemented a number of policy measures designed to add stability to the financial markets.

However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, such conditions could have an adverse effect on our business, prospects, future financial performance and the trading price of the Equity Shares.

59. ***Foreign investors are subject to foreign investment restrictions under Indian law that limit our Company's ability to attract foreign investors, which may adversely affect the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents and issuances of shares to non-residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If such issuances or transfers of shares are not in compliance with such requirements or fall under any of the specified exceptions, then prior approval of the RBI will be required. We have undertaken or recorded such transactions in the past based on a *bona fide* interpretation of the law. We cannot assure you that our interpretation would be upheld by the Indian regulators. Any change in such interpretation could impact the ability of our Company to attract foreign investors.

In addition, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Government of India may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Government of India experiences extreme difficulty in stabilising the balance of payments, or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Government of India's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. We cannot assure you that any approval required from the RBI or any other government agency can be obtained on any particular terms, or at all.

60. Rights of shareholders under Indian law may differ or may be more limited than under the laws of other jurisdictions.

The Companies Act and rules made thereunder, the rules and regulations issued by SEBI and other regulatory authorities, the Memorandum of Association, and the Articles of Association govern the corporate affairs of the Company. Indian legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder in India than as a shareholder of a corporation in another jurisdiction.

61. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Capital gains arising from the sale of equity shares of an Indian company are taxable in India, unless specifically exempted. Any gain realised on the sale of the Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("**STT**") has been paid on the transaction. STT will be levied on and collected by an Indian stock exchange on which the Equity Shares are sold. Any gain realised on the sale of the Equity Shares held for more than 12 months by an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of the Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of Equity Shares. Further, the GoI has proposed the introduction of the DTC, to revamp the implementation of direct taxes. If the DTC is passed in its present form by both houses of the Indian Parliament and approved by the President of India and then notified in the Gazette of India, the tax impact discussed above will be altered by the DTC. For further information, see "*Statement of Tax Benefits*" on page 106.

62. Currency exchange rate fluctuations may affect the value of the Equity Shares.

The Equity Shares are, and will be quoted in Rupees on the Stock Exchanges. Any dividends in respect of the Equity Shares will be paid in Rupees and subsequently converted into other currencies for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders.

63. Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by the company. However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in the Company would be reduced.

64. Investors may not be able to enforce a judgment of a foreign court against us.

We are incorporated under the laws of India and all of our Directors and key management personnel reside in India. Majority of our assets, and the assets of certain of our Directors, key management personnel and other senior management, are also located in India. Where investors wish to enforce foreign judgments in India, they may face difficulties in enforcing such judgments. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. In order to be enforceable, a judgment obtained in a jurisdiction which India recognises as a reciprocating territory must meet certain requirements of the Civil Procedure Code, 1908 (the "**CPC**"). Further, the CPC only permits enforcement of monetary decrees not being in the nature of any amounts payable in respect of taxes or, other charges of a similar nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards. Judgments or decrees from jurisdictions not recognised as a reciprocating territory by India, cannot be enforced or executed in India. Even if a party were to obtain a judgment in such a jurisdiction, it would be required to institute a fresh suit upon the judgment and would not be able to enforce such judgment by proceedings in execution. Further, the party which has obtained such judgment must institute the new proceedings within three years of obtaining the judgment. As a result, the investor may be unable to: (i) effect service of process outside of India upon us and such other persons or entities; or (ii) enforce in courts outside of India judgments obtained in such courts against us and such other persons or entities.

It cannot be assured that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to the execution of such foreign judgment, and any such amount may be subject to income tax in accordance with applicable laws. In addition, the regulatory regime of our various international territories may have similar restrictions on enforcement of foreign judgments.

Risks Relating to India and Other External Risk Factors

65. General economic conditions in India and globally could adversely affect our business and results of operation.

Our results of operations and financial condition depend significantly on worldwide economic conditions and the health of the Indian economy. Various factors may lead to a slowdown in the Indian or world economy which in turn may adversely impact our business, prospects, financial performance and operations.

We mainly derive revenue from our operations in India and the performance and growth of our business is significantly dependent on the performance of the Indian economy. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, volatility in inflation rates and various other factors. Accordingly, high rates of inflation in India could increase our employee costs and decrease our operating margins, which could have an adverse effect on our results of operations. In accordance with the estimates released by the World Bank, Indian economy has registered a growth rate of 7.5% in Fiscal 2015 and 6.6% in Fiscal 2016, respectively. A projected growth of 7.2% and 7.7%, respectively, is estimated in Fiscal 2017 and Fiscal 2018. The growth forecast for Fiscal 2017 and Fiscal 2018 marginally reduced primarily due to the temporary negative consumption shock induced by cash shortages and payment disruptions associated with the recent currency note withdrawal and exchange initiative. *(Source: World Bank World Economic Outlook, January 2017 available at https://www.imf.org/external/pubs/ft/weo/2017/update/01/)*

Risk management initiatives undertaken by financial institutions in order to remedy the global economic slowdown could affect the availability of funds in the future or cause the withdrawal of our existing credit facilities. Further the Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, and emerging market conditions in Asia also have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business.

Any downturn in the macroeconomic environment in India could also adversely affect our business, prospects, result of operations, financial condition and the trading price of the Equity Shares. India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of the Equity Shares.

66. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

67. A third party could be prevented from acquiring control of us because of the anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. These provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of us. Under takeover regulations an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company may result in purchase of Equity Shares at a premium to their market price or would otherwise be beneficial to our stakeholders, it is possible that such a takeover may not be attempted or consummated because of Indian takeover regulations.

68. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects, results of operations and, financial condition.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, prospects, results of operations and financial condition, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

- The goods and service tax ("**GST**") that has been implemented with effect from July 1, 2017 combines taxes and levies by the GoI and state governments into a unified rate structure, and replaces indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, cess and surcharge and excise that were being collected by the GoI and state governments. Due to the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

- Further, the General Anti-Avoidance Rules ("**GAAR**"), the provisions of Chapter X-A (sections 95 to 102) of the Income Tax Act, 1961, are expected to be applicable from assessment year 2019 (Fiscal 2018) onwards. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

We have not determined the impact of these proposed legislations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

69. Our Company is subject to various Indian taxes and any adverse development in the taxation regime may have a material adverse effect on our results of operations.

Any increase in taxes and/or levies, or the imposition of new taxes and/or levies in the future, could increase the cost of production/operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

70. Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

Prominent Notes

- Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ 4,600.42 million, comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 2,330 million by our Company and an Offer for Sale of up to [●] Equity Shares aggregating up to ₹ 2,270.42 million by the Selling Shareholders. The Offer also includes a reservation of up to [●] Equity Shares aggregating up to ₹ 70 million for subscription by Eligible Employees. The Offer and the Net Offer would constitute [●]% and [●]% of the post-Offer paid-up Equity Share capital of our Company.

- Our Company has, in consultation with the BRLM, undertaken the Pre-IPO Placement post the filing of the Draft Red Herring Prospectus, pursuant to which our Company allotted an aggregate of 3,990,422 Equity Shares to two investors, namely Motilal Oswal Financial Services Limited and Motilal Oswal Securities Limited, by way of private placement. The size of the Fresh Issue, as disclosed in the Draft Red Herring Prospectus dated March 24, 2017, has been reduced accordingly. For further details in relation the Pre-IPO Placement, see "*Capital Structure – Notes to Capital Structure"* on page 76.

- As of June 30, 2017, the net worth of our Company was ₹ 3,836.01 million and ₹ 3,885.51 million, on a standalone and consolidated basis, respectively, as per our Restated Financial Statements. As of March 31, 2017, the net worth of our Company was ₹ 3,272.34 million and ₹ 3,320.46 million, on a standalone and consolidated basis, respectively, as per our Restated Financial Statements.

- As of June 30, 2017, our net asset value per share was ₹ 76.41 and ₹ 77.53, on a standalone and consolidated basis, respectively, as per our Restated Financial Statements. As of March 31, 2017, our net asset value per Equity Share was ₹ 65.13 and ₹ 66.25, on a standalone and consolidated basis, respectively, as per our Restated Financial Statements.

- The average cost of acquisition per share by our Promoters, calculated by taking the average of the amounts paid by our Promoters to acquire Equity Shares, is as given below.

Name of Promoter	Average cost of acquisition per Equity Share* (₹)
Kamlesh Chimanlal Gandhi	1.06
Mukesh Chimanlal Gandhi	1.38
Shweta Kamlesh Gandhi	1.09
Prarthna Marketing Private Limited	2.38

* *As certified by M. R. Pandhi & Associates, pursuant to certificate dated September14, 2017.*

For further details in relation to the shareholding of our Promoters, see "*Capital Structure - Shareholding of our Promoters and the members of our Promoter Group*" on page 91.

- The average cost of acquisition per share by our Selling Shareholders, calculated by taking the average of the amounts paid by our Selling Shareholders to acquire Equity Shares, is as given below.

Name of Selling Shareholder	**Average cost of acquisition per Equity Share* (₹)**
DEG	263.04
FMO	124.93
Sarva Capital	322.71

* *As certified by M. R. Pandhi & Associates, pursuant to certificate dated September 14, 2017.*

- There are no financing arrangements pursuant to which our Promoter Group, directors of Prarthna Marketing Private Limited, our corporate Promoter, Directors, and/ or their immediate relatives have financed the purchase of Equity Shares by any other person other than in the ordinary course of business during the six months preceding the date of filing of the Draft Red Herring Prospectus with SEBI.

- There has been no change in the name of our Company in the last three years.

- For details of transactions between our Company and Subsidiary or our Group Company during the last Fiscal, including the nature and cumulative value of the transactions, see "*Financial Statements*" on page 202.

- For information regarding the business or other interests of our Group Company in our Company, see "*Our Group Company*" and "*Financial Statements*" on pages 179 and 202, respectively.

- Investors may contact the BRLM for any complaints pertaining to this Offer.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources, including reports that have been prepared by CRISIL Limited ("**CRISIL**"). For the disclaimer contained in the CRISIL reports, see the section titled "Industry Overview" on page 109.*

The information has not been independently verified by us, the BRLM, or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications that have been relied upon may alter their assumptions and may change their forecasts. We or the BRLM may not be able to update or alter such data immediately or at all. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect or may not be consistent across sources. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

The Indian Economy

The Indian economy is one of the largest economies in the world, with a gross domestic product ("**GDP**") on purchasing power parity basis of an estimated US$7.99 trillion in calendar year 2015. Per capita GDP in India has grown from an estimated US$5,500.00 in calendar year 2013 to an estimated US$6,200.00 in calendar year 2015. (*Source: World Factbook, available on https://www.cia.gov/library/publications/the-world-factbook/geos/print_in.html*). The RBI has stated that India's GDP was 7.60% in Fiscal 2016 against 7.20% in Fiscal 2015. (*Source: Reserve Bank of India Monetary Policy Report - October 2016*).

Financial Inclusion in India

Given the sheer size of the Indian population and considering that a large section still lacks access to formal banking services, driving financial inclusion has always been a key priority for the government. The banking system and 'priority sector' lending have been the most explored channels to bring majority of the population under the ambit of formal credit institutions. India is on the threshold of a high-growth trajectory, hence financial inclusion is imperative for sustaining equitable growth. In India, the major reasons for financial exclusion are poverty, low income, financial illiteracy, high transaction cost, and lack of infrastructure, primarily IT infrastructure. Consequently, a significant proportion of the population still does not have access to formal banking facilities. The global average of adult population with an account (at a bank, financial institution or with mobile money providers) is about 62%. India is far behind at about 53%. However, its average is above that of South Asia, which is relatively low at about 46% due to poor financial inclusion, especially certain of its neighbouring countries. *(Source: CRISIL Microfinance Industry Information, 2016 ("CRISIL MFI Information, 2016"))*

Financial inclusion is a comprehensive exercise that constitutes several products and services, such as provision bank accounts, insurance facilities, payment and remittance mechanisms, financial counselling, and most crucially, affordable credit. The government undertook several initiatives, which were orchestrated by the National Bank for Agriculture and Rural Development ("**NABARD**") and executed through entities such as regional rural banks, cooperatives and commercial banks. During the late 1970s, these lending institutions achieved significant reach and increasing number of individuals did avail of credit facilities. However, major delinquencies in repayment severely impaired the financial health of the entities. Furthermore, despite the rapid expansion in the scale of the institutions, several households continued to face difficulties in accessing credit facilities. *(Source: CRISIL MFI Information, 2016)*

Within the large suite of products and services under financial inclusion, microfinance institutions have a major role to play in the provision of credit. The sheer size of the market (in terms of financially-excluded households), a business model that offers sustainable credit to the poor at affordable rates and a repayment cycle spread over a longer duration, have been key growth drivers for micro finance industries ("**MFIs**") operating in India. *(Source: CRISIL MFI Information, 2016)*

Non-Banking Finance Companies in India

A non-banking financial company ("**NBFC**") is a company registered under the Companies Act, 1956, and is engaged in business of loans and advances; acquisition of shares/stock/bonds/debentures/securities issued by government or local authority or other securities of marketable nature; leasing; hire-purchase; insurance business; and chit business.

Financing requirements in India have risen in sync with the economy's notable growth over the past decade. NBFCs have played a major role in meeting this need, complementing banks and other financial institutions. NBFCs help fill gaps in the availability of financial services with respect to products as well as customer and geographic segments. A strong linkage at the grassroots level makes them a critical cog in the financial system. They cater to the masses in rural and semi-urban reaches, who have limited access to formal financing channels and lend to the informal sector and people without credit histories, thereby enabling the government and regulators to realise the mission of financial inclusion. The outstanding loans of NBFCs grew at approximately 20% between Fiscals 2012 and 2016. As of March 2016, they accounted for 15% of the overall systemic credit. *(Source: CRISIL Overview of NBFCs in India, 2016 ("CRISIL NBFC Overview, 2016"))*

Competitive advantage of NBFCs

By virtue of access to low-cost funds and an extensive branch network, banks compete with NBFCs, especially on the cost front. However, with their strategic presence in lending segments as well as geographies, NBFCs have carved out a niche for themselves to effectively compete with banks. The niche product focus of NBFCs enables them to make customized offerings. Currently, NBFCs dominate construction equipment finance, while they are slowly gaining market share in housing, loan against property, and microfinance. In emerging segments such as small and medium enterprise finance and wholesale finance, NBFCs have doubled their market share in the past five years even though it is still at a lower level. Low penetration in tier-II and tier-III cities, product and process innovation, and continued focus on core businesses will be the key enablers for steady growth. *(Source: CRISIL NBFC Overview, 2016)*

Microfinance sector in India

Micro-financing is aimed at aiding the under-privileged in undertaking economic activity, smoothening consumption and mitigating vulnerability to income shocks (in times of illness and natural disasters), thereby increasing their savings. Microcredit is the most common product offering of the microfinance industry. It refers to loans of very small amounts to borrowers who typically lack collateral, steady employment and verifiable credit history. Microfinance in India is synonymous with microcredit; this is because savings, thrift and micro insurance constitute a miniscule segment of the space. The NABARD is the main felicitator and mentor of microfinance initiatives in the country, with a focus on rural areas. It is assisting eligible NBFC-MFIs by providing them long-term refinance support. *(Source: CRISIL MFI Information, 2016)*

MFIs are the major players in the microfinance space in India. They are defined as non-deposit taking NBFCs (other than a company licensed under Section 25 of the Indian Companies Act, 1956) with minimum net owned funds of ₹ 50 million (for NBFC-MFIs registered in the north-eastern region, it is ₹ 20 million) and having not less than 85% of its net assets as "qualifying assets". Qualifying assets for NBFC-MFIs are non-collateral loans given to eligible borrowers. MFIs in India are less than two decades old and have seen a spurt in growth and penetration only over the past six years. In India, as per Micro Finance Institutions Network ("**MFIN**") data, NBFC-MFIs have a footprint in 30 states and union territories, and serve as many as 33.2 million clients. They have a total loan portfolio of ₹ 594 billion, as of March 2016. As per MFIN data, in Fiscal 2015, MFIs covered 489 districts (district level data not available for Fiscal 2016). *(Source: CRISIL MFI Information, 2016)*

Rising penetration driving remarkable growth in microfinance industry

Group lending model helps MFIs widen reach to low-income households Even as banks have been the traditional source of funds, constraints in the form of varying income levels, absence of collateral and significant fixed operational cost in proportion to small-ticket loans have limited their geographical and demographic reach.

MFI attractive for investors - Equity funding in MFI increased by more than 100% in 2015

The microfinance industry in India has gained a lot of investors' attention over the past half-decade, with the top players posting high returns and sustainable growth numbers. Resultantly, many NBFCs have been launched in the space with support from private equity players, venture capitalists as well as banks themselves. Investment in the sector was close to $800 million during 2010 to 2015. *(Source: CRISIL MFI Information, 2016)*

Key Success Factors

- *Geographically diversified portfolio helps MFIs mitigate risks*
- *Technology to be major enabler for MFIs to monitor portfolios and maintain asset quality*
- *Managing local stakeholders - key determinant of MFIs' success*

Micro, Small and Medium Finance Segment in India

India's micro, small and medium enterprises ("**MSMEs**") contribute enormously to economic development. In Fiscal 2016, MSMEs accounted for about 45% of the country's manufacturing output and 40% of total exports. Further, the sector contributes to the socio-economic development of the country by providing employment in rural and backward areas, thereby reducing regional imbalance. In fact, MSMEs provide about 25% of the country's employment opportunities. Also, approximately 45% of MSMEs are located in rural areas. MSMEs complement large units as suppliers as well. The RBI defines MSMEs in line with the Micro, Small and Medium Enterprises Development Act, 2006. This definition is based on investment in plant and machinery. *(Source: CRISIL Micro, Small and Medium Enterprises Finance Opinion, 2016 ("CRISIL MSME Opinion, 2016"))*

Increasing competition intensity among financiers to drive MSME credit growth

MSME credit is expected to grow 10-12% annually over the next two years. Banks and NBFCs continue to reach out to a maximum number of borrowers who are now demanding more from financial institutions, in terms of quicker sanction of loans and disbursements, lower interest rates, etc. *(Source: CRISIL MSME Opinion, 2016)*

Strong profitability due to higher yields and controlled credit cost

NBFCs have net profitability of 4% because of higher yields as well as strong appraisal and collection systems (which controls credit cost). Operating expenditure is high for financiers given the low ticket size, making it imperative for them to have a large workforce to get new business as well as for appraisal and collection. Direct selling agent payouts range from 0.5-1.5% and get added to operating expenditure. Going forward, the cost of funds is expected to come down. Yield is under pressure due to competition and gross non-performing assets could increase as NBFCs become aggressive. Consequently, profitability is expected to lower in the medium term. *(Source: CRISIL MSME Opinion, 2016)*

NPA levels for NBFCs lower than banks

As a result of a general slowdown in the economy, non-performing asset ("**NPA**") levels have increased. However, due to aggressive collection and recovery mechanism of NBFCs, their NPA levels are lower than banks. Private banks have increased their focus on MSMEs as they rebalance their loan portfolio following the defaulting of loans made to some large customers in the past 1-2 years. The lending norms have also become stricter and pressure on gross NPAs (90 dues past days) is increasing, which range from 4.5-5.0% for NBFCs and 6.0-6.5% for banks in Fiscal 2016. *(Source: CRISIL MSME Opinion, 2016)*

Auto-finance Industry in India

India is world's sixth largest vehicles manufacturer globally. Further, India is Asia's second largest two wheeler manufacturer and fifth largest producer of commercial vehicles, fourth largest manufacturer of passenger car and the largest manufacturer of tractors. Total production of automobiles in India was 23.9 million units including passenger vehicles, commercial vehicles, three wheelers and two wheelers in Fiscal 2016 as against 23.3 million units in Fiscal 2015. Auto sales across categories domestically rose by 3.78% in Fiscal 2016 from 19.72 million units in Fiscal 2015. Sale of passenger vehicles grew by 7.24% in Fiscal 2016, from 2.6 million units in Fiscal 2015. Commercial vehicle sales expanded by 11.51% in Fiscal 2016 while three-wheeler sales grew by 1.03% and two wheelers registered a growth of 3.01% during Fiscal 2016. *(Source: India Brand Equity Foundation Automobiles Report, February 2017 available at http://www.ibef.org/download/Automobile-February-2017.pdf)*

Increase in NBFC share in auto-finance market

Banks currently hold 53% share in auto finance outstanding while NBFCs account for the rest. NBFCs have increased their market share from about 40% in Fiscal 2012 to 47% in Fiscal 2016 due to factors such as controlled operating cost, wider and effective reach, strong risk management capabilities to check and control bad debts, and better understanding of their customers. The latent credit demand allowed NBFCs to fill the gap, especially where banks do not have the appetite for risk and capabilities to serve. Stress on books of banks, especially public sector banks, also helped NBFCs to gain share in the auto finance market. Banks largely lend to large fleet operators whereas NBFCs lend to customers with a weaker credit profile such as SFO, FTB and first time users ("**FTU**"). Even in other vehicle segments, banks focus on salaried customers and self-employed customers with a strong credit profile. NBFCs have gained share by catering to customers with a relatively weaker credit profile, focusing on used vehicle financing (banks have a very limited presence in this space) and ensuring faster processing, lower documentation and greater flexibility in borrower appraisal. *(Source: CRISIL AF Opinion, 2016)*

Housing Finance Industry in India

As of Fiscal 2016, India is home to more than 1.28 billion people, or an estimated 264.9 million households, compared with 207.2 million households in 2004. Rising population and changing income demographics have contributed to a sharp rise in the number of households, especially in urban areas. However, India's population grew at a slower pace of 1.4% CAGR over Fiscal 2002 to Fiscal 2016, compared with 2% over Fiscal 1986 to Fiscal 2000. In the current decade, population growth is expected to slow down further to 1.2%. Any increase in the population directly impacts demand for housing units and, in turn, the requirement for floor space area. The number of households is likely to rise with the change in the age mix, growing number of nuclear families, continuous urbanisation and increasing penetration of financing. Moreover, in the current scenario, population in the younger age brackets is very high. According to CRISIL, the trend to translate into a tremendous increase in working population, will lead to greater demand for housing. *(Source CRISIL Housing Finance Industry Information, 2016 ("CRISIL HF Industry Information, 2016")*

Loans against property

Loans against property (LAP) are availed by mortgaging property, which acts as collateral to the financier. Financiers prefer advancing loans against property as they offer better security compared to unsecured personal loans. The total outstanding LAP has grown at a CAGR of 29% in the last four years (from Fiscal 2012 to Fiscal 2016). Factors contributing to increase in popularity of LAP include better product awareness, need of small businesses to raise capital and increasing property prices in key markets. Loans against property have been especially popular in metros and tier I cities owing to higher concentration of businesses in such cities. However, financiers have also been extending their LAP products to tier II cities where competition is lower. Self-employed borrowers accounted for almost 85% of LAP disbursements, and residential property accounted for 70% of the total property collaterized in LAPs in Fiscal 2016. *(Source: CRISIL LAP Opinion, 2016)*

Agricultural value chain financing

Agricultural input and equipment sector

The growth and investment across farm-input segments is expected to lead to a 6% increase in market size to ₹ 2.4 trillion by Fiscal 2019. Power equipment, hybrid seeds penetration, and higher usage of bio-pesticides and bio-fertilisers will drive growth close to 15% in the Fiscal 2017 and over 10% thereafter, compared with a single digit growth for most large sub segments in Fiscal 2016. *(Source: CRISIL Agri Report, 2016)*

For further information, see the section titled "*Industry Overview"* on page 109.

SUMMARY OF BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 16 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors" on page 17 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year.

Unless otherwise indicated, the financial information included herein is based on our Restated Consolidated Financial Statements for Fiscal 2013, 2014, 2015, 2016 and 2017 and as of and for the three month period ended June 30, 2017 included in this Red Herring Prospectus. For further information, see "Financial Statements" on page 202.

*Unless the context otherwise requires, in this section, reference to "we", "us" or "our" refers to MAS Financial Services Limited together with its Subsidiary, MAS Rural Housing & Mortgage Finance Limited ("**MRHMFL**") on a consolidated basis and reference to "Company" or "our Company" refers to MAS Financial Services Limited on a standalone basis.*

Overview

We are a Gujarat-headquartered NBFC with more than two decades of business operations and as of June 30, 2017, we operated across six States and the NCT of Delhi. Our business and financing products are primarily focused on middle and low income customer segments, and include five principal categories: (i) micro-enterprise loans; (ii) SME loans; (iii) two-wheeler loans; (iv) Commercial Vehicle loans (which include new and used commercial vehicle loans, used car loans and tractor loans); and (v) housing loans. Our Promoters have significant operational experience in the financial services sector in India, and our shareholders include development finance institutions including FMO and DEG and private equity investors including Sarva Capital.

As of March 31, 2017 and June 30, 2017, our AUM was ₹ 33,325.65 million and ₹ 34,517.41 million, respectively. Our AUM increased at a CAGR of 33.37% from ₹ 10,531.91 million as of March 31, 2013 to ₹ 33,325.65 million as of March 31, 2017. As of June 30, 2017 we had more than 500,000 active loan accounts, across more than 3,165 Customer Locations in six States and the NCT of Delhi, served through our 121 branches.

Our financing products include:

Micro-Enterprise Loans. We provide two categories of micro-enterprise loans: (i) loans up to ₹ 75,000, typically to self-employed individuals engaged in trading or manufacturing business; and (ii) loans ranging between ₹ 75,000 and ₹ 300,000, typically to sole proprietors and partnership firms. In Fiscal 2017 and in the three month period ended June 30, 2017, the Average Disbursement in our micro-enterprise loan segment was ₹ 33,638 and ₹ 48,055, respectively.

Small and Medium Enterprise (SME) Loans. We provide loans up to ₹ 50 million to our SME customers, which category primarily includes small and medium sized manufacturers, dealers and service providers engaged in various industries. The SME loan segment includes working capital loans (up to ₹ 50 million), loans for machinery and facilities (up to ₹ 20 million) and includes loans against property (up to ₹ 20 million) and loans extended to housing finance companies. In Fiscal 2017 and in the three month period ended June 30, 2017, the Average Disbursement in our SME loan segment was ₹ 5.50 million and ₹ 7.95 million, respectively.

Two-wheeler Loans. We provide two-wheeler loans primarily to farmers, self-employed and salaried individuals as well as professionals. In Fiscal 2017 and in the three month period ended June 30, 2017, the Average Disbursement in our two-wheeler loan segment was ₹ 43,110 and ₹ 39,472, respectively.

Commercial Vehicle Loans. We provide loans up to ₹ 700,000 for the purchase of new and used commercial vehicles, used cars as well as tractors. In this segment, our customers primarily include traders and manufacturers (for loading vehicles), travel businesses and small road transport operators. In Fiscal 2017 and in the three month period ended June 30, 2017, the Average Disbursement in our Commercial Vehicle loan segment was ₹ 149,817 and ₹ 184,326, respectively.

Housing Loans. We provide housing loans to customers for the purchase of new and old houses, construction of houses on owned plots, home improvement and for the purchase and construction of commercial property. Our customers in this segment typically include salaried and self-employed individuals. We also extend loans to developers for construction of affordable housing projects. The loan amount typically ranges between ₹ 50,000 and ₹ 5 million for residential property and between ₹ 50,000 and ₹ 10 million for commercial property. Our housing finance business is primarily operated through our Subsidiary, MRHMFL. In Fiscal 2017 and in the three month period ended June 30, 2017, Average Disbursement in our housing loan segment was ₹ 1.22 million and ₹ 1.43 million, respectively.

In addition to our sales team, we have entered into commercial arrangements with a large number of sourcing intermediaries, including commission based DSAs and revenue sharing arrangements with various dealers and distributors where part of loan default is guaranteed by such sourcing partners. As of June 30, 2017, we had 332 such sourcing intermediaries for our two-wheeler loan segment and 395 such sourcing intermediaries for our Commercial Vehicle loan segment. As of June 30, 2017, we had entered into arrangements with 55 sourcing intermediaries for our housing loan segment, who typically are affordable housing project developers and property agents.

A significant part of our business origination in various segments is represented by loans extended to MFIs, HFCs and other NBFCs that provide financing products including micro-enterprise loans, SME loans, Commercial Vehicle loans, two-wheeler loans and housing loans, enabling us to have a geographical reach extending beyond our direct Customer Locations. As of June 30, 2017, we had extended loans to 98 such financial institutions. As of June 30, 2017, ₹ 18,160.70 million, which represented 52.61% of our AUM related to loans extended to other financial institutions.

The following table sets forth certain information relating to our operations and financial performance in the periods specified:

(in ₹ million, except ratios and percentages)

	As of March 31, 2015	As of March 31, 2016	As of March 31, 2017	As of June 30, 2017
AUM				
Micro-Enterprise Loans	13,863.36	17,345.54	19,848.57	19,953.21
SME Loans	2,149.46	4,289.64	7,638.37	8,362.34
Two-wheeler Loans	2,396.60	2,575.68	2,853.86	3,192.80
Commercial Vehicle Loans	1,642.72	1,438.85	1,220.60	1,223.33
Housing Loans	943.79	1,348.80	1,764.25	1,785.73
Total AUM	**20,995.93**	**26,998.51**	**33,325.65**	**34,517.41**
Gross NPA	208.13	279.06	352.70	392.00
Gross NPA/ AUM (%)	0.99	1.03	1.06	1.14
Net NPA	170.94	239.28	305.48	330.50
Net NPA/ AUM (%)	0.81	0.89	0.92	0.96
Net Worth	2,100.45	2,329.87	3,820.26	4,385.31
Return on Average Net Worth	22.83	24.87	23.68	23.86
	Fiscal 2015	**Fiscal 2016**	**Fiscal 2017**	**Three month period ended June 30, 2017**
Revenue from operations	2,374.31	3,034.51	3,637.46	1,040.19
Profit after tax	399.83	508.21	685.58	234.14
Total Disbursement	**20,884.02**	**30,464.23**	**34,681.68**	**8,994.99**

 # Return on Average Net Worth for the three months ended June 30, 2017 has been presented on an annualized basis.

Our Company's CRAR as of March 31, 2015, 2016, 2017 and June 30, 2017 were 18.14%, 18.27%, 22.96% and 23.80%, respectively.

AUM in micro-enterprise, SME, two-wheeler, Commercial Vehicle and housing loan segments increased at a CAGR of 32.14%, 137.64%, 5.86%, 2.62% and 44.09% from March 31, 2013 to March 31, 2017, respectively. As of March 31, 2017 and June 30, 2017, our total outstanding debt including security deposits received from customers (excluding assignments) was ₹ 16,601.82 million and ₹ 18,603.32 million, respectively, and our finance cost was ₹ 1,642.43 million and ₹ 413.21 million, respectively.

Our Competitive Strengths

We believe that the following are our key competitive strengths:

Track record of consistent growth with quality loan portfolio

We offer a wide range of products that address the specific financing requirements of middle and low income individuals as well as micro, small and medium enterprises. We have been in operation for more than two decades, and as of June

30, 2017, had more than 500,000 active loan accounts across more than 3,165 Customer Locations in six States and the NCT of Delhi, served through our 121 branches. Our AUM increased at a CAGR of 33.37% from ₹ 10,531.91 million as of March 31, 2013 to ₹ 33,325.65 million as of March 31, 2017. As of June 30, 2017, our AUM was ₹ 34,517.41 million. AUM in the micro-enterprise loan segment increased at a CAGR of 32.14% from ₹ 6,509.75 million as of March 31, 2013 to ₹ 19,848.57 million as of March 31, 2017 while AUM in our SME loan segment increased at a CAGR of 137.64% from ₹ 239.50 million as of March 31, 2013 to ₹ 7,638.37 million as of March 31, 2017. Our total revenue increased at a CAGR of 26.35%, from ₹ 1,431.20 million in Fiscal 2013 to ₹ 3,647.02 million in Fiscal 2017, while our profit after tax increased at a CAGR of 25.87%, from ₹ 273.11 million in Fiscal 2013 to ₹ 685.58 million in Fiscal 2017. As of March 31, 2017, and June 30, 2017, Return on Average AUM was 2.34% and 2.76%, respectively, while Return on Average Net Worth was 23.68% and 23.86% (*on an annualized basis*), respectively.

Leveraging our significant operational experience, we have developed stringent credit quality checks and customised operating procedures that involve regular monitoring of our loan portfolio. Although our business is focused on the middle and low income group customer segments, we have maintained relatively low NPA ratios. We have also entered into revenue sharing arrangements with a large number of sourcing partners, where part of a loan default is guaranteed by these sourcing partners, effectively making them directly accountable for the quality of the loan portfolio they originate. We believe these arrangements enable us to lower delinquency rates of loans sourced through such arrangements. A significant part of our business is also represented by loans extended to other financial institutions, and we have developed stringent and ongoing loan portfolio diligence measures that enable us to ensure the quality of the receivables underlying the loans to such financial institutions. As of March 31, 2017 and June 30, 2017, our Gross NPA was ₹ 352.70 million and ₹ 392.00 million, respectively, while Net NPA was ₹ 305.48 million and ₹ 330.50 million, respectively, and our Gross NPAs as a percentage of our AUM was 1.06% and 1.14%, respectively as of such dates. Our quality loan portfolio also enables us to effectively assign or securitize a significant portion of it from time to time, thereby reducing operational risks. In Fiscal 2017, and in the three month period ended June 30, 2017, we obtained ₹ 15,125.07 million and ₹ 3,081.90 million, respectively, through assignment and/or securitization of loans.

Diversified product offerings presenting significant growth opportunities

We offer a diverse range of financial products and services targeted at the low and middle income customer segments. Our micro-enterprise loan and SME loan segments extend loans to manufacturers, dealers, distributors and related service providers in various industries. Our housing loan and two-wheeler loan segments are targeted towards salaried and self-employed individuals. We cover a diversified customer demographic through our various financing products. As of March 31, 2017 and June 30, 2017, SME loan segment represented 22.92% and 24.23%, micro-enterprise loans represented 59.56% and 57.81%, two-wheeler loans represented 8.56% and 9.25%, Commercial Vehicle loans represented 3.66% and 3.54%, and housing loans represented 5.29% and 5.17%, respectively, of our AUM as of such dates. We believe that our diversified product portfolio and customer base aligned with increasing market demand is a key component of our growth and success. Our wide, multi-channel business sourcing network enables us to introduce new financing products with relatively low incremental investment and operating expenses. It also enables us to reduce our exposure to sector-specific declines, local or regional economic downturns, disruptions from political circumstances and/or natural disasters.

We believe that our target customer segments present significant growth opportunities for our business. Our business is also operationally aligned to easily adapt to the changing financing environment for our target customer segments introduced by recent GoI measures to encourage formal banking channels. The NBFC sector in India is a promising industry with considerable growth prospects. The loan book of NBFCs in India is expected to grow at a CAGR of 17% from Fiscal 2017 to Fiscal 2018. *(Source: CRISIL NBFC Overview, October 2016)*. Owing to the withdrawal of legal tender of the ₹ 500 and ₹ 1,000 denominations of bank notes by GoI, the projected growth of NBFCs is expected to be impacted in Fiscal 2017. However, NBFC sector growth is expected to recover in Fiscal 2018. *(Source: CRISIL Demonetisation Impact on NBFCs, December 2016)*. For estimated growth projections on each of our product segments, see "*Industry Overview*" on page 109. We believe that given our large business network, deep market knowledge, diversified product portfolio and consistent growth record, we are well-positioned to capitalise on the growth opportunities for NBFCs in India.

Access to diversified sources of capital and cost-effective funding

Our quality portfolio and stable credit history has enabled us to obtain capital for our business operations without over-leveraging or significant equity dilution. We have a dedicated resource mobilization team to effectively address our funding requirements, reduce cost of borrowings, diversify sources of funds, manage interest rate risk and invest any surplus funds. Our funding requirements have historically been met primarily through term loans. We have established long-term relationships with various banks and financial institutions which provide ease of access to funding from such institutions. Our quality loan portfolio, stringent credit appraisal and risk management processes, and stable credit history have resulted in improved credit status with our lenders over the years, thereby enabling us to reduce our cost of borrowings from banks and other financial institutions. For further information on our credit ratings, see "*– Credit Ratings*" on page 142. We also obtain funds through assignment and/or securitization of our loan portfolio to banks, which purchase such portfolio to meet their priority sector and retail lending commitments. Furthermore, we also issue non-convertible debentures and commercial paper to supplement our funding requirements. Our Cost of Borrowings as of March 31, 2017 was 9.47%, compared to 8.41% in Fiscal 2013.

As of June 30, 2017, our total outstanding debt including security deposits received from customers (excluding assignments) was ₹ 18,603.32 million. In Fiscal 2017, and in the three month period ended June 30, 2017, we obtained ₹ 15,125.07 million and ₹ 3,081.90 million, respectively, through assignment and/ or securitization of loans. As of June 30, 2017, we had also issued subordinate non-convertible debentures, on which ₹ 600 million is outstanding. As of June 30, 2017, we had a net worth of ₹ 4,385.31 million and had aggregate share capital including CCDs of ₹ 1,414.43 million. As of June 30, 2017, our debt to equity ratio was 4.24. In addition to debt funding, internal accruals constitute a significant portion of our source of funds.

Deep market knowledge through extensive sourcing channels

We have developed an extensive operational network in Gujarat and Maharashtra. We focus on developing grass root level market knowledge and operational experience in markets we operate, in order to better understand customer requirements and ensure better collection, reduced loan delinquencies and greater efficiency of operations. In addition to our sales team, we have entered into commercial arrangements with a large number of sourcing intermediaries including commission based DSAs as well as sourcing partners where part of a loan default is guaranteed by such sourcing partners. We believe that these revenue sharing arrangements act as a relatively stable revenue source for such sourcing partners and are therefore attractive to them. As of June 30, 2017, we had 332 such two-wheeler sourcing intermediaries and 395 Commercial Vehicle sourcing intermediaries. For our housing loan segment, we have similar arrangements with affordable housing project developers and property agents. As of June 30, 2017, we had 55 sourcing intermediaries in housing finance.

We leverage our in-depth market knowledge to identify and develop close working relationships with MFIs, HFCs and other NBFCs focused on markets similar to ours. As of June 30, 2017, we had 98 such institutional borrowers. These measures enable us to diversify deployment of capital. With our extensive operational experience in these markets and financing products, we work closely with our institutional borrowers for their funding requirements and liability management, and to target mutually beneficial business opportunities. We have developed strong relationships with these financial institutions. We believe that our understanding of local markets and customer demographics and practices enable us to identify market opportunities, improve operating efficiencies, grow our loan portfolio and increase our customer base.

Robust credit assessment and risk management framework

Our target customers include micro-enterprises, SMEs, traders and individuals from low and middle income customer segments. We have developed customised credit analysis procedures for each product depending on the nature of the customer, purpose of the loan and the amount of loan advanced. Typically, we analyse past financial information and the applicant's business trends to assess their income levels. In addition to document verification and credit bureau reports, we conduct site verification, interviews, and market and banking reference checks on the applicant, co-applicant and guarantor, as applicable. We have also adopted various measures to assess our institutional borrowers, including the viability of their business and financing products, the credit history of such institutions, the reputation and experience of the relevant promoters and founders of such institutions, as well as their credit, collection and other operational procedures and policies. We have also introduced stringent credit checks for the underlying loan portfolios associated with loans extended to our institutional borrowers, including inspection of the hypothecated loan portfolio to ensure that they meet the requisite credit policies stipulated by us and carry out replacement of any substandard underlying asset. We continuously monitor the quality of such hypothecated loan portfolio. For further information on our credit assessment policies, see "*– Financing Products*". In addition, our collection procedures are primarily non-cash processes, either through post-dated checks or through the NACH system to ensure ease of monitoring financial transactions.

Experienced management team with reputed investors

We believe that the industry knowledge and experience of our senior management has enabled us to maintain consistent growth of our business over the years. Our promoters, Kamlesh Chimanlal Gandhi, Chairman and Managing Director and Mukesh Chimanlal Gandhi, Chief Financial Officer and Director – Finance, each have over 21 years of experience in the financial services sector. Mukesh Chimanlal Gandhi is also the chairman of the Gujarat Finance Companies Association and a director of the Finance Industry Development Council. They are supported by an accomplished board of directors and key management personnel. We believe that our senior management team has enabled us to develop and implement a consistent business plan and operational procedures. The experience of our promoters and senior management allows us to identify market opportunities, offer products and services targeted at specific customer segments, develop customer and product specific credit policies, while ensuring effective risk management and quality of loan portfolio. We believe that their combined market experience has contributed to our growth and profitability, as well as strong capital position. For further information, refer to "*Our Management*" on page 160.

Our investors include development finance institutions such as FMO and DEG, and private equity investors such as Sarva Capital and India Business Excellence Fund - III, and in the past, ICICI Venture Fund and Bellweather Microfinance Fund. We believe this reflects the credibility of our business operations and corporate governance standards.

Business Strategies

Our primary business strategies are as follows:

Strengthen marketing and sourcing channels while maintaining stable growth and quality of portfolio

We believe that the quality of our portfolio has enabled us to maintain and continue focus on maintaining stable growth with a quality portfolio going forward. Our AUM increased at a CAGR of 33.37% from ₹ 10,531.91 million as of March 31, 2013 to ₹ 33,325.65 million as of March 31, 2017. As of June 30, 2017 we had over 3,165 Customer Locations in six States and the NCT of Delhi served through our 121 branches. We continue to strategically and selectively open new branches or expand in new locations, typically expanding into geographies with a growth potential. We intend to further increase our penetration in the States of Madhya Pradesh, Rajasthan, Karnataka, Tamil Nadu and the NCT of Delhi. In order to effectively grow business in our existing markets, we tailor business origination and servicing efforts to specific requirements in a particular region. With our diversified product portfolio, we have significant cross-selling opportunities among our existing customers and serve their future financing requirements with our other products.

To diversify the deployment of our funds, we will also continue to increase loans extended to financial institutions thereby allowing us to expand our geographical reach while maintaining a relatively lower risk profile. We also continue to establish knowledge partnerships with these financial institutions to further strengthen our existing relationships, and also to increase our local market knowledge. With our extensive operational experience and diversified portfolio of financing products we continue to assist such institutions with their asset liability management and best practices. In addition, we will continue to expand our network of sourcing intermediaries. The quality of the portfolio generated through such arrangements would serve as the basis for conducting further business through them. We intend to maintain an optimal balance between growth, quality of portfolio and profitability to ensure greater penetration in existing markets and increasing expansion into new territories.

Expand our product offerings

We continue to undertake market assessment studies to strategically evaluate additional product offerings. For example, as part of our SME loans, we intend to extend loans to the agricultural input and equipment segment. We believe this segment has significant potential for growth. The growth and investment across farm-input segments is expected to lead to a 6% increase in market size to ₹ 2.4 trillion by Fiscal 2019. Power equipment, hybrid seeds penetration, and higher usage of bio-pesticides and bio-fertilisers is expected to drive growth of close to 15% in Fiscal 2017 and over 10% thereafter (compared to growth at single digits for most large sub-segments in Fiscal 2016). *(Source: CRISIL Agri Report, 2016).* We intend to finance working capital requirements, both long and short term, of manufacturers, distributors and dealers of agricultural input products. We also intend to offer loans to farmers to acquire accessories, implements and tractors in collaboration with dealers, manufacturers and distributors as sourcing intermediaries. The proximity of these sourcing intermediaries with farmers enables them to generate quality leads for us. As we expand our operations, we endeavour to expand our portfolio of products across various sectors by monitoring customer requirements.

Leverage our existing network and customer base to develop our housing finance business

The housing finance sector is projected to grow at 14% CAGR in Fiscal 2017 and 18% in Fiscal 2018. *(Source: CRISIL Demonetisation Impact on NBFCs, December 2016)* Offering housing loans through a registered housing finance entity provides us with certain competitive advantages, including greater leverage resulting from lower capital adequacy norms applicable to a HFC, as well as lower risk-weightage applicable to housing finance loans. The GoI encourages the availability of credit to the affordable housing industry and has implemented various policies and initiatives, particularly in relation to affordable housing. We will continue to provide financing for such housing projects. Loans given to develop affordable housing projects are considered as 'housing loans' as per NHB guidelines. We intend to expand our housing finance business by increasing the geographic reach of MRHMFL's operations. MRHMFL currently operates in Gujarat, Maharashtra, Rajasthan and Madhya Pradesh. We intend to establish additional branches in States that have favourable business potential for affordable housing loans. We believe our experience in understanding customer preferences by assessing income levels will enable us to effectively develop our housing loan portfolio. We also intend to leverage our existing operational network and customer base to cross-sell housing loans to our existing customers. As of June 30, 2017, we have strategic arrangements with 55 sourcing intermediaries in the housing loan segment, who are typically affordable housing project developers and property agents. We intend to establish more local sourcing arrangements in regions identified through market potential studies undertaken by us.

Leverage technology to foster growth

All our branches have been centrally connected to our corporate office in Ahmedabad, Gujarat. We regularly update our systems and continue to streamline our credit approval, administration and monitoring processes to meet customer requirements and maintain our risk profile. We continue to focus on developing and strengthening our IT capabilities to support our growth and improve the quality of our services. We believe that improving our technology infrastructure will allow us to respond to challenges on a real-time basis and improve our risks management capabilities. We intend to develop and implement analytics capabilities for lead generation, market mapping, improving customer responsiveness and anticipating customer requirements.

We further intend to develop data mining and analytics capabilities to improve predictability of repayment patterns and set up early warning systems. We also intend to develop data-driven insights to understand our target customers' propensity towards certain financial products. We anticipate using such information to conduct targeted marketing efforts allowing us to improve the availability of our products and consequently the quality of our services and credit portfolio. We intend to devote our analytics resources towards identifying growth opportunities across multiple dimensions – products, customers and channels to optimise profitability and growth.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from and should be read in conjunction with our Restated Standalone Financial Statements and Restated Consolidated Financial Statements, as presented in the section titled "Financial Information" on page 202 and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 355.

RESTATED STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in Millions)

Particulars	As at					
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
EQUITY AND LIABILITIES						
Shareholders' funds						
Share capital	914.63	904.28	594.72	594.72	594.72	534.71
Reserves and surplus	2,921.38	2,368.06	1,198.54	976.50	664.82	513.60
	3,836.01	**3,272.34**	**1,793.26**	**1,571.22**	**1,259.54**	**1,048.31**
Compulsorily Convertible Debentures	499.80	499.80	499.80	499.80	499.80	499.80
Non-current liabilities						
Deferred subsidy	-	-	-	-	0.08	0.22
Long-term borrowings	2,376.38	2,030.43	3,040.17	1,138.67	632.42	491.66
Other long-term liabilities	3,108.55	2,455.10	1,510.77	929.24	1,022.78	522.13
Long-term provisions	36.29	30.64	14.40	8.61	7.18	4.95
	5,521.22	**4,516.17**	**4,565.34**	**2,076.52**	**1,662.46**	**1,018.96**
Current liabilities						
Short-term borrowings	9,079.30	7,678.97	7,411.15	7,434.06	5,500.93	3,530.32
Trade payables						
- Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
- Total outstanding dues to creditors other than micro enterprises and small enterprises	32.09	25.59	45.77	13.86	19.99	20.92
Other current liabilities	3,738.59	4,122.94	3,725.72	3,205.75	1,768.49	1,556.42
Short-term provisions	207.02	128.98	85.47	76.64	65.11	40.95
	13,057.00	**11,956.48**	**11,268.11**	**10,730.31**	**7,354.52**	**5,148.61**
TOTAL	**22,914.03**	**20,244.79**	**18,126.51**	**14,877.85**	**10,776.32**	**7,715.68**
ASSETS						
Non-current assets						
Fixed assets						
Tangible assets	98.05	70.31	63.73	44.19	57.19	59.68
Intangible assets	2.26	1.32	-	-	0.61	0.93
Capital work-in-progress	4.14	-	-	0.99	-	-
	104.45	**71.63**	**63.73**	**45.18**	**57.80**	**60.61**
Non-current investments	107.57	107.57	110.23	110.99	108.33	108.33
Deferred tax assets (net)	49.23	42.23	30.09	22.58	11.41	4.39
Long-term loans and advances	9,093.12	7,679.72	4,803.08	3,445.57	2,870.43	1,980.30
Other non-current assets	90.20	91.34	76.65	101.75	90.87	111.86
	9,444.57	**7,992.49**	**5,083.78**	**3,726.07**	**3,138.84**	**2,265.49**
Current assets						
Cash and bank balances	1,453.00	366.75	1,753.79	2,173.29	1,847.30	1,748.96
Short-term loans and advances	11,808.98	11,678.73	11,099.05	8,835.74	5,705.69	3,625.79
Other current assets	207.48	206.82	189.89	142.75	84.49	75.44
	13,469.46	**12,252.30**	**13,042.73**	**11,151.78**	**7,637.48**	**5,450.19**
TOTAL	**22,914.03**	**20,244.79**	**18,126.51**	**14,877.85**	**10,776.32**	**7,715.68**

RESTATED STANDALONE SUMMARY STATEMENT OF PROFIT AND LOSS

(₹ in Millions)

Particulars	For the quarter ended June 30, 2017	For the year ended				
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
INCOME						
Revenue from operations	975.65	3,406.31	2,877.80	2,256.75	1,769.29	1,379.36
Other income	2.59	8.86	9.24	8.53	7.49	9.11
Total Revenue (I)	**978.24**	**3,415.17**	**2,887.04**	**2,265.28**	**1,776.78**	**1,388.47**
EXPENSES						
Employee benefits expense	78.39	262.41	223.74	159.90	136.52	123.11
Finance costs	375.47	1,512.63	1,340.38	1,055.43	754.15	546.57
Depreciation and amortisation expense	2.50	9.61	8.72	10.35	5.70	6.24
Provisions and loan losses	90.82	267.37	232.69	193.47	144.59	83.95
Other expenses	78.82	331.91	317.40	258.32	257.65	231.27
Total expenses (II)	**626.00**	**2,383.93**	**2,122.93**	**1,677.47**	**1,298.61**	**991.14**
Profit before tax (III) = (I) - (II)	**352.24**	**1,031.24**	**764.11**	**587.81**	**478.17**	**397.33**
Tax expense / (benefit):						
Current tax	128.80	369.21	271.54	207.12	168.43	132.01
Deferred tax	(7.00)	(12.14)	(7.51)	(7.51)	(7.02)	(3.07)
Net tax expense (IV)	**121.80**	**357.07**	**264.03**	**199.61**	**161.41**	**128.94**
Profit after tax (as restated) (V) = (III) - (IV)	**230.44**	**674.17**	**500.08**	**388.20**	**316.76**	**268.39**
Earnings per equity share (of Rs. 10/- each)						
Basic (Rs.)	5.04	15.86	11.63	8.83	7.10	5.52
Diluted (Rs.)	4.75	15.08	11.63	8.83	7.10	5.52

RESTATED STANDALONE SUMMARY STATEMENT OF CASH FLOW

(₹ in Millions)

Particulars	For the quarter ended June 30, 2017	For the year ended				
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Cash Flow from Operating Activities						
Net Profit Before Tax	352.24	1,031.24	764.11	587.81	478.17	397.33
Adjustments for :						
Depreciation and Amortisation	2.50	9.61	8.72	10.35	5.70	6.24
Finance Costs charged to Restated Standalone Summary Statement of Profit and Loss	375.47	1,512.63	1,340.38	1,055.43	754.15	546.57
Provision for Non-Performing Assets	14.20	6.53	2.23	8.19	13.52	6.60
Contingent Provision against Standard Assets	5.96	29.29	17.02	9.19	7.32	3.46
Loss Assets Written Off	65.90	215.20	201.75	157.13	106.21	68.20
Loss on Sale of Fixed Assets	0.04	0.12	0.61	-	-	0.05
Loss on Sale of Repossessed Assets	4.76	16.35	11.69	18.96	17.54	5.69
Depreciation Recouped from Deferred Subsidy	-	-	-	(0.08)	(0.14)	(0.14)
Interest Income	(975.65)	(3,406.31)	(2,877.80)	(2,256.75)	(1,769.29)	(1,379.36)
Interest Income from Investments and Deposits	(1.75)	(6.76)	(6.83)	(6.90)	(6.58)	(8.36)
Income distribution on Pass Through Certificates held as non-current investments	-	(0.90)	-	-	-	-
Dividend Income	(0.54)	(0.00)	(1.18)	(0.48)	(0.02)	(0.01)
Profit on Redemption of Investment	-	-	(0.03)	-	-	-
Operating loss before working capital changes	(156.87)	(593.00)	(539.33)	(417.15)	(393.42)	(353.73)
Changes in Working Capital:						
Adjustments for (increase)/decrease in operating assets:						
Loans and Advances	(1,625.69)	(3,608.39)	(3,823.86)	(3,861.12)	(3,075.07)	(1,472.44)
Deposits given as Collateral	-	-	63.85	28.81	82.44	69.27
Other Current Assets	(4.05)	(20.25)	(10.41)	(24.38)	(18.92)	(0.85)
Adjustments for increase/(decrease) in operating liabilities:						
Trade Payables	6.50	(20.18)	31.91	(6.13)	(0.93)	5.44
Security Deposits from Borrowers	76.68	889.51	347.02	693.24	663.50	469.09
Advance from Borrowers	2.07	66.31	-	-	-	-
Other Current Liabilities	(24.79)	328.48	257.05	202.50	261.68	(55.06)
Short Term Provisions	0.91	0.81	1.15	1.19	1.06	0.33
Cash Generated from / (used in) operations	(1,725.24)	(2,956.71)	(3,672.62)	(3,383.04)	(2,479.66)	(1,337.95)
Finance Costs	(346.91)	(1,403.13)	(1,307.27)	(1,033.32)	(725.34)	(518.13)
Income Tax Paid (Net)	(66.16)	(364.29)	(277.47)	(214.72)	(164.95)	(122.31)
Interest Income Received	975.27	3,382.48	2,830.94	2,228.81	1,758.40	1,347.77
Net cash flow from/ (used in) operating activities (A)	(1,163.04)	(1,341.65)	(2,426.42)	(2,402.27)	(1,611.55)	(630.62)
Cash flows from investing activities						
Capital expenditure on fixed assets, including capital advances	(19.25)	(38.61)	(29.68)	(7.69)	(4.04)	(6.48)
Proceeds from sale of Fixed Assets	0.01	0.14	2.70	-	-	0.02
Bank balances not considered as Cash and Cash Equivalents						
- Fixed Deposits Matured	-	7.50	51.50	1.63	8.69	90.71
- Fixed Deposits Placed	-	(13.62)	(56.30)	(10.06)	(2.43)	(57.57)
Interest Income from Investments and Deposits	0.14	3.06	15.00	0.81	1.81	16.60
Income distribution on Pass Through	-	0.90	-	-	-	-

Particulars	For the quarter ended June 30, 2017	For the year ended				
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Certificates held as non-current investments						
Purchase of Long Term Investments	-	-	-	(2.66)	-	-
Proceeds from redemption of Long Term Investments	-	2.66	0.79	-	-	-
Dividend Income	0.54	0.00	0.64	0.48	0.02	0.01
Net cash flow from/ (used in) investing activities (B)	(18.56)	(37.97)	(15.35)	(17.49)	4.05	43.29
Cash flows from financing activities						
Proceeds from Issue of Shares	350.00	1,000.00	-	-	-	0.15
Shares Issue Expenses	(13.12)	(60.27)	-	-	-	-
Proceeds from Issue of Non-Convertible Debentures	-	-	400.00	200.00	-	-
Proceeds from Issue of Compulsorily Convertible Debentures	-	-	-	-	-	649.74
Proceeds from Issue of Compulsorily Convertible Cumulative Preference Shares	-	40.00	-	-	-	-
Redemption of Preference Shares	-	-	-	-	-	(621.32)
Redemption of Non-Convertible Debentures	-	-	-	-	(360.00)	-
Proceeds from Long Term Borrowings	950.00	950.00	3,263.14	1,333.74	900.00	650.00
Proceeds from Issue of Commercial Papers	-	734.20	-	-	-	-
Redemption of Commercial Papers	-	(750.00)	-	-	-	-
Repayment of Long Term Borrowings	(416.16)	(1,990.03)	(1,301.15)	(630.14)	(639.51)	(761.67)
Proceeds / (Repayment) of Short Term Borrowings (net)	1,400.33	267.82	(22.91)	1,933.13	1,970.61	1,258.96
Dividends paid including Dividend Distribution Tax	(3.65)	(198.38)	(278.04)	(69.41)	(105.54)	(110.83)
Net cash flow from/ (used in) in financing activities (C)	2,267.40	(6.66)	2,061.04	2,767.32	1,765.56	1,065.03
Net increase/(decrease) in cash and cash equivalents (A + B + C)	1,085.80	(1,386.28)	(380.73)	347.56	158.06	477.70
Cash and cash equivalents at the beginning of the year/quarter	358.57	1,744.85	2,125.58	1,778.02	1,619.96	1,142.26
Cash and cash equivalents at the end of the year/quarter	1,444.37	358.57	1,744.85	2,125.58	1,778.02	1,619.96
Components of cash and cash equivalents						
Cash on Hand	0.32	1.28	3.91	3.95	3.18	0.67
Balances with banks	1,444.05	357.29	1,740.94	2,121.63	1,774.84	1,619.29
Total cash and cash equivalents (Refer Annexure 22)	1,444.37	358.57	1,744.85	2,125.58	1,778.02	1,619.96

RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in Millions)

Particulars	**As at**					
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
EQUITY AND LIABILITIES						
Shareholders' funds						
Share capital	914.63	904.28	594.72	594.72	594.72	534.71
Reserves and surplus	2,970.88	2,416.18	1,235.35	1,005.93	684.16	525.04
	3,885.51	**3,320.46**	**1,830.07**	**1,600.65**	**1,278.88**	**1,059.75**
Minority Interest	106.41	105.46	97.79	92.79	66.10	39.84
Preference Shares issued by the Subsidiary Company outside the group	40.00	40.00	20.00	-	-	-
Compulsorily Convertible Debentures	499.80	499.80	499.80	499.80	499.80	499.80
Non-current liabilities						
Deferred Subsidy	-	-	-	-	0.08	0.22
Long-term borrowings	3,437.14	3,108.91	3,948.44	1,648.08	1,034.59	716.57
Deferred tax liabilities (net)	6.28	5.65	4.23	2.96	-	-
Other long-term liabilities	3,178.71	2,520.46	1,526.66	929.24	1,022.78	522.13
Long-term provisions	42.01	37.05	19.54	11.92	9.73	6.57
	6,664.14	**5,672.07**	**5,498.87**	**2,592.20**	**2,067.18**	**1,245.49**
Current liabilities						
Short-term borrowings	9,080.09	7,679.89	7,411.16	7,454.01	5,500.93	3,530.32
Trade payables						
- Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
- Total outstanding dues to creditors other than micro enterprises and small enterprises	34.24	27.62	46.93	14.89	20.65	21.59
Other current liabilities	4,123.43	4,531.47	3,964.44	3,387.13	1,831.70	1,579.71
Short-term provisions	215.40	134.11	88.49	78.40	66.07	41.63
	13,453.16	**12,373.09**	**11,511.02**	**10,934.43**	**7,419.35**	**5,173.25**
TOTAL	**24,649.02**	**22,010.88**	**19,457.55**	**15,719.87**	**11,331.31**	**8,018.13**
ASSETS						
Non-current assets						
Fixed assets						
Tangible assets	112.76	86.09	81.74	44.80	57.49	60.05
Intangible assets	2.50	1.38	-	-	0.61	0.93
Capital work-in-progress	4.15	-	-	0.99	-	-
	119.41	**87.47**	**81.74**	**45.79**	**58.10**	**60.98**
Non-current investments	0.07	0.07	2.73	3.49	0.83	0.83
Deferred tax assets (net)	49.23	42.23	30.09	22.58	12.49	5.02
Long-term loans and advances	10,315.63	8,844.03	5,863.54	4,190.57	3,429.64	2,329.89
Other non-current assets	94.59	94.81	79.42	101.75	90.87	111.86
	10,578.93	**9,068.61**	**6,057.52**	**4,364.18**	**3,591.93**	**2,508.58**

Particulars	As at					
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Current assets						
Cash and bank balances	1,507.35	473.67	1,817.02	2,176.72	1,854.36	1,750.13
Short-term loans and advances	12,342.91	12,248.75	11,385.28	9,029.74	5,796.78	3,681.43
Other current assets	219.83	219.85	197.73	149.23	88.24	77.99
	14,070.09	**12,942.27**	**13,400.03**	**11,355.69**	**7,739.38**	**5,509.55**
TOTAL	**24,649.02**	**22,010.88**	**19,457.55**	**15,719.87**	**11,331.31**	**8,018.13**

RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

(₹ in Millions)

Particulars	For the quarter ended	For the year ended				
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
INCOME						
Revenue from operations	1,040.19	3,637.46	3,034.51	2,374.31	1,842.24	1,422.49
Other income	3.15	9.56	7.47	7.71	6.97	8.71
Total Revenue (I)	**1,043.34**	**3,647.02**	**3,041.98**	**2,382.02**	**1,849.21**	**1,431.20**
EXPENSES						
Employee benefits expense	86.06	293.87	243.78	171.30	146.39	132.49
Finance costs	413.21	1,642.43	1,423.01	1,117.43	788.28	559.98
Depreciation and amortisation expense	3.58	13.77	10.94	10.45	5.77	6.30
Provisions and Loan Losses	91.45	272.24	235.94	194.94	145.64	84.92
Other expenses	86.37	364.31	343.22	271.09	265.96	241.89
Total expenses (II)	**680.67**	**2,586.62**	**2,256.89**	**1,765.21**	**1,352.04**	**1,025.58**
Profit before tax (III) = (I) - (II)	**362.67**	**1,060.40**	**785.09**	**616.81**	**497.17**	**405.62**
Tax expense / (benefit):						
Current tax	132.02	377.82	276.80	214.89	173.69	134.31
Deferred tax	(6.37)	(10.73)	(6.23)	(6.10)	(7.46)	(3.38)
Net tax expense (IV)	**125.65**	**367.09**	**270.57**	**208.79**	**166.23**	**130.93**
Profit after tax (as restated) (before share of profit attributable to minority interest) (V) = (III) - (IV)	**237.02**	**693.31**	**514.52**	**408.02**	**330.94**	**274.69**
Less: Share of profit attributable to minority Interest	2.88	7.73	6.31	8.19	4.86	1.58
Profit for the year/quarter attributable to the shareholders of the Company	**234.14**	**685.58**	**508.21**	**399.83**	**326.08**	**273.11**
Earnings per equity share (of Rs. 10/- each)						
Basic (Rs.)	5.04	16.14	11.82	9.12	7.33	5.63
Diluted (Rs.)	4.75	15.33	11.82	9.12	7.33	5.63

RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH FLOW

(₹ in Millions)

Particulars	For the quarter ended	For the year ended				
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Cash Flow from Operating Activities						
Restated Net Profit Before Tax	**362.67**	**1,060.40**	**785.09**	**616.81**	**497.17**	**405.62**
Adjustments for :						
Depreciation and Amortisation	3.58	13.77	10.94	10.45	5.77	6.30
Finance Costs charged to Restated Consolidated Summary Statement of Profit and Loss	413.21	1,642.43	1,423.01	1,117.43	788.28	559.98
Provision for Non-Performing Assets	14.29	7.44	2.59	8.19	13.52	6.60
Contingent Provision against Standard Assets	6.12	31.56	19.65	10.66	8.37	4.43
Loss Assets Written Off	66.28	216.89	202.01	157.13	106.21	68.20
Loss on Sale of Fixed Assets	0.04	0.12	0.61	-	-	0.05
Loss on Sale of Repossessed Assets	4.76	16.35	11.69	18.96	17.54	5.69
Depreciation Recouped from Deferred Subsidy	-	-	-	(0.08)	(0.14)	(0.14)
Interest Income	(1,040.19)	(3,637.46)	(3,034.51)	(2,374.31)	(1,842.24)	(1,422.49)
Interest Income from Investments and Deposits	(3.15)	(8.66)	(7.44)	(7.61)	(6.62)	(8.36)
Income distribution on Pass Through Certificates held as non-current investments	-	(0.90)	-	-	-	-
Profit on Redemption of Investment	-	-	(0.03)	-	-	-
Dividend on Current Investments - Mutual Fund Units	-	-	-	-	(0.10)	(0.20)
Dividend Income on others	-	-	-	-	(0.02)	(0.01)
Operating loss before working capital changes	**(172.39)**	**(658.06)**	**(586.39)**	**(442.37)**	**(412.26)**	**(374.33)**
Changes in Working Capital:						
Adjustments for (increase)/decrease in operating assets:						
Loans and Advances	(1,649.07)	(3,998.92)	(4,229.44)	(4,149.04)	(3,320.07)	(1,650.70)
Deposits given as Collateral	-	-	63.85	28.81	82.44	69.27
Other Current Assets	(4.72)	(20.41)	(10.68)	(24.57)	(18.77)	(0.96)
Adjustments for increase/(decrease) in operating liabilities:						
Trade Payables	6.62	(19.31)	32.04	(5.75)	(0.94)	5.81
Security Deposits from Borrowers	88.37	950.27	355.13	693.24	663.50	872.66
Advance from Borrowers	2.38	66.51	15.30	(0.13)	0.52	(557.63)
Other Current Liabilities	(25.26)	329.02	250.49	202.90	261.86	71.33
Short Term Provisions	0.78	1.00	1.26	1.28	1.22	2.22
Cash Generated from / (used in) operations	**(1,753.29)**	**(3,349.90)**	**(4,108.44)**	**(3,695.63)**	**(2,742.50)**	**(1,562.33)**
Finance Costs	(384.85)	(1,530.23)	(1,393.60)	(1,094.73)	(759.47)	(503.18)
Income Tax Paid (Net)	(66.02)	(371.73)	(285.08)	(223.28)	(170.31)	(123.98)
Interest Income Received	1,040.95	3,609.15	2,986.58	2,343.83	1,830.00	1,389.57
Net cash flow from/ (used in) operating activities (A)	**(1,163.21)**	**(1,642.71)**	**(2,800.54)**	**(2,669.81)**	**(1,842.28)**	**(799.92)**
Cash flows from investing activities						
Capital expenditure on fixed assets, including capital advances	(19.45)	(40.60)	(49.30)	(8.15)	(4.04)	(6.51)
Proceeds from sale of Fixed Assets	0.01	0.14	2.70	-	-	0.02
Bank balances not considered as Cash and Cash Equivalents						

Particulars	For the quarter ended	For the year ended				
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
- Fixed Deposits Matured	210.00	478.50	336.50	149.88	30.76	33.14
- Fixed Deposits Placed	(210.00)	(484.61)	(341.31)	(158.30)	(24.50)	-
Purchase of Mutual Fund Units	-	-	-	-	(33.50)	(79.80)
Proceeds from Sale of Mutual Fund Units	-	-	-	-	33.60	80.00
Interest Income received from Investments and Deposits	1.54	4.96	15.61	1.52	1.85	16.61
Income distribution received on Pass Through Certificates held as non-current investments	-	0.90	-	-	-	-
Purchase of Long Term Investments	-	-	-	(2.66)	-	-
Proceeds from redemption of Long Term Investments	-	2.66	0.79	-	-	-
Dividend Income	-	-	-	-	0.02	0.01
Net cash flow from/ (used in) investing activities (B)	**(17.90)**	**(38.05)**	**(35.01)**	**(17.71)**	**4.19**	**43.47**
Cash flows from financing activities						
Proceeds from Issue of Non-Convertible Debentures	-	-	400.00	200.00	-	-
Proceeds from Issue of Compulsorily Convertible Debentures	-	-	-	-	-	649.74
Proceeds from Issue of Compulsorily Convertible Cumulative Preference Shares	-	40.00	-	-	-	-
Redemption of Preference Shares	-	-	-	-	-	(621.32)
Redemption of Non-Convertible Debentures	-	-	-	-	(360.00)	-
Proceeds from Issue of Equity Shares	350.00	1,000.00	-	-	-	0.15
Shares Issue Expenses	(13.12)	(60.27)	-	-	-	-
Proceeds from Issue of Optionally Convertible Preference Shares	-	20.00	20.00	-	-	-
Proceeds from Issue of Equity Shares to Minority Shareholders	-	-	-	20.00	20.00	14.00
Proceeds from Issue of Commercial Papers	-	734.20	-	-	-	-
Redemption of Commercial Papers	-	(750.00)	-	-	-	-
Proceeds from Long Term Borrowings	992.00	1,525.00	3,903.74	1,688.74	1,012.90	820.00
Repayments of Long Term Borrowings	(507.50)	(2,240.80)	(1,486.50)	(760.57)	(535.93)	(775.96)
Proceeds / (Repayment) of Short Term Borrowings (net)	1,400.20	268.73	(42.85)	1,953.08	1,970.61	1,608.96
Dividends paid including Dividend Distribution Tax	(7.91)	(198.85)	(279.77)	(69.80)	(105.54)	(110.83)
Net cash flow from/ (used in) in financing activities (C)	**2,213.67**	**338.01**	**2,514.62**	**3,031.45**	**2,002.04**	**1,584.74**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	1,032.56	(1,342.75)	(320.93)	343.93	163.95	828.29
Cash and cash equivalents at the beginning of the year / quarter	465.33	1,808.08	2,129.01	1,785.08	1,621.13	792.84
Cash and cash equivalents at the end of the year / quarter	**1,497.89**	**465.33**	**1,808.08**	**2,129.01**	**1,785.08**	**1,621.13**
Components of cash and cash equivalents						
Cash on Hand	1.83	2.10	4.25	5.49	3.73	0.94
Balances with banks	1,496.06	463.23	1,803.83	2,123.52	1,781.35	1,620.19
Total cash and cash equivalents (Refer annexure 23)	**1,497.89**	**465.33**	**1,808.08**	**2,129.01**	**1,785.08**	**1,621.13**

THE OFFER

The following table summarises the Offer details:

Offer	**Up to [●] Equity Shares aggregating up to ₹ 4600.42 million**
Of which:	
Fresh Issue[(1)]	Up to [●] Equity Shares aggregating up to ₹ 2,330 million
Offer for Sale[(2)]	
By DEG	Up to [●] Equity Shares aggregating up to ₹ 1,126.63 million
By FMO	Up to [●] Equity Shares aggregating up to ₹ 793.38 million
By Sarva Capital	Up to [●] Equity Shares aggregating up to ₹ 350.41 million
Employee Reservation Portion[(3)(4)(5)]	Up to [●] Equity Shares aggregating up to ₹ 70 million
Net Offer	Up to [●] Equity Shares
The Net Offer consists of:	
A. QIB Portion[(4)(5)]	Not more than [●] Equity Shares
Of which:	
Anchor Investor Portion*	Up to [●] Equity Shares
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
Of which:	
Mutual Fund Portion	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B. Non-Institutional Portion[(4)(5)]	Not less than [●] Equity Shares
C. Retail Portion[(4)(5)]	Not less than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	49,569,214 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of proceeds of this Offer	See "*Objects of the Offer*" on page 99. Our Company will not receive any proceeds from the Offer for Sale.

* *Our Company and the Selling Shareholders may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion will be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For further details, see "Offer Procedure" on page 431.*

(1) The Offer has been authorised by a resolution of our Board dated March 8, 2017 and the Fresh Issue has been authorised by a special resolution of our shareholders at the EGM held on March 10, 2017.

(2) DEG, FMO and Sarva Capital have, by way of consent letters/ authorisation letter, each dated March 21, 2017, authorised the Offer for Sale of the DEG Offered Shares, FMO Offered Shares and Sarva Offered Shares, respectively.

(3) Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹ 500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to an Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation over ₹ 200,000), shall be added to the Net Offer.

(4) The Company and the Selling Shareholders, in consultation with the BRLM, may offer a discount of ₹ [●] per Equity Share to the Eligible Employees Bidding in the Employee Reservation Portion at the time of making a Bid. Eligible Employees bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, at the time of making a Bid. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion must mention the Bid Amount while filling the Bid cum Application Form and ensure that the Bid Amount less Employee Discount does not exceed ₹ 500,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation over ₹ 200,000), shall be added to the Net Offer.

(5) In the event of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be allowed from the Employee Reservation Portion to the Net Offer. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and

the Selling Shareholders, in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. In the event of an under subscription in the Offer, after meeting the minimum subscription requirement of 90% of the Fresh Issue, the balance subscription in the Offer will be met (a) first, through the Offered Shares proportionately to the DEG Offer Size, the FMO Offer Size and the Sarva Initial Offer Size, (b) secondly, through any additional Equity Shares offered by Sarva in the Offer for Sale over and above the Sarva Initial Offer Size, and (c) subsequently, the balance part of the Fresh Issue. For further details, please see "*Offer Structure*" on page 425.

GENERAL INFORMATION

Our Company was incorporated as MAS Financial Services Limited, a public limited company under the Companies Act, 1956, with a certificate of incorporation issued by the Assistant Registrar of Companies, Gujarat (Dadra & Nagar Haveli) on May 25, 1995 at Ahmedabad. Our Company obtained a certificate for commencement of business on May 29, 1995 issued by the Assistant Registrar of Companies, Gujarat (Dadra & Nagar Haveli). For further details, see "*History and Certain Corporate Matters*" on page 151.

Corporate Identity Number: U65910GJ1995PLC026064

Registered and Corporate Office

6, Narayan Chambers, Ground Floor
Behind Patang Hotel, Ashram Road
Ahmedabad 380 009
Gujarat, India
Telephone: +91 79 3001 6500
Facsimile: +91 79 3001 6597
Website: www.mas.co.in

There has been no change in the registered office of our Company since incorporation.

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Gujarat Dadar & Nagar Haveli (Ahmedabad), located at ROC Bhavan, Opposite Rupal Park Society, behind Ankur Bus Stop, Naranpura, Ahmedabad 380 013, Gujarat, India.

Board of Directors

The following table sets out the details regarding our Board:

Name	Designation	DIN	Address
Kamlesh Chimanlal Gandhi	Chairman and Managing Director	00044852	5-A, Kumar Society, Jivraj Park, Vejalpur, Ahmedabad 380 051, Gujarat, India
Mukesh Chimanlal Gandhi	Whole-time Director and Chief Financial Officer	00187086	4A-4B, Ashirwad Apartments, Nr. V.S. Hospital, Ashram Road, Ellisbridge, Ahmedabad 380 006, Gujarat, India
Darshana Saumil Pandya	Executive Director and Chief Operating Officer	07610402	36, Maruti Nandan Kutir, Near Shyam Villa-1, Gala Club Road, Bopal, Ahmedabad 380 058, Gujarat, India
Bala Bhaskaran	Independent Director	00393346	H-33, Hariom Park, Opposite Ghosha Society, Thaltej, Ahmedabad 380 054, Gujarat, India
Chetan Ramniklal Shah	Independent Director	02213542	Sadar Pole, Kakar Khad, Nadiad, Kheda 387 001, Gujarat, India
Umesh Rajanikant Shah	Independent Director	07685672	7 Sanskruti Apartments, Bhagat Baug, Near New Shardamandir School, Paldi, Ahmedabad 380 007, Gujarat, India

For brief profiles and further details of our Directors, please see "*Our Management*" on page 160.

Chief Financial Officer

Mukesh Chimanlal Gandhi
5th Floor, Narayan Chambers
Behind Patang Hotel, Ashram Road
Ahmedabad 380 009
Gujarat, India

Telephone: +91 79 3001 6600
Facsimile: +91 79 3001 6597
E-mail: mcg@mas.co.in

Company Secretary and Compliance Officer

Nirav Prakashchandra Patel
5th Floor, Narayan Chambers
Behind Patang Hotel, Ashram Road
Ahmedabad 380 009
Gujarat, India
Telephone: +91 79 3001 6638
Facsimile: +91 79 3001 6597
E-mail: secretarial@mas.co.in

Selling Shareholders

The Selling Shareholders in the Offer are:

1. DEG
2. FMO
3. Sarva Capital

Book Running Lead Manager

Motilal Oswal Investment Advisors Limited
Motilal Oswal Tower, Rahimtullah Sayani Road
Opposite Parel ST Depot, Prabhadevi
Mumbai 400 025
Maharashtra, India
Telephone: + 91 22 3980 4200
Facsimile: +91 22 3980 4315
E-mail: mas.ipo@motilaloswal.com
Investor grievance E-mail: moiaplredressal@motilaloswal.com
Website: www.motilaloswalgroup.com
Contact person: Subodh Mallya / Kristina Dias
SEBI Registration No.: INM000011005

Statement of responsibilities of the BRLM

The responsibilities of the BRLM for various activities in this Offer are as follows:

S. No.	Activity
1.	Capital structuring with relative components and formalities such as type of instruments, etc.
2.	Due diligence of the Company's operations/ management/ business plans/ legal etc. Drafting and design of offer documents including memorandum containing salient features of the offer documents. The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of the offer documents and RoC filing.
3.	Co-ordinating for all statutory advertisements.
4.	Co-ordinating for all publicity material other than statutory advertisements, including non-statutory/ corporate advertisement and brochures.
5.	Appointment of intermediaries, namely, the Registrar, the advertising agency, Bankers to the Offer, printers, etc.
6.	Marketing strategy for domestic and international institutions including banks, mutual funds, etc., finalizing the list and division of investors for one to one meetings, in consultation with the Company, and finalizing the investor meeting schedules.
7.	Non-Institutional and retail marketing of the Offer, which will include inter alia, formulating marketing strategies, preparation of publicity budget, finalizing media and public relations strategy, finalizing centres for holding conferences for press and brokers, deciding on the quantum of issue material and following-up on distribution of publicity and issue material including forms, prospectuses, etc.
8.	Co-ordination with Stock Exchanges for book building software, Bidding terminals and mock trading.

S. No.	Activity
9.	Managing the book and finalization of pricing, in consultation with the Company.
10.	The post Bidding activities including management of escrow accounts, co-ordination of institutional and non-institutional allocation, intimation of allocation and dispatch of refunds to bidders etc. The post-Offer activities for the Offer involving essential follow up steps, which include the finalization of trading and dealing of instruments and demat delivery of Equity Shares, with the various agencies connected with the work such as the Registrar and Bankers to the Offer, SCSBs and the bank(s) handling refund business. The BRLM shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with the Company and the Selling Shareholders.

Syndicate Member

Motilal Oswal Securities Limited
Motilal Oswal Tower, Rahimtullah Sayani Road
Opposite Parel ST Depot, Prabhadevi
Mumbai 400 025
Maharashtra, India
Telephone: +91 22 3027 8129
Facsimile: +91 22 3980 4315
E-mail: mas.ipo@motilaloswal.com; santosh.patil@motilaloswal.com
Website: www.motilaloswalgroup.com
Contact Person: Santosh Patil
SEBI Registration No.: BSE – INB011041257; NSE – INB231041238

Legal Counsel to the Company and BRLM as to Indian Law

Luthra & Luthra Law Offices
1st and 9th Floor, Ashoka Estate
Barakhamba Road
New Delhi 110 001, India
Telephone: +91 11 4121 5100
Facsimile: +91 11 2372 3909

International Legal Counsel to the Underwriters

Squire Patton Boggs Singapore LLP
10 Collyer Quay
#03-01/03 Ocean Financial Centre
Singapore 049315
Telephone: +65 6922 8668
Facsimile: +65 6922 8650

Legal Counsel to FMO and Sarva Capital as to Indian Law

AZB & Partners
AZB House
Plot No. A8, Sector 4
Noida, U.P. 201 301
Telephone: + 91 120 417 9999
Facsimile: + 91 120 417 9900

Legal counsel to DEG as to Indian law

Trilegal
Peninsula Business Park
17th Floor, Tower B
Ganpat Rao Kadam Marg
Lower Parel (West)

Mumbai 400 013, India
Telephone: +91 22 4079 1000
Facsimile: +91 22 4079 1098

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor, 247 Park
Lal Bahadur Shastri Marg, Vikhroli (West)
Mumbai 400 083
Maharashtra, India
Telephone: +91 22 4918 6200
Facsimile: +91 22 4918 6195
E-mail: mas.ipo@linkintime.co.in
Investor Grievance E-mail: mas.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Investor Grievances

Investors can contact our Company Secretary and Compliance Officer, the BRLM or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.

For all Offer related queries and for redressal of complaints, investors may also write to the BRLM.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the ASBA Form is submitted. The Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder.

Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as name of the sole or first Bidder, Anchor Investor Application Form number, Bidder DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the relevant BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor.

Escrow Collection Bank(s)/ Refund Bank(s)

Axis Bank Limited
Ahmedabad Main Branch, Trishul
Opp Samartheshwar Temple
Law Garden, Ahmedabad
Telephone: + 91 79 6630 6171
Facsimile: +91 79 6630 6102
E-mail: Ahmedabad.branchhead@axisbank.com
Website: www.axisbank.com
Contact person: Ruzbeh Postwala – Branch Head
SEBI Registration No.: INBI00000017

Designated Intermediaries

Self Certified Syndicate Banks

The list of SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or such other websites as updated from time to time. For details of the Designated Branches which shall collect Bid cum Application Forms from the ASBA Bidders and Designated Intermediaries, please refer to the above-mentioned link.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, *i.e.*, through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com and http://www.nseindia.com, respectively, as updated from time to time. In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the ASBA Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Collection Centres, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchanges at http://www.bseindia.com and http://www.nseindia.com, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Collection Centres, including details such as name and contact details, are provided on the websites of Stock Exchanges at http://www.bseindia.com and http://www.nseindia.com, respectively, as updated from time to time.

Statutory Auditors to our Company

Deloitte Haskins & Sells, Chartered Accountants
19th floor, Shapath-V,
S.G. Highway,
Ahmedabad, Gujarat, India
Telephone: + 91 79 6682 7300
Facsimile: +91 79 6682 7400
E-mail: kraval@deloitte.com
ICAI Firm Registration Number: 117365W
Peer Review Certificate Number: 009703

Bankers to our Company

Dena Bank
Dena Laxmi Building
Ashram Road
Ahmedabad -380009
Gujarat, India
Telephone: +91 79 2658 8160
Facsimile: +91 79 26580624
E-mail: ashram@denabank.co.in
Website: www.denabank.com
Contact Person: B.K.Gehlot

HDFC Bank
Peninsula Business Park
4th Floor, Tower B
Lower Parel (W)
Mumbai 400 013
Telephone: +91 74984 58334
Facsimile: +91 22 3078 8583
E-mail: Kashyap.Padha@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Kashyap Padha

Andhra Bank

Axis Bank Limited

41, Parimal Society
C G Road (Opp Gujarat Gas Co)
Ellis Bridge
Ahmedabad – 380 006
Telephone: +91 79 26460945/ +91 79 2646 0638
E-mail: bm004@andhrabank.co.in
Website: www.andhrabank.co.in
Contact Person: P. Jeevan Prakash

Corporate Banking Branch 2nd Floor, 3rd Eye One
Near Panchvati Cross Roads
C.G. Road, Ahmedabad – 380 009
Telephone: +91 79 6614 7188
Facsimile: +91 79 6614 7100
E-mail: vishrut.bavishi@axisbank.com
Website: www.axisbank.com
Contact Person: Vishrut Bavishi

Union Bank of India
1st Floor, Pruthvi Complex
Opp. AMTS Terminal
V, Vadej Road, Vadej District
Ahmedabad, Gujarat
Telephone: +91 79 2756 0151
Facsimile: +91 79 2756 0875
E-mail: cbsvadej@unionbankofindia.com
Website: www.unionbankofindia.co.in
Contact Person: Ajit Kumar Lalwani (Chief Manager)

Bank of Maharashtra
Industrial Finance Branch
Apeejay House
DR V B Gandhi Marg
Fort, Mumbai 400 001
Telephone: +91 22 2284 4880
Facsimile: : +91 22 2285 0750
E-mail: bom972@mahabank.co.in
Website: www.bankofmaharashtra.co.in
Contact Person: Shailesh Ghule

Grading of the Offer

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Offer.

Monitoring Agency

Pursuant to Regulation 16 of the SEBI ICDR Regulations, Axis Bank Limited has been appointed as the Monitoring Agency for monitoring the utilisation of the Net Proceeds.

Axis Bank Limited
Axis House,
Bombay Dyeing Mills Compound
Pandurang Budhkar Marg,
Worli, Mumbai 400 025
Telephone: + 91 22 62260054
Facsimile: +91 22 4325 3000
E-mail: amar.hadye@axisbank.com
Website: www.axisbank.com
Contact person: Amar Hadye

Expert

Except as stated below, our Company has not obtained any expert opinions:

Deloitte Haskins & Sells, Chartered Accountants have given their consent to include their name as an "expert" under Section 26 of the Companies Act, 2013 in respect of their reports, both dated September 13, 2017 on the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements, respectively, which have been included in this Red Herring Prospectus. Deloitte Haskins & Sells LLP, Chartered Accountants, have given their consent to include their name as an "expert" under Section 26 of the Companies Act, 2013 in respect of their report dated September 13, 2017 on statement of special tax benefits available for our Company and its shareholders, which have been included in this Red Herring Prospectus. However, the term "expert" and consent thereof does not represent an "expert" or consent within the meaning under the Securities Act.

Such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Credit Rating

As this is an offer of Equity Shares, credit rating is not required.

Trustees

As this is an offer of Equity Shares, the trustees are not required to be appointed.

Book Building Process

"Book building", in the context of the Offer, refers to the process of collection of Bids from investors on the basis of this Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms, within the Price Band. The Price Band, minimum Bid lot size, rupee amount of the Employee Discount, as applicable, will be decided by our Company and the Selling Shareholders in consultation with the BRLM, and advertised in all editions of Financial Express (English), an English daily newspaper, all editions of Jansatta, a Hindi daily newspaper and all editions of Financial Express (Gujarati), a Gujarati daily newspaper (Gujarati being the regional language in the state where our Registered and Corporate Office is located), each with wide circulation, respectively, at least five Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their website. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLM, after the Bid/ Offer Closing Date. The principal parties involved in the Book Building Process are:

(1) our Company;
(2) the Selling Shareholders;
(3) the BRLM;
(4) the Syndicate Member;
(5) the Registrar to the Offer;
(6) the Escrow Collection Banks;
(7) the SCSBs;
(8) the CDPs;
(9) the RTAs; and
(10) the Registered Brokers.

In terms of Rule 19(2)(b)(iii) of the SCRR, the Net Offer is being made for at least 10% of the post-Offer paid-up equity share capital of our Company. The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs. Our Company and the Selling Shareholders in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations. The Offer also includes a reservation of up to [●] Equity Shares aggregating up to ₹ 70 million for subscription by Eligible Employees.

In the event of under subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation over ₹ 200,000), shall be added to the Net Offer. In the event of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be allowed from the Employee Reservation Portion to the Net Offer.

In the event of an under subscription in the Offer, after meeting the minimum subscription requirement of 90% of the Fresh Issue, the balance subscription in the Offer will be met (a) first, through the Offered Shares proportionately to the DEG Offer Size, the FMO Offer Size and the Sarva Initial Offer Size, (b) secondly, through any additional Equity Shares offered by Sarva in the Offer for Sale over and above the Sarva Initial Offer Size, and (c) subsequently, the balance part of the Fresh Issue.

For further details, see "*Offer Procedure*" on page 431.

All potential Bidders, other than Anchor Investors, shall participate in the Offer mandatorily through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs (other than Anchor Investors) Bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bid(s) (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. For further details, see "*Offer Structure*" and "*Offer Procedure*" on pages 425 and 431 respectively.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer. Each of the Selling Shareholders, severally and not jointly, confirm that such Selling Shareholder will comply with the SEBI ICDR Regulations and any other directions issued by SEBI, as applicable, to the respective portion of their Offered Shares. In this regard, our Company and the Selling Shareholders have appointed the BRLM to manage this Offer and procure Bids for this Offer.

The Book Building Process is in accordance with guidelines, rules, regulations prescribed by SEBI, which are subject to change from time to time. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

For an illustration of the Book Building Process and price discovery process, see "*Offer Procedure – Part B – General Information Document for Investing in Public Issues – Basis of Allocation - Illustration of the Book Building and Price Discovery Process*" on page 468.

Investors should note the Offer is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) final approval of the RoC after the Prospectus is filed with the RoC.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid. For further details, see "*Offer Procedure*" on page 431.
- Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum Application Form.
- Ensure that the Bid cum Application Form is duly completed as per the instructions given in this Red Herring Prospectus and in the respective forms.
- Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the State of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, are exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral/ bilateral institutions, which are exempted from specifying, may be exempted from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act

in the Bid cum Application Form. In accordance with the SEBI ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (see "*Offer Procedure*" on page 431). The exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.

- Ensure the correctness of your PAN, DP ID and Client ID and beneficiary account number given in the Bid cum Application Form. Based on these parameters, the Registrar to the Offer will obtain details of the Bidders from the Depositories including the Bidder's name, bank account number etc., and the Stock Exchanges will validate the electronic Bid details with the Depositories records for PAN, DP ID and Client ID.
- Ensure correctness of your demographic details such as the address, the bank account details for printing on refund orders and occupation given in the Bid cum Application Form, with the details recorded with your Depository Participant.
- ASBA Bidders will have to submit Bid-cum-Application Forms to (a) the Designated Intermediaries in physical form or (b) to Designated Branches of the SCSBs in electronic form. ASBA Bidders should ensure that the ASBA Accounts have adequate credit balance at the time of submission of the ASBA Forms to ensure that the ASBA Form submitted by the ASBA Bidders is not rejected.
- Bids by all Bidders (except Anchor Investors) shall be submitted only through the ASBA process.

For further details, see the "*Offer Procedure*" on page 431.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into the Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The underwriting shall be to the extent of the Bids uploaded, subject to Regulation 13 of the SEBI ICDR Regulations. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and subject to certain conditions specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing of the Prospectus with the RoC.)

Details of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ million)
[●]	[●]	[●]
[●]	[●]	[●]
Total	[●]	[●]

The above-mentioned is indicative and will be finalised after determination of the Offer Price and finalisation of the Basis of Allotment and subject to the provisions of Regulation 13(2) of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations given by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or are registered as brokers with the Stock Exchanges. The Board of Directors/ IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in the proportion of their underwriting commitments set forth in the table above. Notwithstanding the above table, each of the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them in accordance with the Underwriting Agreement.

In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Red Herring Prospectus, is set forth below:

(in ₹, except share data)

		Aggregate nominal value	Aggregate value at Offer Price
A)	**AUTHORISED SHARE CAPITAL**		
	108,000,400 shares	1,120,000,000	-
	Consisting of:		
	64,000,000 Equity Shares	640,000,000	[●]
	22,000,000 Series A CCPS	220,000,000	[●]
	22,000,000 Series B CCPS	220,000,000	[●]
	400 Series C CCPS	40,000,000	[●]
B)	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE OFFER**		
	49,569,214 Equity Shares	495,692,140	
C)	**PRESENT OFFER IN TERMS OF THIS RED HERRING PROSPECTUS**		
	Public offer of up to [●] Equity Shares	[●]	Up to ₹ 4,600.42 million
	Comprising		
	a) Fresh Issue of up to [●] Equity Shares[(a)]	[●]	Up to ₹ 2,330.00 million
	b) Offer for Sale of up to [●] Equity Shares by the Selling Shareholders[(b)]	[●]	Up to ₹ 2,270.42 million
D)	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE OFFER**		
	[●] Equity Shares	[●]	[●]
E)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer		2,210,803,495
	After the Offer*		[●]

* *To be included upon determination of the Offer Price.*

DEG held 4,998 CCDs that have been converted to 2,470,175 Equity Shares in the Board meeting held on September 21, 2017. FMO held 21,735,545 Series A CCPS that have been converted into 1,739,865 Equity Shares and Sarva Capital held 21,735,545 Series B CCPS that have been converted into 1,280,723 Equity Shares and 400 Series C CCPS held by nine shareholders has been converted into 87,716 Equity Shares, all in the Board meeting held on September 12, 2017. For further details, see *"History and Certain Corporate Matters – Material Agreements – Share Purchase and Shareholder' Agreements"* on page 154.

(a) The Offer has been authorised by our Board and our shareholders pursuant to resolutions dated March 8, 2017 and March 10, 2017, respectively.

(b) See "*The Offer*" on page 64 for details of consents/ authorisations provided by the Selling Shareholders for their respective portions of the Offered Shares.

- DEG confirms that the DEG Offered Shares are. eligible to be offered for sale under Regulation 26(6) of the SEBI ICDR Regulations.
- FMO confirms that the FMO Offered Shares have arisen upon conversion of Series A CCPS held by it for a period of one year prior to the date of the Draft Red Herring Prospectus and are eligible to be offered in the Offer for Sale under Regulation 26(6) of the SEBI ICDR Regulations.
- Sarva Capital confirms that the Sarva Offered Shares have arisen upon conversion of Series B CCPS held by it for a period of one year prior to the date of the Draft Red Herring Prospectus and are eligible to be offered in the Offer for Sale under Regulation 26(6) of the SEBI ICDR Regulations.

Changes in our Authorised Share Capital

For details in relation to the changes in the authorised share capital of our Company, see "*History and Certain Corporate Matters - Amendments to our Memorandum of Association*" on page 152.

Notes to Capital Structure

1. Share Capital History

1. ***History of Equity Share capital of our Company***

The following table sets forth the history of the Equity Share capital of our Company:

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative number of Equity Shares	Cumulative paid up Equity Share capital (₹)
May 25, 1995	700	10	10	Cash	Subscription to the MoA(1)	700	7,000
November 1, 1995	95,500	10	10	Cash	Preferential allotment(2)	96,200	962,000
December 15, 1995	232,000	10	10	Cash	Preferential allotment(3)	328,200	3,282,000
January 12, 1996	227,200	10	10	Cash	Preferential allotment(4)	555,400	5,554,000
March 30, 1996	221,600	10	10	Cash	Preferential allotment(5)	777,000	7,770,000
March 31, 1996	914,800	10	-	Other than cash	Issuance against transfer of business and recoverables(6)	1,691,800	16,918,000
May 2, 1996	50,500	10	10	Cash	Preferential allotment(7)	1,742,300	17,423,000
July 1, 1996	601,000	10	10	Cash	Preferential allotment(8)	2,343,300	23,433,000
September 30, 1996	631,400	10	10	Cash	Preferential allotment(9)	2,974,700	29,747,000
March 31, 1997	454,600	10	10	Cash	Preferential allotment(10)	3,429,300	34,293,000
July 22, 1997	12,700	10	10	Cash	Preferential allotment(11)	3,442,000	34,420,000
March 31, 1998	8,800	10	10	Cash	Preferential allotment(12)	3,450,800	34,508,000
October 10, 1998	3,800	10	10	Cash	Preferential allotment(13)	3,454,600	34,546,000
March 31, 2001	250,000	10	10	Cash	Preferential allotment(14)	3,704,600	37,046,000
March 31, 2004	295,400	10	10	Cash	Preferential allotment(15)	4,000,000	40,000,000
December 1, 2006	2,000,000	10	-	Bonus	Bonus in the ratio 1 : 2(16)	6,000,000	60,000,000
August 16, 2007	3,000,000	10	-	Bonus	Bonus in the ratio 1 : 2(17)	9,000,000	90,000,000
March 31, 2008	500,000	10	10	Cash	Preferential allotment(18)	9,500,000	95,000,000
December 28, 2011	500,000	10	-	Bonus	Bonus in the ratio 1: 19(19)	10,000,000	100,000,000
July 30, 2012	125	10	1,200	Cash	Preferential allotment(20)	10,000,125	100,001,250
January 28, 2014	6,000,000	10	-	Bonus	Bonus in the ratio 3 : 5(21)	16,000,125	160,001,250
November 18, 2016	24,000,188	10	-	Bonus	Bonus in the ratio 3 : 2(22)	40,000,313	400,003,130
March 30, 2017	2,955,869	10	338.31	Cash	Preferential allotment (Pre - IPO Placement) (23)	42,956,182	429,561,820
April 19, 2017	1,034,553	10	338.31	Cash	Preferential allotment (Pre - IPO Placement) (24)	43,990,735	439,907,350
September 12, 2017	1,739,865	10	124.93	Cash	Conversion of Series A CCPS(25)	45,730,600	470,990,390

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative number of Equity Shares	Cumulative paid up Equity Share capital (₹)
September 12, 2017	1,280,723	10	322.71	Cash	Conversion of Series B CCPS(25)	47,011,323	470,113,230
September 12, 2017	87,716	10	456	Cash	Conversion of Series C CCPS(25)	47,099,039	470,990,390
September 21, 2017	2,470,175	10	263.03	Cash	Conversion of CCDs(26)	49,569,214	495,692,140

(1) *Initial subscription to the MoA of 100 Equity Shares each by Mukesh Chimanlal Gandhi, Kamlesh Chimanlal Gandhi, Saurabh Chandrkant Choksi, Bala Bhaskaran, Shweta Kamlesh Gandhi, Mona Mukesh Gandhi and Urmila Chimanlal Gandhi.*

(2) *8,500 Equity Shares allotted to Kamlesh Chimanlal Gandhi, jointly with Mona Mukesh Gandhi, 8,500 Equity Shares allotted to Mona Mukesh Gandhi, jointly with Kamlesh Chimanlal Gandhi and 78,500 Equity Shares allotted to Shweta Kamlesh Gandhi.*

(3) *10,500 Equity Shares allotted to Kamlesh Chimanlal Gandhi, jointly with Mona Mukesh Gandhi, 10,500 Equity Shares allotted to Mona Mukesh Gandhi, jointly with Kamlesh Chimanlal Gandhi, 49,500 Equity Shares allotted to Kamlesh Chimanlal Gandhi, 134,000 Equity Shares allotted to Shweta Kamlesh Gandhi, 5,000 Equity Shares allotted to Dr. Virendra J. Modi, 2,500 Equity Shares allotted to Shantilal M. Mehta, 1,500 Equity Shares allotted to Pragnesh M. Patel, 2,500 Equity Shares allotted to Pravinbhai L. Shah, jointly with Jyotsanaben P. Shah, 2,500 Equity Shares allotted to Jyotsanaben P. Shah, jointly with Pravinbhai L. Shah, 2,500 Equity Shares allotted to Dimpal P. Shah, jointly with Pravinbhai L. Shah, 2,500 Equity Shares allotted to Shweta P. Shah, jointly with Pravinbhai L. Shah, 2,500 Equity Shares allotted to Jay P. Shah, 2,500 Equity Shares allotted to Idrish Bengali, 2,500 Equity Shares allotted to Kadar Bengali, and 1,000 Equity Shares allotted to Ajitbhai Bhailalbhai Daru.*

(4) *2,500 Equity Shares allotted to Kadar Bengali, 2,500 Equity Shares allotted to Shantilal M. Mehta, jointly with Geetaben S. Mehta, 2,500 Equity Shares allotted to Kamalnayan P. Trivedi, jointly with Meenaben Trivedi, 2,500 Equity Shares allotted to Kartik C. Parikh, jointly with Alka K. Parikh, 2,500 Equity Shares allotted to Kundlik S. Sheth, jointly with Rekha K. Sheth, 1,000 Equity Shares allotted to S. Kalvani, jointly with S.K. Mudaliyar, 1,000 Equity Shares allotted to Miraben M. Soni, jointly with Maheshkumar M. Soni, 1,000 Equity Shares allotted to Zubedabibi K. Bengali, 2,500 Equity Shares allotted to Meenaben Trivedi, jointly with Kamalnayan P. Trivedi, 2,500 Equity Shares allotted to Niranjan C. Sheth, jointly with Jyotsna N. Sheth, 2,500 Equity Shares allotted to Jatin Chandulal Parekh, jointly with Chandulal N. Parekh, 700 Equity Shares allotted to Nayana C. Mehta, jointly with Kaushik C. Mehta, 2,500 Equity Shares allotted to Arunaben Taileshbhai Shah, jointly with Taileshbhai B. Shah, 1,500 Equity Shares allotted to Kaushikbhai M. Oza, jointly with Karshidaben K. Oza, 53,500 Equity Shares allotted to Kamlesh Chimanlal Gandhi, jointly with Mona Mukesh Gandhi, 53,500 Equity Shares allotted to Mona Mukesh Gandhi, jointly with Kamlesh Chimanlal Gandhi, 87,500 Equity Shares allotted to Shweta Kamlesh Gandhi, 1,000 Equity Shares allotted to Arvindkumar C. Shah, jointly with Panna A. Shah, 2,500 Equity Shares allotted to Khandakhan R. Pathan, jointly with Raziyabegum K. Pathan, and 1,500 Equity Shares allotted to Panna Arvindkumar Shah, jointly with Arvindkumar C. Shah.*

(5) *221,600 Equity Shares allotted to 78 allottees, either individually or jointly with other shareholders.*

(6) *457,400 Equity Shares allotted to Kamlesh Chimanlal Gandhi, jointly with Mona Mukesh Gandhi and 457,400 Equity Shares allotted to Mona Mukesh Gandhi, jointly with Kamlesh Chimanlal Gandhi. These Equity Shares were allotted to the allottees as consideration for the transfer of the retail finance business and recoverables of M/S. Marketing & Allied Services, a partnership firm (in which the former were partners) to our Company through a memorandum of understanding dated March 31, 1996. See "History and Other Corporate Matters - Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets – Acquisition of the business of M/s Marketing & Allied Services – 1996" on page 154.*

(7) *200 Equity Shares allotted to Devyaniben K. Jani, jointly with Miraben M. Dave, 500 Equity Shares allotted to Bhavnaben S. Patel, jointly with Sanjaybhai P. Patel, 500 Equity Shares allotted to Ashokbhai K. Dhagia, jointly with Tanujaben A. Dhagia, 500 Equity Shares allotted to Umarbhai Noorabhai, jointly with Musabhai Umarbhai and Ayubbhai Umarbhai, 500 Equity Shares allotted to Minalben B. Shroff, 500 Equity Shares allotted to Kaniyalal D. Jatani, 1,000 Equity Shares allotted to Palak A. Barot, jointly with Ansuya A. Barot, 1,000 Equity Shares allotted to Chintan A. Barot, jointly with Ansuya A. Barot, 1,000 Equity Shares allotted to Ansuya A. Barot, 200 Equity Shares allotted to Jayendra M. Makwana, 200 Equity Shares allotted to Kalpeshbhai M. Shah, jointly with Varshaben K. Shah, 500 Equity Shares allotted to Kaushikbhai K. Parikh, 200 Equity Shares allotted to Dineshbhai S. Patel, 500 Equity Shares allotted to Khushali K. Shah, jointly with Darshini K. Shah, 500 Equity Shares allotted to Khushma K. Shah, jointly with Darshani K. Shah, 200 Equity Shares allotted to Mahendra M. Makwana, 500 Equity Shares allotted to Natvarbhai P. Chauhan, 1,000 Equity Shares allotted to Sushmaben N. Shah, jointly with Sandip N. Shah and Sumitraben N. Shah, 500 Equity Shares allotted to Girishbhai D. Shah, 500 Equity Shares allotted to Jamnaben T. Chauhan, jointly with Vishnubhai V. Chauhan and Vimalbhai V. Chauhan, and 40,000 Equity Shares allotted to Shweta Kamlesh Gandhi.*

(8) *601,000 Equity Shares allotted to 53 allottees, either individually or jointly with other shareholders.*

(9) *2,000 Equity Shares allotted to Parbatsinh C. Chauhan, 200 Equity Shares allotted to Dhanlaxmi V. Shukla, 5,000 Equity Shares allotted to Rajubhai K. Balat, 2,500 Equity Shares allotted to Minaxi Pareshbhai Barot, jointly with Manjulaben G. Barot, 1,700 Equity Shares allotted to Nitinbhai P. Rawal, jointly with Rashmiben N. Rawal, 5,000 Equity Shares allotted to Dhansukhlal C. Parekh, 5,000 Equity Shares allotted to Alkaben U. Parekh, 5,000 Equity Shares allotted to Bhavnaben A. Parekh, 5,000 Equity Shares allotted to Aartiben A. Parekh, 500 Equity Shares allotted to Maheshbhai C. Jhaveri, 200 Equity Shares allotted to Kundanben S. Pandya, 200 Equity Shares allotted to Rasiklal C.*

Parikh, 200 Equity Shares allotted to Pinakin Ramanbhai Suthar, 1,300 Equity Shares allotted to Milind Pakanjkumar Mehta, jointly with Pankajkumar Shantilal Mehta, 500 Equity Shares allotted to Vijaybhai D. Parekh, 2,500 Equity Shares allotted to Pravinaben Chandrakant Shah, jointly with Chandrakant Hiralal Shah, 2,500 Equity Shares allotted to Arvind V. Prajapati, jointly with Vina A. Prajapati, 2,500 Equity Shares allotted to Vina A. Prajapati, jointly with Arvind V. Prajapati, 500 Equity Shares allotted to N.B. Shah, 500 Equity Shares allotted to H.B. Shah, 700 Equity Shares allotted to Swati Amit Vora, jointly with Shivangi Amit Vora, 200 Equity Shares allotted to Nelson Bhalkumar Kapadia, jointly with Sangita Nelson Kapadia, 1,000 Equity Shares allotted to Jayendrasingh D. Waghela, 200 Equity Shares allotted to Kanubhai A. Bhavsar, 10,000 Equity Shares allotted to Padmaben Jasubhai Thakkar, jointly with Jasubhai Dalsukhdas Thakkar, 451,500 Equity Shares allotted to Shweta Kamlesh Gandhi, 62,500 Equity Shares allotted to Kamlesh Chimanlal Gandhi, jointly with Mona Mukesh Gandhi, and 62,500 Equity Shares allotted to Mona Mukesh Gandhi, jointly with Kamlesh Chimanlal Gandhi.

(10) *3,000 Equity Shares allotted to Jayendrasingh D. Waghela, 500 Equity Shares allotted to Kamlaben Chunilal Shah, jointly with Pareshkumar Manilal Shah, 3,000 Equity Shares allotted to Meeraben Maneklal Dave, jointly with Umang Haribhai Dave, 1,000 Equity Shares allotted to Usha Parthiv Acharya, jointly with Parthiv Girishbhai Acharya, 1,000 Equity Shares allotted to Bhairvi N. Dave, jointly with Mrudulaben N. Dave, 2,500 Equity Shares allotted to Vina A. Prajapati, jointly with Arvind V. Prajapati, 500 Equity Shares allotted to Jasumati B. Bhavsar, 2,000 Equity Shares allotted to Lataben Natvarlal Trivedi, jointly with Gitaben Shantilal Mehta, 100 Equity Shares allotted to Milind P. Mehta, jointly with Pankaj S. Mehta, 500 Equity Shares allotted to Shilpa P. Mehta, 500 Equity Shares allotted to Mahendra A. Makwana, 6,000 Equity Shares allotted to Dr. Virendra J. Modi, jointly with Damayantiben V. Modi, 2,000 Equity Shares allotted to Madhu Nambiar, 12,000 Equity Shares allotted to Hetal Amrish Patel, 5,000 Equity Shares allotted to Indiraben Bhatt, 50,000 Equity Shares allotted to Shweta Kamlesh Gandhi, 37,500 Equity Shares allotted to Kamlesh Chimanlal Gandhi, jointly with Mona Mukesh Gandhi, 37,500 Equity Shares allotted to Mona Mukesh Gandhi, jointly with Kamlesh Chimanlal Gandhi, 40,000 Equity Shares allotted to Purnima Y. Parikh, and 250,000 Equity Shares allotted to Bhavya Leasing Finance Limited.*

(11) *600 Equity Shares allotted to Kantaben Maheshbhai Leuva, 700 Equity Shares allotted to Nareshbhai Somabhai Leuva, 500 Equity Shares allotted to Usha Parthiv Acharya, jointly with Parthiv Girishbhai Acharya, 2,500 Equity Shares allotted to Sudhirbhai R. Shah, 2,500 Equity Shares allotted to Indiraben S. Shah, 200 Equity Shares allotted to Pradumansinh A. Makwana, jointly with Pravinaben P. Makwana, 500 Equity Shares allotted to Surajba Vikramsingh Makwana, jointly with Narendrasinh A. Makwana, 500 Equity Shares allotted to Nanduba Shivbhai Sodha, jointly with Phadhubhai S. Sodha, 500 Equity Shares allotted to Chandrikaben Maheskumar Joshi, jointly with Maheshkumar Amratlal Joshi, 1,000 Equity Shares allotted to Pratiksha Dave, jointly with Niranjana Dave, 400 Equity Shares allotted to Surajaba Vikramsinh Makwana, jointly with Manubhai V. Makwana, 1,000 Equity Shares allotted to Sudhir Dinkerrai Mankad, jointly with Harshita Sudhir Mankad, 1,500 Equity Shares allotted to Harshita Sudhir Mankad, jointly with Sudhir Dinkerrai Mankad, and 300 Equity Shares allotted to Vasudev Valjibhai Patel.*

(12) *500 Equity Shares allotted to Mamtaben P. Shah, jointly with Pareshkumar M. Shah, 500 Equity Shares allotted to Jainy Rajeshkumar Shah, jointly with Rajeshkumar M. Shah, 500 Equity Shares allotted to Lilaben Manilal Shah, jointly with Manilal Mansukhlal Shah, 1,000 Equity Shares allotted to Jashodaben B. Parekh, jointly with Jitendra Babulal Parekh, 1,000 Equity Shares allotted to Babulal Mathurdas Parekh, jointly with Sunil Babulal Parekh, 1,200 Equity Shares allotted to Sunil Babulal Parekh, jointly with Maheshbhai V. Patel, 1,000 Equity Shares allotted to Ajitbhai Bhailalbhai Daru, jointly with Sudha Ajitbhai Daru, 1,000 Equity Shares allotted to Jyotsnaben G. Saparia, 1,000 Equity Shares allotted to Ratilal D. Parmar, jointly with Premilaben R. Parmar, 500 Equity Shares allotted to Vishalbhai K. Shukla, 100 Equity Shares allotted to Ashikbhai Makwana, and 500 Equity Shares allotted to Kavitaben P. Dave, jointly with P. Dave.*

(13) *800 Equity Shares allotted to Jayshreeben D. Shah, 2,500 Equity Shares allotted to Rashmiben D. Pandya, jointly with Dipakbhai K. Pandya and 500 Equity Shares allotted to Dineshbhai S. Patel, jointly with Rekhaben D. Patel.*

(14) *100,000 Equity Shares allotted to Acquarian Information Technology Private Limited, 100,000 Equity Shares allotted to Prarthna Marketing Private Limited and 50,000 Equity Shares allotted to Shweta Kamlesh Gandhi. The return of allotment filed with the RoC erroneously recorded the face value per equity share as ₹ 100, instead of ₹ 10. See "Risk Factors - Some of our corporate records are not traceable. There have been certain instances of discrepancies in statutory filings made and resolutions passed by our Company with the RoC under applicable law" on page 29.*

(15) *9,500 Equity Shares allotted to Bharat Ratilal Dave, 13,000 Equity Shares allotted to Lalitaben Maganbhai Desai, 13,000 Equity Shares allotted to Chaturbhai Shivabhai Patel, 13,000 Equity Shares allotted to Kantaben Chaturbhai Patel, 13,000 Equity Shares allotted to Manibhai Jethabhai Patel, 13,000 Equity Shares allotted to Savitaben Manibhai Patel, 13,000 Equity Shares allotted to Pankaj Manibhai Patel, 13,000 Equity Shares allotted to Ilesh Manibhai Patel, 10,000 Equity Shares allotted to Malini Ratilal Dave, 10,000 Equity Shares allotted to Hasmukhbhai Haribhai Dave, 9,500 Equity Shares allotted to Harendra Haribhai Dave, 9,500 Equity Shares allotted to Dilipbhai Chunilal Patel, 9,500 Equity Shares allotted to Shrikant Ambalal Mehta, 9,500 Equity Shares allotted to Virbala Haribhai Mehta, 9,500 Equity Shares allotted to Manharlal Ratilal Suthar, 9,500 Equity Shares allotted to Ajit Manharbhai Suthar, 9,500 Equity Shares allotted to Aruna Ramdas Amin, 9,500 Equity Shares allotted to Prerak Ramdas Amin, 9,500 Equity Shares allotted to Babubhai Ravjibhai Desai, 9,500 Equity Shares allotted to Harsahadbhai Kanubhai Joshi, 9,500 Equity Shares allotted to Bhanuben Babubhai Desai, 9,500 Equity Shares allotted to Ashok Laxmidas Desai, 9,500 Equity Shares allotted to Rajesh Ashok Desai, 9,500 Equity Shares allotted to Chhaganbhai Motibhai Parmar, 9,500 Equity Shares allotted to Chandaben Chhaganbhai Parmar, 9,500 Equity Shares allotted to Sadhuram Ravijbhai Desai, 9,500 Equity Shares allotted to Ragini Sadhuram Desai, 9,500 Equity Shares allotted to Champaben Madhubhai Desai, and 3,900 Equity Shares allotted to Ramanbhai Dalsukhram Desai.*

(16) *2,000,000 Equity Shares were issued pursuant to capitalisation of ₹20,000,000 out of the balance profit and loss account of our Company, to holders of Equity Shares as at September 20, 2006.*

(17) *3,000,000 Equity Shares were issued pursuant to capitalisation of ₹ 30,000,000 out of the balance profit and loss account and capital redemption reserve account of our Company to holders of Equity Shares as at August 10, 2007. The return of allotment filed with the RoC erroneously recorded the total nominal value of equity shares issued including the present allotment as ₹95,000,000, instead of ₹90,000,000. See "Risk Factors - Some of our corporate records are not traceable. There have been certain instances of discrepancies in statutory filings made and resolutions passed by our Company with the RoC under applicable law" on page 29.*

(18) *250,000 Equity Shares allotted to Shweta Kamlesh Gandhi and 250,000 Equity Shares allotted to Mona Mukesh Gandhi, jointly with Kamlesh Chimanlal Gandhi. The return of allotment filed with the RoC erroneously recorded the total nominal value of equity shares issued including the present allotment as ₹308,747,640, instead of ₹95,000,000. See "Risk Factors - Some of our corporate records are not traceable. There have been certain instances of discrepancies in statutory filings made and resolutions passed by our Company with the RoC under applicable law" on page 29.*

(19) *500,000 Equity Shares were issued pursuant to capitalisation of ₹5,000,000 out of the capital redemption reserve account of our Company to holders of Equity Shares as at September 30, 2011.The board resolution dated December 28, 2001 approving the bonus issue erroneously recorded the premium per equity share as ₹120, instead of nil. See "Risk Factors - Some of our corporate records are not traceable. There have been certain instances of discrepancies in statutory filings made and resolutions passed by our Company with the RoC under applicable law" on page 29.*

(20) *125 Equity Shares were allotted to DEG.*

(21) *6,000,000 Equity Shares were issued pursuant to capitalisation of ₹60,000,000 out of the capital redemption reserve of our Company to holders of Equity Shares as at December 30, 2013.*

(22) *24,000,188 Equity Shares were issued pursuant to capitalisation of ₹240,001,880 out of the securities premium account/ free reserves of our Company, to holders of Equity Shares as at October 31, 2016.*

(23) *2,364,695 Equity Shares allotted to Motilal Oswal Financial Services Limited and 591,174 Equity Shares allotted to Motilal Oswal Securities Limited, in terms of the Motilal Investment Agreement. See "History and Certain Corporate Matters – Material Agreements" on page 154.*

(24) *1,034,553 Equity Shares allotted to Motilal Oswal Securities Limited, in terms of the Motilal Investment Agreement. See, "History and Certain Corporate Matters – Material Agreements" on page 154.*

(25) *1,739,865 Equity Shares allotted to FMO in terms of the FMO-Sarva Agreement, 1,280,723 Equity Shares allotted to Sarva Capital in terms of the FMO-Sarva Agreement, 1,535 Equity Shares allotted to Shradha Sanjay Shah; 1,096 Equity Shares allotted to Jayesh Chandulal Vithlani; 23,684 Equity Shares allotted to Pravin Ratilal Share & Stock Brokers Ltd.; 219 Equity Shares allotted to Samir Mangaldas Shah; 877 Equity Shares allotted to Ghanshyam Nagindas Shah; 5,482 Equity Shares allotted to G N G Investment Limited; 43,859 Equity Shares allotted to Viraj Amar Patel; 5,482 Equity Shares allotted to Sutaria Devendrakumar S; 5,482 Equity Shares allotted to Capitalsquare Advisors Private Limited. For details of the FMO-Sarva Agreement pursuant to which allotments were made to FMO and Sarva Capital, see "History and Certain Corporate Matters – Material Agreements" on page 154.*

(26) *2,470,175 Equity Shares allotted to DEG in terms of the DEG Agreement.*

2. *History of preference share capital of our Company*

Date of allotment/ Conversion	Number of preference shares	Face value (₹)	Issue price per preference share (₹)	Nature of consideration	Particulars	Cumulative number of Preference Shares	Cumulative paid-up preference share capital (₹)
October 10, 1998	9,550	100	100	Cash	Preferential allotment (1)	9,550	955,000
October 10, 2000	(9,550)	100	NA	NA	Redemption(2)	-	-
July 31, 2006	650,000	100	100	Cash	Preferential allotment(3)	650,000	65,000,000
April 23, 2008	20,000,000	10	10	Cash	Preferential allotment(4)	20,650,000	265,000,000
June 23, 2008	20,000,000	10	10	Cash	Preferential allotment(5)	40,650,000	465,000,000
August 19, 2008	25,141,290	10	10	Cash	Preferential allotment(6)	65,791,290	716,412,900
October 13, 2008	18,329,800	10	10	Cash	Preferential allotment(7)	84,121,090	899,710,900
August 14, 2010	(650,000)	100	NA	NA	Redemption(8)	83,471,090	834,710,900
July 28, 2012	(40,000,000)	10	NA	NA	Redemption(9)	43,471,090	434,710,900
May 13, 2016	400	100,000	100,000	Cash	Preferential allotment(10)	43,471,490	474,710,900
September 12, 2017	(21,735,545)	10	10	Cash	Conversion of Series A Series	(217,355,450)	257,355,450

Date of allotment/ Conversion	Number of preference shares	Face value (₹)	Issue price per preference share (₹)	Nature of consideration	Particulars	Cumulative number of Preference Shares	Cumulative paid-up preference share capital (₹)
					CCPS[11]		
September 12, 2017	(21,735,545)	10	10	Cash	Conversion of Series B Series CCPS[11]	(217,355,450)	40,000,000
September 12, 2017	(400)	100,000	100,000	Cash	Conversion of Series C Series CCPS[11]	(40,000,000)	0

(1) *250 13.5% redeemable cumulative preference shares ("**13.5% RCPS**") allotted to Rashmikant Vora, jointly with Darshana R. Vora, 250 13.5% RCPS allotted to Gautambhai P. Patel, jointly with Ilaben G. Patel, 250 13.5% RCPS allotted to Mohanbhai D. Patel, 500 13.5% RCPS allotted to Arman Lease & Finance Limited, 150 13.5% RCPS allotted to Hasmukhbhai S. Shah, jointly with Niruben H. Shah, 250 13.5% RCPS allotted to Sureshbhai M. Shah, jointly with Jyotsna S. Patel and Maulika S. Patel, 250 13.5% RCPS allotted to Udit Setalvad, 250 13.5% RCPS allotted to Thakarshibhai S. Patel, 250 13.5% RCPS allotted to Avinashbhai Patel, 250 13.5% RCPS allotted to Rajeshbhai Chowdhry, jointly with Neera Chowdhry, 250 13.5% RCPS allotted to Nalini Bhaskaran, jointly with Bala Bhaskaran, 200 13.5% RCPS allotted to Kamlaben Thakkar, 500 13.5% RCPS allotted to Mukeshbhai Patel, 250 13.5% RCPS allotted to Indiraben A. Patel, jointly with Arunbhai R. Patel, 250 13.5% RCPS allotted to Parimalbhai B. Shah, jointly with Pulkit B. Shah, 1,000 13.5% RCPS allotted to Thakkar Sudhirkumar J. HUF, 250 13.5% RCPS allotted to Kadambariben M. Dave, jointly with Suresh Manilal Shah, 500 13.5% RCPS allotted to Rameshchandra Patel, jointly with Veenaben H. Patel and Gitaben C. Patel, 150 13.5% RCPS allotted to Maheshbhai P. Thakkar, 150 13.5% RCPS allotted to Mohanlal T. Thakkar, 250 13.5% RCPS allotted to Maheshbhai D. Dasora, jointly with Monormaben M. Dasora, 250 13.5% RCPS allotted to Manormaben M. Dasora, 250 13.5% RCPS allotted to Madhuram Sridhar, jointly with R. Sridhar, 500 13.5% RCPS allotted to R. Sridhar, jointly with Madhuram Sridhar, 250 13.5% RCPS allotted to Hansaben A. Shah, jointly with Arvind L. Shah, 150 13.5% RCPS allotted to Nikunjbhai J. Raval, 250 13.5% RCPS allotted to Sharda Rasiklal Shah, jointly with Bharat Rasiklal Shah, 250 13.5% RCPS allotted to Purnima H. Shah, jointly with Hemant Rasiklal Shah, 250 13.5% RCPS allotted to Bharat Rasiklal Shah, jointly with Nirupama B. Shah, 250 13.5% RCPS allotted to Jayant R. Shah, jointly with Kshama J. Shah, 500 13.5% RCPS allotted to Harsh Kanani, and 250 13.5% RCPS allotted to Gurudeepsing Amarjeetkaur Bhusari, jointly with Devendra Bhusari.*

(2) *9,550 13.5% RCPS redeemed on October 10, 2000.*

(3) *650,000 8.5% redeemable non-convertible cumulative preference shares allotted to Caspian Advisors Private Limited, trustee of Bellwether Microfinance Trust.*

(4) *20,000,000 8% cumulative redeemable preference shares allotted to The Western India Trustee and Executors Company Limited (India Advantage Fund VII) (Mezzanine Fund). The total nominal value of equity shares issued including the present allotment was not recorded in the return of allotment filed with the RoC. See "Risk Factors - Some of our corporate records are not traceable. There have been certain instances of discrepancies in statutory filings made and resolutions passed by our Company with the RoC under applicable law" on page 29.*

(5) *20,000,000 8% cumulative redeemable preference shares allotted to The Western India Trustee and Executors Company Limited (India Advantage Fund VII) (Mezzanine Fund) The return of allotment filed with the RoC erroneously recorded the total nominal value of equity shares issued including the present allotment as ₹400,000,000, instead of ₹465,000,000. See "Risk Factors – Some of our corporate records are not traceable. There have been certain instances of discrepancies in statutory filings made and resolutions passed by our Company with the RoC under applicable law" on page 29.*

(6) *25,141,290 7% compulsorily convertible cumulative preference shares allotted to FMO. For further details, see "History and Certain Corporate Matters – Material Agreements – Share Purchase and Shareholders' Agreements" on page 154. Two returns of allotment were inadvertently filed with the RoC. Further, in the correct return, the total nominal value of equity shares issued including the present allotment was erroneously recorded as ₹ 651,412,900, instead of ₹ 716,412,900. See "Risk Factors – Some of our corporate records are not traceable. There have been certain instances of discrepancies in statutory filings made and resolutions passed by our Company with the RoC under applicable law" on page 29.*

(7) *18,329,800 7% compulsorily convertible cumulative preference shares CCPS allotted to FMO. For further details, see "History and Certain Corporate Matters – Material Agreements – Share Purchase and Shareholders' Agreements" on page 154.*

(8) *650,000 8.5% redeemable non-convertible cumulative preference shares redeemed on August 14, 2010.*

(9) *40,000,000 8% cumulative redeemable preference shares redeemed on July 28, 2012.*

(10) *25 Series C CCPS each allotted to Kamlesh Chimanlal Gandhi, Mukesh Chimanlal Gandhi, Reena Shaunak Thakur, Pranav Natwarlal Shah, G.N.G. Investment Limited, Asha Dinesh Gawarvala, Asha Dinesh Gawarvala, Minesh B. Shah, Jayaben Mansukh Makwana, Pallavi D. Shah, Aditi Tarak Desai, Pravin Ratilal Share and Stock Brokers Limited, Capital Square Advisors Private Limited and Devendra Kumar Shanabhai Sutaria. Pursuant to subsequent transfers, these 400 Series C CCPS are now held by 51 individuals and entities.*

(11) *1,739,865 Equity Shares allotted to FMO in terms of the FMO-Sarva Agreement, 1,280,723 Equity Shares allotted to Sarva Capital in terms of the FMO-Sarva Agreement, 1,535 Equity Shares allotted to Shradha Sanjay Shah; 1,096 Equity Shares allotted to Jayesh Chandulal Vithlani; 23,684 Equity Shares allotted to Pravin Ratilal Share & Stock Brokers Ltd.; 219 Equity Shares allotted to Samir Mangaldas Shah; 877 Equity*

Shares allotted to Ghanshyam Nagindas Shah; 5,482 Equity Shares allotted to G N G Investment Limited; 43,859 Equity Shares allotted to Viraj Amar Patel; 5,482 Equity Shares allotted to Sutaria Devendrakumar S; 5,482 Equity Shares allotted to Capitalsquare Advisors Private Limited. For details of the FMO-Sarva Agreement pursuant to which allotments were made to FMO and Sarva Capital, see "History and Certain Corporate Matters – Material Agreements" on page 154.

3. ***Shares issued for consideration other than cash or bonus***

Details of Equity Shares issued for consideration other than cash or through bonus are as follows:

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price (₹)	Reasons for allotment	Allottees	Benefits accrued to the Company
March 31, 1996	914,800	10	-	Issuance against transfer of business and recoverables	Kamlesh Chimanlal Gandhi and Mona Mukesh Gandhi	Acquisition of business and recoverables of M/s Marketing & Allied Services. See "*History and Other Corporate Matters - Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets – Acquisition of the business of M/s Marketing & Allied Services – 1996*" on page 154.
December 1, 2006	2,000,000	10	-	Bonus in the ratio 1 : 2	Existing shareholders as on September 20, 2006	-
August 16, 2007	3,000,000	10	-	Bonus in the ratio 1 : 2	Existing shareholders as on August 10, 2007	-
December 28, 2011	500,000	10	-	Bonus in the ratio 1 : 19	Existing shareholders as on September 30, 2011	-
January 28, 2014	6,000,000	10	-	Bonus in the ratio 3 : 5	Existing shareholders as on December 30, 2013	-
November 18, 2016	24,000,188	10	-	Bonus in the ratio 3 : 2	Existing shareholders as on October 31, 2016	-

For further details, see "– *Notes to Capital Structure - History of Equity Share capital of our Company*" on page 76.

Our Company has not issued any bonus shares out of capitalisation of its revaluation reserves or unrealised profits.

4. **Issue of Equity Shares in the last two preceding years**

For details on the issue of Equity Shares by our Company in the last two preceding years, see " – *Notes to Capital Structure – History of Equity Share capital of our Company*" on page 76.

5. **History of build-up, Promoters' contribution and lock-in of Promoters' shareholding**

As on the date of this Red Herring Prospectus, our Promoters hold 39,996,975 Equity Shares, constituting 80.69% of the issued, subscribed and paid-up Equity Share capital of our Company. The details regarding our Promoters' shareholding are set out below.

a) Build-up of Promoters' shareholding in our Company

Equity shareholding

Set forth below is the build-up of the equity shareholding of our Promoters since incorporation of our Company:

Name of the Promoter (portfolio)	Date of allotment/ transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue/ acquisition/transfer price per Equity Share (₹)	% of the pre-Offer Equity Share capital	% of the post-Offer Equity Share capital
Kamlesh Chimanlal Gandhi								
Kamlesh Chimanlal Gandhi	May 25, 1995	Subscription to the MoA	100	Cash	10	10	0.00	[●]
	December 15, 1995	Preferential allotment	49,500	Cash	10	10	0.10	[●]
	December 1, 2006	Bonus in the ratio 1 : 2	24,800	Bonus	10	-	0.05	[●]
	August 16, 2007	Bonus in the ratio 1 : 2	37,200	Bonus	10	-	0.08	[●]
	December 28, 2011	Bonus in the ratio 1 : 19	5,874	Bonus	10	-	0.01	[●]
	July 27, 2012	Transfer from portfolio of Kamlesh Chimanlal Gandhi, jointly with Mona Mukesh Gandhi (upon demise of Mona Mukesh Gandhi)	1,443,238	Devolvement	10	-	2.91	[●]
	January 28, 2014	Bonus in the ratio 3 : 5	936,415	Bonus	10	-	1.89	[●]
	November 18, 2016	Bonus in the ratio 3 : 2	3,745,691	Bonus	10	-	7.56	[●]
Sub-total			**6,242,818**				**12.59**	**[●]**
Kamlesh Chimanlal Gandhi, jointly with Mona Mukesh Gandhi	November 1, 1995	Preferential allotment	8,500	Cash	10	10	0.02	[●]
	December 15, 1995	Preferential allotment	10,500	Cash	10	10	0.02	[●]
	January 12, 1996	Preferential allotment	53,500	Cash	10	10	0.11	[●]
	March 31, 1996	Issuance against acquisition of business and recoverables	457,400	Other than cash	10	-	0.92	[●]
	July 1, 1996	Preferential allotment	70,000	Cash	10	10	0.14	[●]
	September 30, 1996	Preferential allotment	62,500	Cash	10	10	0.13	[●]
	February 12, 1997	Transfer from N.B. Shah	500	Cash	10	10	0.00	[●]
	March 31, 1997	Preferential allotment	37,500	Cash	10	10	0.08	[●]
	April 3, 1997	Transfer from Indiraben Bhatt	1,300	Cash	10	10	0.00	[●]
	January 20, 1998	Transfer from Gaurang Shah, jointly with Lalitkumar Shah	1,000	Cash	10	10	0.00	[●]
	April 30, 1999	Share certificate with respect to 70,000 Equity Shares allotted on July 1, 1996 split into two share certificates of 20,833 and 49,167 Equity Shares, respectively.						
	April 30, 2000	Transfer to Prarthna Marketing Private Limited	(93,333)	Cash	10	10	(0.19)	[●]
	December 1, 2006	Bonus in the ratio 1 : 2	304,684	Bonus	10	-	0.61	[●]

Name of the Promoter (portfolio)	Date of allotment/ transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue/ acquisition/transfer price per Equity Share (₹)	% of the pre-Offer Equity Share capital	% of the post-Offer Equity Share capital
	August 16, 2007	Bonus in the ratio 1 : 2	457,025	Bonus	10	-	0.92	[●]
	December 28, 2011	Bonus in the ratio 1 : 19	72,162	Bonus	10	-	0.15	[●]
	July 27, 2012	Transfer to portfolio of Kamlesh Chimanlal Gandhi (upon demise of Mona Mukesh Gandhi)	(1,443,238)	Devolvement	10	-	(2.91)	[●]
Sub-total			**NIL**				**NIL**	[●]
Mona Mukesh Gandhi, jointly with Kamlesh Chimanlal Gandhi	November 1, 1995	Preferential allotment	8,500	Cash	10	10	0.02	[●]
	December 15, 1995	Preferential allotment	10,500	Cash	10	10	0.02	[●]
	January 12, 1996	Preferential allotment	53,500	Cash	10	10	0.11	[●]
	March 31, 1996	Issuance against acquisition of business and recoverables	457,400	Other than cash	10	-	0.92	[●]
	July 1, 1996	Preferential allotment	70,000	Cash	10	10	0.14	[●]
	September 30, 1996	Preferential allotment	62,500	Cash	10	10	0.13	[●]
	February 12, 1997	Transfer from H.B. Shah	500	Cash	10	10	0.00	[●]
	March 31, 1997	Preferential allotment	37,500	Cash	10	10	0.08	[●]
	April 3, 1997	Transfer from Indiraben Bhatt	1,200	Cash	10	10	0.00	[●]
	January 20, 1998	Transfer from the portfolio of Kaileshben Shah, jointly with Chintan Shah	1,000	Cash	10	10	0.00	[●]
	August 18, 2006	Transfer to Caspian Advisors Private Limited, trustee of Bellwether Microfinance Trust	(155,000)	Cash	10	10	(0.31)	[●]
	December 1, 2006	Bonus in the ration 1 : 2	351,300	Bonus	10	-	0.71	[●]
	August 16, 2007	Bonus in the ratio 1 : 2	526,950	Bonus	10	-	1.06	[●]
	March 31, 2008	Preferential allotment	250,000	Cash	10	10	0.50	[●]
	December 28, 2011	Bonus in the ratio 1 : 19	88,203	Bonus	10	-	0.18	[●]
	July 27, 2012	Transfer by Kamlesh Chimanlal Gandhi (*now first holder*) to Mukesh Chimanlal Gandhi (upon demise of Mona Mukesh Gandhi)	(1,764,053)	Gift	10	-	(3.56)	
Sub-total			**NIL**				**NIL**	[●]
Mukesh Chimanlal Gandhi								

Name of the Promoter (portfolio)	Date of allotment/ transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue/ acquisition/transfer price per Equity Share (₹)	% of the pre-Offer Equity Share capital	% of the post-Offer Equity Share capital
Mukesh Chimanlal Gandhi	May 25, 1995	Subscription to the MoA	100	Cash	10	10	0.00	[●]
	July 1, 1996	Preferential allotment	200	Cash	10	10	0.00	[●]
	December 1, 2006	Bonus in the ratio 1 : 2	150	Bonus	10	-	0.00	[●]
	August 16, 2007	Bonus in the ratio 1 : 2	225	Bonus	10	-	0.00	[●]
	December 28, 2011	Bonus in the ratio 1 : 19	36	Bonus	10	-	0.00	[●]
	July 27, 2012	Transfer to portfolio of Mukesh Chimanlal Gandhi (upon demise of Mona Mukesh Gandhi)	236	Devolvement	10	-	0.00	[●]
	July 27, 2012	Transfer by Kamlesh Chimanlal Gandhi (upon demise of Mona Mukesh Gandhi)(1)	1,764,053	Gift	10	-	3.56	[●]
	January 28, 2014	Bonus in the ratio 3 : 5	1,058,987	Bonus	10	-	2.14	[●]
	November 18, 2016	Bonus in the ratio 3 : 2	4,235,981	Bonus	10	-	8.55	[●]
	March 15, 2017	Transfer upon dissolution of Mukesh Chimanlal Gandhi HUF	9,050,482	Devolvement	10	-	18.26	[●]
Sub-total			**16,110,450**				**32.50**	[●]
Shweta Kamlesh Gandhi								
Shweta Kamlesh Gandhi	May 25, 1995	Subscription to the MoA	100	Cash	10	10	0.00	[●]
	November 1, 1995	Preferential allotment	78,500	Cash	10	10	0.16	[●]
	December 15, 1995	Preferential allotment	134,000	Cash	10	10	0.27	[●]
	January 12, 1996	Preferential allotment	87,500	Cash	10	10	0.18	[●]
	March 30,1996	Preferential allotment	127,500	Cash	10	10	0.26	[●]
	May 2, 1996	Preferential allotment	40,000	Cash	10	10	0.08	[●]
	July 1, 1996	Preferential allotment	410,000	Cash	10	10	0.83	[●]
	September 30, 1996	Preferential allotment	451,500	Cash	10	10	0.91	[●]
	December 20, 1996	Transfer from Swati Amit Vora, jointly with Shivangi Amit Vora	700	Cash	10	10	0.00	[●]
	March 31, 1997	Preferential allotment	50,000	Cash	10	10	0.10	[●]
	May 5, 1997	Transfer from Madhu Nambiar	2,000	Cash	10	10	0.00	[●]
	May 21, 1997	Transfer from Rajubhai K. Balat	5,000	Cash	10	10	0.01	[●]
	August 5, 1997	Transfer from Indiraben Bhatt	2,500	Cash	10	10	0.01	[●]

Name of the Promoter (portfolio)	Date of allotment/ transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue/ acquisition/transfer price per Equity Share (₹)	% of the pre-Offer Equity Share capital	% of the post-Offer Equity Share capital
	October 13, 1997	Transfer from M. Jankiraman	500	Cash	10	10	0.00	[●]
	December 17, 1997	Transfer from Purnima Y. Parikh	40,000	Cash	10	10	0.08	[●]
	September 1, 1998	Transfer from the portfolio of Lataben Natvarlal Trivedi, jointly with Gitaben Shantilal Mehta	2,000	Cash	10	10	0.00	[●]
	September 11, 1998	Transfer from Sudhaben B. Dave	2,000	Cash	10	10	0.00	[●]
	May 21, 1999	Transfer from certain shareholders(2)	5,000	Cash	10	10	0.01	[●]
	July 10, 1999	Transfer from certain shareholders(3)	21,000	Cash	10	10	0.04	[●]
	September 2, 1999	Transfer from certain shareholders(4)	56,900	Cash	10	10	0.11	[●]
	November 2, 1999	Transfer from certain shareholders(5)	36,700	Cash	10	10	0.07	[●]
	December 9, 1999	Transfer from certain shareholders(6)	26,300	Cash	10	10	0.05	[●]
	December 31, 1999	Transfer from certain shareholders(7)	15,700	Cash	10	10	0.03	[●]
	February 7, 2000	Transfer from certain shareholders(8)	7,200	Cash	10	10	0.01	[●]
	March 25, 2000	Transfer from certain shareholders(9)	34,600	Cash	10	10	0.07	[●]
	April 30, 2000	Transfer from certain shareholders(10)	15,500	Cash	10	10	0.03	[●]
	April 30, 2000	Transfer to Acquarian Information Technology Private Limited	(90,000)	Cash	10	10	(0.18)	[●]
	May 29, 2000	Transfer from certain shareholders(11)	8,200	Cash	10	10	0.02	[●]
	June 29, 2000	Transfer from certain shareholders(12)	8,300	Cash	10	10	0.02	[●]
	July 29, 2000	Transfer from certain shareholders(13)	6,700	Cash	10	10	0.01	[●]
	September 29, 2000	Transfer from certain shareholders(14)	19,000	Cash	10	10	0.04	[●]
	December 20, 2000	Transfer from certain shareholders(15)	5,000	Cash	10	10	0.01	[●]

Name of the Promoter (portfolio)	Date of allotment/ transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue/ acquisition/transfer price per Equity Share (₹)	% of the pre-Offer Equity Share capital	% of the post-Offer Equity Share capital
	December 23, 2000	Transfer from Chandrikaben Maheskumar Joshi, jointly with Maheshkumar Amratlal Joshi	500	Cash	10	10	0.00	[●]
	December 30, 2000	Transfer from Hineshbhai S. Gariwala	200	Cash	10	10	0.00	[●]
	December 31, 2000	Transfer from Milind Pankajkumar Mehta, jointly with Pankajkumar Shantilal Mehta	100	Cash	10	10	0.00	[●]
	February 12, 2001	Transfer from certain shareholders(16)	2,500	Cash	10	10	0.01	[●]
	February 26, 2001	Transfer from certain shareholders(17)	1,500	Cash	10	10	0.00	[●]
	March 31, 2001	Preferential allotment	50,000	Cash	10	10	0.10	[●]
	June 14, 2001	Transfer from Kavitaben P. Dave, jointly with P. Dave	500	Cash	10	10	0.00	[●]
	June 27, 2001	Transfer from certain shareholders(18)	1,000	Cash	10	10	0.00	[●]
	July 30, 2001	Transfer from certain shareholders(19)	4,200	Cash	10	10	0.01	[●]
	November 12, 2001	Transfer from Jayshreeben D. Shah	800	Cash	10	10	0.00	[●]
	December 5, 2001	Transfer from Dineshbhai S. Patel, jointly with Rekhaben D. Patel	500	Cash	10	10	0.00	[●]
	January 19, 2002	Transfer from Nita P. Patel, jointly with Pravinbhai B. Patel	2,500	Cash	10	10	0.01	[●]
	March 13, 2002	Transfer from Rashmiben D. Pandya, jointly with Dipakbhai K. Pandya	2,500	Cash	10	10	0.01	[●]
	March 23, 2002	Transfer from Kaniyalal D. Jatani	500	Cash	10	10	0.00	[●]
	July 8,2002	Transfer from certain shareholders(20)	3,500	Cash	10	10	0.01	[●]
	March 20, 2003	Transfer from certain shareholders(21)	1,000	Cash	10	10	0.00	[●]

Name of the Promoter (portfolio)	Date of allotment/ transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue/ acquisition/transfer price per Equity Share (₹)	% of the pre-Offer Equity Share capital	% of the post-Offer Equity Share capital
	July 3, 2003	Transfer from Kalpeshbhai M. Shah, jointly with Varshaben K. Shah	200	Cash	10	10	0.00	[●]
	April 5, 2004	Transfer from Ashokbhai K. Dhagia, jointly with Tanujaben A. Dhagia	500	Cash	10	10	0.00	[●]
	August 18, 2006	Transfer to Caspian Advisors Private Limited, trustee of Bellwether Microfinance Trust	(155,000)	Cash	10	10	(0.31)	[●]
	December 1, 2006	Bonus in the ratio 1 : 2	841,200	Bonus	10	-	1.70	[●]
	August 16, 2007	Bonus in the ratio 1 : 2	1,261,800	Bonus	10	-	2.55	[●]
	March 31, 2008	Preferential allotment	250,000	Cash	10	10	0.50	[●]
	December 28, 2011	Bonus in the ratio 1 : 19	204,232	Bonus	10	-	0.41	[●]
	January 28, 2014	Bonus in the ratio 3 : 5	2,450,748	Bonus	10	-	4.94	[●]
	November 18, 2016	Bonus in the ratio 3 : 2	9,803,070	Bonus	10	-	19.78	[●]
Sub-total			**16,338,450**				**32.96**	[●]
Prarthna Marketing Private Limited								
Prarthna Marketing Private Limited	April 30, 2000	Transfer from Kamlesh Chimanlal Gandhi, jointly with Mona Mukesh Gandhi	93,333	Cash	10	10	0.19	[●]
	March 31, 2001	Preferential allotment	100,000	Cash	10	10	0.20	[●]
	December 1, 2006	Bonus in the ratio 1 : 2	96,666	Bonus	10	-	0.20	[●]
	August 16, 2007	Bonus in the ratio 1 : 2	145,000	Bonus	10	-	0.29	[●]
	August 16, 2007	Transfer to Mukesh Chimanlal Gandhi HUF	(434,999)	Cash	10	10	(0.88)	[●]
	October 10, 2010	Transfer from Caspian Advisors Private Limited, trustee of Bellwether Microfinance Trust	310,000	Cash	10	10	0.63	[●]
	December 28, 2011	Bonus in the ratio 1 : 19	16,316	Bonus	10	-	0.03	
	January 28, 2014	Bonus in the ratio 3 : 5	195,787	Bonus	10	-	0.39	
	November 18, 2016	Bonus in the ratio 3 : 2	783,154	Bonus	10	-	1.58	[●]
Sub-total			**1,305,257**				**2.63**	[●]
Total			**39,996,975**				**80.69**	[●]

(1) *1764053 Equity Shares transferred from the joint portfolio of Mona Mukesh Gandhi with Kamlesh Chimanlal Gandhi and 236 Equity Shares transferred from the portfolio of Mona Mukesh Gandhi.*

(2) *2,500 Equity Shares transferred from Shantilal M. Mehta and 2,500 Equity Shares transferred from the joint portfolio of Shantilal M. Mehta, with Geetaben S. Mehta.*

(3) *5,000 Equity Shares transferred from Idrish Bengali; 5,000 Equity Shares transferred from Kadar Bengali; 1,000 Equity Shares transferred from Zubedabibi K. Bengali; 5,000 Equity Shares transferred from Dr. Virendra J. Modi; 1,500 Equity Shares transferred from Pragnesh M. Patel; 2,500 Equity Shares transferred from the joint portfolio of Khandakhan R. Pathan, with Raziyabegum K. Pathan; and 1,000 Equity Shares transferred from the joint portfolio of S. Kalvani, with S.K. Mudaliyar.*

(4) *1,500 Equity Shares transferred from the joint portfolio of Panna Arvindkumar Shah, with Arvindkumar C. Shah; 1,000 Equity Shares transferred from the joint portfolio of Arvindkumar C. Shah, with Panna A. Shah; 2,500 Equity Shares transferred from the joint portfolio of Jatin Chandulal Parekh, with Chandulal N. Parekh; 2,500 Equity Shares transferred from the joint portfolio of Taraben P. Parmar, with Bhavesh P. Parmar; 2,500 Equity Shares transferred from the joint portfolio of Arunaben Taileshbhai Shah, with Taileshbhai B. Shah; 1,100 Equity Shares transferred from Iyer Chidambaram R.; 2,500 Equity Shares transferred from the joint portfolio of Meenaben Trivedi, with Kamalnayan P. Trivedi; 2,500 Equity Shares transferred from the joint portfolio of Kamalnayan P. Trivedi, with Meenaben Trivedi; 200 Equity Shares transferred from Mahendrabhai S. Tiwari; 300 Equity Shares transferred from the joint portfolio of Ramanlal S. Trivedi, with Rajnikant R. Trivedi; 1,200 Equity Shares transferred from Darshit P. Parmar; 500 Equity Shares transferred from Madhuben M. Parmar; 500 Equity Shares transferred from Kantibhai D. Parmar; 2,500 Equity Shares transferred from the joint portfolio of Kundlik S. Sheth, with Rekha K. Sheth; 500 Equity Shares transferred from Maganbhai K. Vania; 1,300 Equity Shares transferred from the joint portfolio of Somabhai G. Fatekhar, with Laxmiben S. Fatekhar; 2,500 Equity Shares transferred from the joint portfolio of Bhavesh P. Parmar, with Taraben P. Parmar; 2,500 Equity Shares transferred from the joint portfolio of Ami Sandeep Shah, with Sandeep C. Shah; 1,200 Equity Shares transferred from the joint portfolio of Laxmiben S. Fatekhar, with Somabhai G. Fatekhar; 2,500 Equity Shares transferred from the joint portfolio of P.T. Bhaskaran Nair, with Jayalakshmi Nair; 1,100 Equity Shares transferred from Dhulabhai T. Gohel; 5,000 Equity Shares transferred from Amita Monalbhai Fadia; 2,500 Equity Shares transferred from the joint portfolio of Niruben H. Shah, with Jayaben J. Shah; 500 Equity Shares transferred from the joint portfolio of Bhogilal C. Bhatt, with Rekhaben B. Bhatt; 600 Equity Shares transferred from Ilaben J. Shah; 300 Equity Shares transferred from Balkrishna M. Parmar; 1,000 Equity Shares transferred from Jitendra B. Parekh; 300 Equity Shares transferred from Babulal S. Prajapati; 2,000 Equity Shares transferred from the joint portfolio of Anandiben B. Bhatt, with Madhusudan C. Joshi; 1,000 Equity Shares transferred from Ajitbhai Bhailalbhai Daru; 2,500 Equity Shares transferred from the joint portfolio of Bhartiben I. Mehta, with Darshak I. Mehta and Bhavin Mehta; 500 Equity Shares transferred from Swaraj S. Paul; 1,300 Equity Shares transferred from the joint portfolio of Kusumben M. Sumara, with Manubhai M. Sumara; 2,500 Equity Shares transferred from the joint portfolio of Jigishbhai I. Bhavsar, with Jatin R. Bhavsar; 700 Equity Shares transferred from Ramaben B. Vyas; 1,300 Equity Shares transferred from the joint portfolio of Manubhai M. Sumara, with Kusumben M. Sumara; and 2,000 Equity Shares transferred from the joint portfolio of Kaushikbhai M. Oza, with Karshidaben K. Oza.*

(5) *500 Equity Shares transferred from the joint portfolio of Kulinkant P. Mehta, with Arunaben K. Mehta; 2,500 Equity Shares transferred from the joint portfolio of Harishbhai J. Parikh, with Maltiben M. Parikh; 500 Equity Shares transferred from the joint portfolio of Arunaben K. Mehta, with Kulinkant P. Mehta; 500 Equity Shares transferred from the joint portfolio of Alpesh B. Mehta, with Ushma A. Mehta; 2,500 Equity Shares transferred from the joint portfolio of Ilaben S. Rana, with Naynaben S. Rana; 2,500 Equity Shares transferred from Karsanbhai J. Rajani; 2,500 Equity Shares transferred from Chandrikaben J. Rajani; 2,500 Equity Shares transferred from Hiten K. Rajani; 2,500 Equity Shares transferred from Nimish H. Rajani; 500 Equity Shares transferred from Indravadan G. Parmar; 500 Equity Shares transferred from the joint portfolio of Janakbhai M. Bhatt, with Navinchandra V. Bhatt; 200 Equity Shares transferred from the joint portfolio of Diwaliben P. Patel, with Rameshbhai P. Patel; 400 Equity Shares transferred from the joint portfolio of Jiviben T. Patel, with Diwaliben P. Patel; 200 Equity Shares transferred from the joint portfolio of Anilbhai P. Jani, with Nayanaben A. Jani; 500 Equity Shares transferred from Dilipbhai M. Shah; 1,500 Equity Shares transferred from the joint portfolio of Ukabhai N. Datania, with Shardaben U. Datania; 1,100 Equity Shares transferred from the joint portfolio of Niruben P. Mehta, with Prakashbhai A. Mehta and Sameer P. Mehta; 200 Equity Shares transferred from the joint portfolio of Savitaben L. Mori, with Kaushikbhai C. Shah; 1,000 Equity Shares transferred from the joint portfolio of Mukeshbhai C. Bhatt, with Vinaben N. Bhatt; 1,500 Equity Shares transferred from the joint portfolio of Neha G. Dudhregiya, with Girish K. Dudhregiya; 500 Equity Shares transferred from Kaushikbhai M. Oza; 2,000 Equity Shares transferred from the joint portfolio of Govindbhai K. Pancholi, with Jyotiben G. Pancholi; 500 Equity Shares transferred from the joint portfolio of Bhavnaben S. Patel, with Sanjaybhai P. Patel; 500 Equity Shares transferred from the joint portfolio of Umarbhai Noorabhai, with Musabhai Umarbhai and Ayubbhai Umarbhai; 200 Equity Shares transferred from Dineshbhai S. Patel; 500 Equity Shares transferred from Purshottam C. Kostie; 1,000 Equity Shares transferred from the joint portfolio of Palak A. Barot, with Ansuya A. Barot; 1,000 Equity Shares transferred from the joint portfolio of Chintan A. Barot, with Ansuya A. Barot; 1,000 Equity Shares transferred from Ansuya A. Barot; 500 Equity Shares transferred from the joint portfolio of Pradip G. Trivedi, with Krupa P. Trivedi; 1,000 Equity Shares transferred from the joint portfolio of Sushmaben N. Shah, with Sandip N. Shah and Sumitraben N. Shah; 500 Equity Shares transferred from Natvarbhai P. Chauhan; 1,000 Equity Shares transferred from the joint portfolio of Mamta V. Patel, with Mita V. Patel; 200 Equity Shares transferred from Rekhaben D. Kharaiya; 500 Equity Shares transferred from the joint portfolio of Jamnaben T. Chauhan, with Vishnubhai V. Chauhan and Vimalbhai V. Chauhan; 1,200 Equity Shares transferred from the joint portfolio of Mahendra S. Chawan, with Rajendra K. Bhatt; and 500 Equity Shares transferred from the joint portfolio of Kokilaben B. Pandya, with Mukeshbhai K. Trivedi.*

(6) *1,200 Equity Shares transferred from Maltiben H. Parikh; 1,200 Equity Shares transferred from Kinal H. Parikh; 1,300 Equity Shares transferred from Hareshbhai J. Parikh; 1,300 Equity Shares transferred from Nishit H. Parikh; 500 Equity Shares transferred from Kalpnaben T. Dubhash; 2,000 Equity Shares transferred from the joint portfolio of Hansaben N. Datania, with Nareshbhai R. Datania; 200 Equity Shares transferred from Jayendra M. Makwana; 800 Equity Shares transferred from the joint portfolio of Harivadan J. Pathak, with Bharti H. Pathak; 500 Equity Shares transferred from Girishbhai D. Shah; 3,100 Equity Shares transferred from the joint portfolio of Yuvraj Udaram, with Shankatalaben Yuvraj; 500 Equity Shares transferred from Gauriben N. Chauhan; 5,000 Equity Shares transferred from the joint portfolio of Vasantiben J. Patel, with Monik J. Patel and Raj J. Patel; 1,000 Equity Shares transferred from the joint portfolio of Niraliben M. Shah, with Alpaben M. Shah; 1,000 Equity Shares transferred from the joint portfolio of Bhanumati A. Patel, with Ashokkumar D. Patel; 1,000 Equity Shares transferred from the joint portfolio of Parth A. Patel, with Ashokkumar D. Patel; 1,000 Equity*

Shares transferred from the joint portfolio of Ashokkumar D. Patel, with Bhanumati A. Patel; 1,500 Equity Shares transferred from the joint portfolio of Narendrasinh A. Makwana, with Amarsinh L. Makwana; 200 Equity Shares transferred from Urvashiben N. Makwana; 2,500 Equity Shares transferred from Mustak M. Patel; and 500 Equity Shares transferred from the joint portfolio of Diptiben B. Patel, with Bhadreshbhai S. Patel.

(7) *1,000 Equity Shares transferred from the joint portfolio of Khushma K. Shah, with Darshani K. Shah; 1,500 Equity Shares transferred from the joint portfolio of Kushali K. Shah, with Darshini K. Shah; 2,000 Equity Shares transferred from the joint portfolio of Amarsinh L. Makwana, with Devkuverba A. Makwana; 2,000 Equity Shares transferred from the joint portfolio of Devkuverba A. Makwana, with Amarsinh L. Makwana; 1,500 Equity Shares transferred from the joint portfolio of Ashokbhai A. Makwana, with Devkuverba A. Makwana; 1,500 Equity Shares transferred from the joint portfolio of Praduman A. Makwana, with Amarsinh L. Makwana; 1,500 Equity Shares transferred from the joint portfolio of Mahendrasinh A., with Devkuverba A. Makwana; 1,000 Equity Shares transferred from the joint portfolio of Sandhya D. Parmar, with Dhirubhai M. Parmar; 1,000 Equity Shares transferred from the joint portfolio of Kokilaben R. Mistry, with Rasiklal R. Mistry; 200 Equity Shares transferred from Kush Snehal Shah; 1,000 Equity Shares transferred from the joint portfolio of Premjibhai N. Patel, with Rameshbhai P. Patel; 1,000 Equity Shares transferred from the joint portfolio of Rasiklal R. Mistry, with Kokilaben R. Mistry; and 500 Equity Shares transferred from Atulbhai B. Bhavsar.*

(8) *500 Equity Shares transferred from Kalpanaben A. Bhavsar; 500 Equity Shares transferred from the joint portfolio of Nisarg G. Dave, with Niranjanaben G. Dave; 2,000 Equity Shares transferred from Manjulaben G. Barot; 2,500 Equity Shares transferred from the joint portfolio of Minaxi Pareshbhai Barot, with Manjulaben G. Barot; and 1,700 Equity Shares transferred from the joint portfolio of Nitinbhai P. Rawal, with Rashmiben N. Rawal.*

(9) *1,300 Equity Shares transferred from the joint portfolio of Milind Pankajkumar Mehta, with Pankajkumar Shantilal Mehta; 5,000 Equity Shares transferred from Dhansukhlal C. Parekh; 5,000 Equity Shares transferred from the joint portfolio of Alkaben U. Parekh; 5,000 Equity Shares transferred from Bhavnaben A. Parekh; 5,000 Equity Shares transferred from the joint portfolio of Aartiben A. Parekh; 2,500 Equity Shares transferred from the joint portfolio of Pravinaben Chandrakant Shah, with Chandrakant Hiralal Shah; 2,500 Equity Shares transferred from the joint portfolio of Arvind V. Prajapati, with Vina A. Prajapati; 2,500 Equity Shares transferred from the joint portfolio of Vina A. Prajapati, with Arvind V. Prajapati; 2,000 Equity Shares transferred from Parbatsinh C. Chauhan; 2,500 Equity Shares transferred from the joint portfolio of Harshaben S. Shah, with Sureshbhai K. Shah; 200 Equity Shares transferred from Pinakin Ramanbhai Suthar; 200 Equity Shares transferred from the joint portfolio of Maheshkumar R. Parikh, with Rasiklal C. Parikh; 200 Equity Shares transferred from Rasiklal C. Parikh; 200 Equity Shares transferred from the joint portfolio of Nelson Bhalkumar Kapadia, with Sangita Nelson Kapadia; and 500 Equity Shares transferred from Vijaybhai D. Parekh.*

(10) *200 Equity Shares transferred from Kanubhai A. Bhavsar; 4,000 Equity Shares transferred from Jayendrasingh D. Waghela; 10,000 Equity Shares transferred from the joint portfolio of Padmaben Jasubhai Thakkar, with Jasubhai Dalsukhdas Thakkar; 700 Equity Shares transferred from Nareshbhai Somabhai Leuva; and 600 Equity Shares transferred from Kantaben Maheshbhai Leuva.*

(11) *2,500 Equity Shares transferred from the joint portfolio of Neelaben S. Choksi, with Saurabh Chandrkant Choksi; 500 Equity Shares transferred from the joint portfolio of Kamlaben Chunilal Shah, with Pareshkumar Manilal Shah; 3,000 Equity Shares transferred from the joint portfolio of Meeraben Maneklal Dave, with Umang Haribhai Dave; 200 Equity Shares transferred from the joint portfolio of Devyani K. Jani, with Miraben M. Dave; 1,000 Equity Shares transferred from the joint portfolio of Usha Parthiv Acharya, with Parthiv Girishbhai Acharya; and 1,000 Equity Shares transferred from the joint portfolio of Bhairvi N. Dave, with Mrudulaben N. Dave.*

(12) *200 Equity Shares transferred from Rameshbhai A. Chauhan; 200 Equity Shares transferred from Mahendra M. Makwana; 500 Equity Shares transferred from Jasumati B. Bhavsar; 2,500 Equity Shares transferred from the joint portfolio of Vina A. Prajapati, with Arvind V. Prajapati; 200 Equity Shares transferred from Dhanlaxmi V. Shukla; 2,500 Equity Shares transferred from the joint portfolio of Niranjan C. Sheth, with Jyotsna C. Sheth; 500 Equity Shares transferred from Minalben B. Shroff; 1,000 Equity Shares transferred from the joint portfolio of Miraben M. Soni, with Maheshkumar M. Soni; and 700 Equity Shares transferred from the joint portfolio of Nayana C. Mehta, with Kaushik C. Mehta.*

(13) *200 Equity Shares transferred from the joint portfolio of Hemangini G. Dave, with Girishkumar H. Dave; 6,000 Equity Shares transferred from the joint portfolio of Virendra J. Modi, with Damayantiben V. Modi; 300 Equity Shares transferred from Vasudev Valjibhai Patel; and 200 Equity Shares transferred from Kundanben S. Pandya.*

(14) *12,000 Equity Shares transferred from Hetal Amrish Patel; 2,500 Equity Shares transferred from the joint portfolio of Niruben R. Barot, with Rameshbhai S. Barot; 2,500 Equity Shares transferred from the joint portfolio of Rameshbhai S. Barot, with Niruben R. Barot; 500 Equity Shares transferred from Shilpa P. Mehta; 500 Equity Shares transferred from Mahendra M. Makwana; and 1,000 Equity Shares transferred from the joint portfolio of Pratiksha Dave, with Niranjana Dave.*

(15) *2,500 Equity Shares transferred from Sudhirbhai R. Shah; and 2,500 Equity Shares transferred from Indiraben S. Shah.*

(16) *1,000 Equity Shares transferred from the joint portfolio of Sudhir Dinkerrai Mankad, with Harshita Sudhir Mankad; and 1,500 Equity Shares transferred from the joint portfolio of Harshita Sudhir Mankad, with Sudhir Dinkerrai Mankad.*

(17) *500 Equity Shares transferred from the joint portfolio of Mamtaben P. Shah, with Pareshkumar M. Shah; 500 Equity Shares transferred from the joint portfolio of Jainy Rajeshkumar Shah, with Rajeshkumar M. Shah; and 500 Equity Shares transferred from the joint portfolio of Lilaben Manilal Shah, with Manilal Mansukhlal Shah.*

(18) *500 Equity Shares transferred from Manisha M. Hemavat; and 500 Equity Shares transferred from Minaxiben M. Hemavat.*

(19) *1,000 Equity Shares transferred from the joint portfolio of Jashodaben B. Parekh, with Jitendra Babulal Parekh; 1,000 Equity Shares transferred from the joint portfolio of Babulal Mathurdas Parekh, with Sunil Babulal Parekh; 1,200 Equity Shares transferred from the joint portfolio of Sunil Babulal Parekh, with Maheshbhai V. Patel; and 1,000 Equity Shares transferred from the joint portfolio of Ajitbhai Bhailalbhai Daru, with Sudha Ajitbhai Bhailalbhai Daru.*

(20) *1,000 Equity Shares transferred from Surya M. Doshi; 500 Equity Shares transferred from Parth M. Doshi; 500 Equity Shares transferred from Prachi M. Doshi; 1,000 Equity Shares transferred from Chandani Yadav; and 500 Equity Shares transferred from Mahendrabhai B. Doshi.*

(21) *500 Equity Shares transferred from the joint portfolio of Kumari Sarika P. Jain, with Pravinbhai S. Jain; and 500 Equity Shares transferred from the joint portfolio of Usha Parthiv Acharya, with Parthiv Girishbhai Acharya.*

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. None of the Equity Shares held by our Promoters are pledged.

b) *Shareholding of our Promoters and the members of our Promoter Group*

Provided below are details of Equity Shares held by our Promoters and the members of our Promoter Group as on the date of this Red Herring Prospectus:

S No.	Name of shareholder	Pre-Offer		Post-Offer	
		No. of Equity Shares	Percentage of pre-Offer capital (%)	No. of Equity Shares	Percentage of post-Offer capital (%)
Promoters					
1.	Kamlesh Chimanlal Gandhi*	6,242,818	12.59	[●]	[●]
2.	Mukesh Chimanlal Gandhi*	16,110,450	32.50	[●]	[●]
3.	Shweta Kamlesh Gandhi	16,338,450	34.96	[●]	[●]
4.	Prarthna Marketing Private Limited	1,305,257	2.63	[●]	[●]
Sub-total		**39,996,975**	**80.69**	[●]	[●]
Promoter Group					
5.	NIL	-	-	-	-
Total		**39,996,975**	**80.69**	**[●]**	**[●]**

* *Post listing of the Equity Shares through the Offer, certain Equity Shares (other than the Offered Shares) may be transferred by the respective Selling Shareholders to Kamlesh Chimanlal Gandhi and Mukesh Chimanlal Gandhi, pursuant to the FMO-Sarva Termination Agreement and the DEG Amendment Agreement. The number of Equity Shares to be so transferred will be mentioned in the Prospectus. For further details see "History and Certain Corporate Matters" on page 151.*

c) *Details of Promoters' contribution locked-in for three years*

Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer capital of our Company held by our Promoters shall be locked-in as minimum promoters' contribution for a period of three years from the date of Allotment ("**Promoters' Contribution**").

As on the date of this Red Herring Prospectus, our Promoters collectively hold 39,996,975 Equity Shares, constituting 80.69% of our Company's paid-up Equity Share capital, of which 30,946,493 Equity Shares, constituting 62.43% of our Company's paid-up Equity Share capital, are eligible for Promoters' Contribution.

Mukesh Chimanlal Gandhi and Shweta Kamlesh Gandhi have, pursuant to their letters, each dated March 23, 2017, given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer equity share capital of our Company as Promoters' Contribution and have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of the Draft Red Herring Prospectus, until the commencement of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations. Details of Promoters' Contribution are as provided below:

Name of the Promoter	No. of Equity Shares* locked-in	Date of transaction#	Face value (₹)	Allotment/ Acquisition price (₹)	Nature of transaction	% of the pre-Offer capital	% of the fully diluted post-Offer Capital
Mukesh	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Name of the Promoter	No. of Equity Shares* locked-in	Date of transaction#	Face value (₹)	Allotment/ Acquisition price (₹)	Nature of transaction	% of the pre-Offer capital	% of the fully diluted post-Offer Capital
Chimanlal Gandhi	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Shweta	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Kamlesh Gandhi	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Equity Shares were fully paid-up on the date of allotment/ acquisition.

Our Promoters have confirmed to our Company and the BRLM that the acquisition of the Equity Shares held by them and which will be locked-in as the Promoters' Contribution have been financed from personal funds/ internal accruals and no loans or financial assistance from any banks or financial institution has been availed for such purpose.

The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot, as required under the SEBI ICDR Regulations.

The Equity Shares that are being locked-in for computation of Promoters' Contribution are not, and will not be, ineligible under Regulation 33 of the SEBI ICDR Regulations. In particular, these Equity Shares do not, and shall not, consist of:

(i) Equity Shares acquired during the three years preceding the date of this Red Herring Prospectus (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets, or (b) resulting from bonus issuances of Equity Shares out of revaluations reserves or unrealised profits or against Equity Shares which are otherwise ineligible for computation of promoters' contribution;

(ii) Equity Shares acquired during the one year preceding the date of this Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(iii) Equity Shares acquired on account of conversion of partnership firms in the last one year preceding the date of this Red Herring Prospectus (given that our Company has not been formed as a result of such conversion); and

(iv) Equity Shares held by the Promoters that are subject to any pledge.

6. ***Sales or purchases of Equity Shares or other specified securities of our Company by our Promoters, the other members of our Promoter Group, directors of Prarthna Marketing Private Limited, our Corporate Promoter or our Directors or their immediate relatives during the six months immediately preceding the date of the Draft Red Herring Prospectus and until the date of this Red Herring Prospectus.***

Our Promoters, other members of our Promoter Group, directors of Prarthna Marketing Private Limited, our Corporate Promoter, our Directors or their immediate relatives have not sold or purchased any Equity Shares or other specified securities of our Company during the six months immediately preceding the date of the Draft Red Herring Prospectus and until the date of this Red Herring Prospectus, except as follows:

Name of the Promoters, other member of Promoter Group or Directors or their immediate relatives	No. of Equity Shares/ specified securities subscribed/ purchased	No. of Equity Shares/ specified securities sold/transferred	Date of transaction	Transaction price per Equity Share (₹)
Transfers of Equity Shares				
Darshana Saumil Pandya	237(1)	-	September 23, 2016	444.67
	142(2)	-	September 23, 2016	444.67
Sub-total	**379**	-		

Name of the Promoters, other member of Promoter Group or Directors or their immediate relatives	No. of Equity Shares/ specified securities subscribed/ purchased	No. of Equity Shares/ specified securities sold/transferred	Date of transaction	Transaction price per Equity Share (₹)
Saumil Pandya	236(3)	-	September 23, 2016	444.67
	142(4)	-	September 23, 2016	444.67
Sub-total	**378**	-		
Transfers of Series C CCPS				
Kamlesh Chimanlal Gandhi	-	25(5)	March 20, 2017	100,000
Mukesh Chimanlal Gandhi	-	25(6)	March 20, 2017	100,000

(1)*Transfer from Urmila Chimanlal Gandhi.*
(2) *Transfer from Urmila Chimanlal Gandhi.*
(3) *Transfer from Saurabh Chandrkant Choksi.*
(4) *Transfer from Saurabh Chandrkant Choksi.*
(5) *Transfer to Viraj Amar Patel.*
(6) *Transfer to Viraj Amar Patel.*

7. Details of share capital locked-in for one year

Except for (a) the Promoters' Contribution, which shall be locked-in as above, and (b) the Equity Shares which are sold or transferred as part of the Offer for Sale by the Selling Shareholders, the entire pre-Offer equity share capital of our Company shall be locked-in for a period of one year from the date of Allotment.

In terms of Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by the Promoters may be transferred to and among the Promoters and or members of the Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of the transferee for the remaining period and compliance with provisions of the Takeover Regulations as applicable. The Equity Shares held by persons other than the Promoters prior to the Offer and locked in under the SEBI ICDR Regulations, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in the hands of the transferee and compliance with the provisions of the Takeover Regulations.

The Equity Shares held by our Promoters which are locked-in as per Regulation 36 of the SEBI ICDR Regulations for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan. The Equity Shares locked-in as Promoters' Contribution may be pledged only if the loan has been granted by the scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Offer, and such pledge of the Equity Shares is one of the terms of the sanction of the loan.

Lock-in of Equity Shares Allotted to Anchor Investors

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

8. ***Our shareholding pattern***

The table below represents the equity shareholding pattern of our Company as on the date of Red Herring Prospectus.

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialised form (XIV)
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class	Class	Total								
								Equity	N.A.									
(A)	**Promoter and Promoter Group**	4	39,996,975	-	-	39,996,975	80.69	39,996,975	-	39,996,975	80.69	-	-	-	-	-	-	39,996,975
(B)	**Public**	16	9,572,239	-	-	9,572,239	19.31	9,572,239	-	9,572,239	19.31	-	-	-	-	-	-	9,572,239
(C)	**Non Promoter-Non Public**																	
(C) (1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C) (2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A) + (B) + (C)	**20**	**49,569,214**	**-**	**-**	**49,569,214**	**100.00**	**49,569,214**	**-**	**49,569,214**	**100.00**	**-**	**-**	**0**	**0**	**0**	**0**	**49,569,214**

9. **Shareholding of our Directors and Key Managerial Personnel in our Company**

Other than as set forth below, none of the Directors and Key Managerial Personnel hold Equity Shares as on the date of this Red Herring Prospectus:

Name	No. of Equity Shares	% of pre-Offer equity share capital
Directors		
Kamlesh Chimanlal Gandhi#	6,242,818	12.59
Mukesh Chimanlal Gandhi#	16,110,450	32.50
Darshana Saumil Pandya	948	*Negligible*
Bala Bhaskaran	945	*Negligible*
Key Managerial Personnel (other than Directors)		
Saumil Pandya	945	*Negligible*
Total	**22,356, 016**	**45.10**

 # Post listing of the Equity Shares through the Offer, certain Equity Shares (other than the Offered Shares) may be transferred by the respective Selling Shareholders to Kamlesh Chimanlal Gandhi and Mukesh Chimanlal Gandhi, pursuant to the FMO-Sarva Termination Agreement and the DEG Amendment Agreement. The number of Equity Shares to be so transferred will be mentioned in the Prospectus. For further details see "History and Certain Corporate Matters" on page 151.

10. As on the date of this Red Herring Prospectus, our Company has 20 shareholders of Equity Shares.

11. **Top 10 shareholders**

(a) Our top 10 equity shareholders and the number of Equity Shares held by them, as on the date of this Red Herring Prospectus are as follows:

S. No.	Shareholder	Number of Equity Shares held	Percentage of pre-Offer share capital (%)
1.	Shweta Kamlesh Gandhi	16,338,450	32.96
2.	Mukesh Chimanlal Gandhi#	16,110,450	32.50
3.	Kamlesh Chimanlal Gandhi#	6,242,818	12.59
4.	India Business Excellence Fund - III	3,990,422	8.05
5.	DEG	2,470,675	4.98
6.	FMO	1,739,865	3.51
7.	Prarthna Marketing Private Limited	1,305,257	2.63
8.	Sarva Capital	1,280,723	2.58
9.	Viraj Amar Patel	43,859	0.09
10.	Pravin Ratilal Share & Stock Brokers Limited	23,684	0.05
	Total	**49,546,203**	**99.95**

 # Post listing of the Equity Shares through the Offer, certain Equity Shares (other than the Offered Shares) may be transferred by the respective Selling Shareholders to Kamlesh Chimanlal Gandhi and Mukesh Chimanlal Gandhi, pursuant to the FMO-Sarva Termination Agreement and the DEG Amendment Agreement. The number of Equity Shares to be so transferred will be mentioned in the Prospectus. For further details see "History and Certain Corporate Matters" on page 151.

(b) Our top 10 equity shareholders and the number of Equity Shares held by them, as on 10 days prior to the date of this Red Herring Prospectus are as follows:

S. No.	Shareholder	Number of Equity Shares held	Percentage of issued, subscribed and paid-up Equity Share capital (%)
1.	Shweta Kamlesh Gandhi	16,338,450	34.69
2.	Mukesh Chimanlal Gandhi	16,110,450	34.21
3.	Kamlesh Chimanlal Gandhi	6,242,818	13.25
4.	Motilal Oswal Financial Services Limited	2,364,695	5.02
5.	FMO	1,739,865	3.69
6.	Motilal Oswal Securities Limited	1,625,727	3.45
7.	Prarthna Marketing Private Limited	1,305,257	2.77
8.	Sarva Capital	1,280,723	2.72
9.	Viraj Amar Patel	43,859	0.09
10.	Pravin Ratilal Share & Stock Brokers Limited	23,684	0.05
	Total	**47,075,528**	**99.95**

(c) Our top 10 equity shareholders and the number of Equity Shares held by them, as on two years prior to the date of this Red Herring Prospectus are as follows:

S. No.	Shareholder	Number of Equity Shares held	Percentage of issued, subscribed and paid-up Equity Share capital (%)
1.	Shweta Kamlesh Gandhi	6,535,380	40.85
2.	Mukesh Chimanlal Gandhi HUF	3,620,193	22.63
3.	Mukesh Chimanlal Gandhi	2,823,987	17.65
4.	Kamlesh Chimanlal Gandhi	2,497,127	15.61
5.	Prarthna Marketing Private Limited	522,103	3.26
6.	Urmilaben Chimanlal Gandhi	379	*Negligible*
7.	Bala Bhaskaran	378	*Negligible*
8.	Saurabh Chandrkant Choksi	378	*Negligible*
9.	DEG	200	*Negligible*
	Total	**16,000,125**	**100**

12. Our Company does not have any employee stock option schemes.

13. The details of Equity Shares issued by our Company in the last one year preceding the date of filing of this Red Herring Prospectus are as follows:

S. No.	Name of allotees	Whether allottee belongs to Promoter Group	Date of allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Reason for allotment
1.	Mukesh Chimanlal Gandhi, Kamlesh Chimanlal Gandhi, Shweta Kamlesh Gandhi, and Prarthna Marketing Private Limited	Yes, Promoters	November 18, 2016	24,000,188	10	-	Bonus issue
2.	Bala Bhaskaran, Mukesh Gandhi HUF, DEG, Saumil Pandya and Darshana Saumil Pandya	No					
3.	Motilal Oswal Financial Services Limited, Motilal Oswal Securities Limited	No	March 30, 2017	2,955,869	10	338.31	Preferential allotment (Pre - IPO Placement)
4.	Motilal Oswal Securities Limited	No	April 19, 2017	1,034,553	10	338.31	Preferential allotment (Pre - IPO Placement)
5.	Sarva Capital	No	September 12, 2017	1,280,723	10	322.71	Conversion of Series B CCPS
6.	FMO	No	September 12, 2017	1,739,865	10	124.93	Conversion of Series A CCPS
7.	Holders of Series C CCPS*	No	September 12, 2017	87,716	10	456.00	Conversion of Series C CCPS
8.	DEG	No	September 21, 2017	2,470,175	10	263.03	Conversion of CCDs

* *For details of allottees pursuant to conversion of Series C CCPS, see "- Notes to Capital Structure – History of Equity Share Capital" on page 76.*

14. Our Company, our Directors or the BRLM have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares or other specified securities of our Company.

15. Pursuant to the Pre-IPO Placement, MOFSL, an associate of the BRLM, was allotted 2,364,695 Equity Shares, and MOSL, a subsidiary of MOFSL was allotted 1,625,727 Equity Shares. Consequently, MOFSL and MOSL

held, in aggregate, 3,990,422 Equity Shares in the Company pursuant to the Pre-IPO Placement, which were subsequently transferred by them to India Business Excellence Fund - III ("**IBEF - III**"), a scheme of Business Excellence Trust III (a trust organized in India and registered with SEBI as a Category II Alternative Investment Fund *vide* registration number IN/AIF2/17-18/033) managed by MOPE Investment Advisors Private Limited, a subsidiary of MOFSL, on September 25, 2017. Please note that the allotment of Equity Shares to MOFSL and MOSL pursuant to the Pre-IPO Placement, and subsequent transfer to IBEF - III is in compliance with Regulation 21A of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, and the BRLM confirms that (i) it has not become a promoter or associate (as defined therein) of the Company, and (ii) IBEF - III will not sell Equity Shares in the Offer.

The BRLM and its affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company and/or our Subsidiary, for which they may in the future receive customary compensation. For details of allotments made pursuant to the Pre-IPO Placement, see "– *Notes to Capital Structure - History of Equity Share capital of our Company*" on page 76.

16. No person connected with the Offer, including, but not limited to, the BRLM, the Syndicate Member, our Company, our Subsidiary, Directors, Promoters or the members of our Promoter Group, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid.

17. Our Company has not issued any Equity Shares out of its revaluation reserves.

18. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Red Herring Prospectus.

19. There are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares as on the date of this Red Herring Prospectus.

20. Our Company has not allotted any shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or provisions of Section 232 of the Companies Act, 2013.

21. Except for the Fresh Issue, our Company presently does not intend or propose or is under negotiation or consideration to alter the capital structure for a period of six months from the Bid/ Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement.

22. Except for the Fresh Issue, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of the Red Herring Prospectus with the RoC until the Equity Shares have been listed on the Stock Exchanges.

23. None of the Equity Shares held by our Promoters are pledged.

24. During the period of six months immediately preceding the date of the Draft Red Herring Prospectus, no financing arrangements existed whereby our Promoters, other members of our Promoter Group, directors of Prarthna Marketing Private Limited, our corporate Promoter, our Directors or their relatives may have financed the purchase of securities of our Company by any other person.

25. Our Promoters and members of our Promoter Group will not submit Bids in this Offer.

26. In terms of Rule 19(2)(b)(iii) of the SCRR, the Net Offer is being made for at least 10% of the post-Offer paid-up equity share capital of our Company. The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs. Our Company and the Selling Shareholders in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing

5% of the Net QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis. The Offer also includes a reservation of up to [●] Equity Shares aggregating up to ₹ 70 million for subscription by Eligible Employees. The Company and the Selling Shareholders, in consultation with the BRLM, may offer a discount of ₹ [●] per Equity Share to the Eligible Employees Bidding in the Employee Reservation Portion at the time of making a Bid.

27. Eligible Employees Bidding in the Employee Reservation Portion can Bid upto a Bid Amount of ₹ 500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of upto ₹ 200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation over ₹ 200,000), shall be added to the Net Offer.

28. In the event of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be allowed from the Employee Reservation Portion to the Net Offer. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLM and the Designated Stock Exchange, in accordance with applicable laws. Under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from any category or combination thereof.

29. The Equity Shares issued pursuant to this Offer shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.

30. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

31. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group, if any, during the period between the date of registering this Red Herring Prospectus with the RoC and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transactions.

32. Oversubscription to the extent of 10% of the Offer to the public can be retained for the purposes of rounding off to the nearer multiple of minimum Allotment lot.

OBJECTS OF THE OFFER

The Offer consists of the Fresh Issue and the Offer for Sale.

Offer for Sale

The Selling Shareholders will be entitled to the proceeds of the Offer for Sale of their respective portions of the Offered Shares, respectively net of their proportion of Offer related expenses. Our Company will not receive any proceeds from the Offer for Sale. All expenses in relation to the Offer will be shared in the proportion mutually agreed among our Company and the Selling Shareholders in accordance with applicable law and upon successful completion of the Offer. Each of the Selling Shareholders shall reimburse our Company for all expenses incurred by our Company in relation to the Offer for Sale on behalf of such Selling Shareholder. However, in the event that the Offer is withdrawn or not completed for any reason whatsoever, all Offer related expenses will be borne by our Company.

Objects of the Fresh Issue and requirement of funds

The details of the proceeds of the Fresh Issue are summarized below:

(₹ million)

Particulars	Amount
Gross proceeds of the Fresh Issue	2,330
(Less) Offer related expenses in relation to the Fresh Issue[#(a)]	[●]
Net Proceeds	[●]

[#]To be finalised upon determination of the Offer Price.
[(a)] The fees and expenses relating to the Offer shall be shared in the proportion mutually agreed between the Company and the respective Selling Shareholders in accordance with applicable law and upon successful completion of the Offer.

After deducting the Offer related expenses in relation to the Fresh Issue, we estimate the proceeds of the Fresh Issue to be ₹ [●] million ("**Net Proceeds**").

As an NBFC, we are subject to regulations relating to the capital adequacy, which determine the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio and of the risk adjusted value of off-balance sheet items, as applicable. Under RBI's Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, as amended from time to time, we are required to have a regulatory minimum CRAR of 15%. As at June 30, 2017, our Company's CRAR was 23.80 % on a standalone basis, of which Tier I capital was 18.52 %. Our Company proposes to utilise the Net Proceeds from the Fresh Issue towards augmenting its capital base to meet future capital requirements.

Further, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, enhancement of our Company's brand name and creation of a public market for our Equity Shares in India.

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable our Company to undertake its existing activities and the activities for which funds are being raised through the Fresh Issue.

Proposed schedule of implementation and deployment of the Net Proceeds

The Net Proceeds are currently expected to be deployed in Fiscal Years 2018 and 2019.

Offer related expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The Offer related expenses include fees payable to the BRLM and legal counsel, fees payable to the auditors, brokerage and selling commission, commission payable to Registered Brokers, SCSBs' fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

The fees and expenses relating to the Offer shall be shared in the proportion mutually agreed between the Company and the respective Selling Shareholders in accordance with applicable law and upon successful completion of the Offer. Further, all expenses incurred by the Company on behalf of the respective Selling Shareholder, in relation to appointment of any intermediary, shall be pre-authorized by the respective Selling Shareholder and shall be shared amongst the Company and the respective Selling Shareholders in the proportion mutually agreed between our Company and the respective Selling Shareholders and in accordance with applicable law, upon successful completion of the Offer. However, in the event that the Offer is withdrawn or not completed for any reason whatsoever, all Offer related expenses will be borne by our Company.

The estimated Offer expenses are as under:

S. No.	Activity	Estimated amount* (₹ in million)	As a % of total estimated Offer Expenses*	As a % of Offer Size*
1.	Payment to the BRLM (including brokerage and selling commission)	[●]	[●]	[●]
2.	Selling commission and processing fees for SCSBs (1)	[●]	[●]	[●]
3.	Brokerage, selling commission and bidding charges for the Members of the Syndicate, Registered Brokers, RTAs and CDPs (2) (3) (4)	[●]	[●]	[●]
4.	Fees payable to the Registrar to the Offer	[●]	[●]	[●]
5.	Others: i. Listing fees, SEBI filing fees, book building software fees and other regulatory expenses; ii. Printing and stationery expenses; iii. Advertising and marketing expenses for the Offer; and iv. Miscellaneous expenses (including fees to legal counsel, auditors, chartered accountants etc.)	[●]	[●]	[●]
	Total Estimated Offer Expenses	[●]	[●]	[●]

* *To be incorporated in the Prospectus after finalisation of the Offer Price.*
(1) *Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are directly procured by the SCSBs would be as follows:*

Portion for Retail Individual Bidders: 0.35% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders: 0.15% of the Amount Allotted* (plus applicable taxes)
**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

Selling commission payable to the SCSBs will be determined on the basis of the bidding terminal identity as captured in the Bid Book of BSE or NSE.

No processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.

Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non Institutional Bidders which are procured by the members of the Syndicate/sub Syndicate/ Registered Brokers/ RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for Retail Individual Bidders: ₹10 per valid application* (plus applicable taxes)
Portion for Non-Institutional Bidders: ₹10 per valid application* (plus applicable taxes)
**Based on valid applications.*

(2) *Selling commission payable to the members of the Syndicate (including their Sub-Syndicate Members), RTAs and CDPs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by them would be as follows:*

Portion for Retail Individual Bidders: 0.35% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders: 0.15% of the Amount Allotted* (plus applicable taxes)
* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

The Selling Commission payable to the Syndicate/ Sub-Syndicate Members will be determined on the basis of the application form number/ series, provided that the application is also bid by the respective Syndicate/ Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number/ series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate/ Sub-Syndicate Member.

(3) *Bidding/uploading charges payable to members of the Syndicate (including their Sub-Syndicate Members), RTAs and CDPs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows:*

₹10 per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

The selling commission and Bidding Charges payable to the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

(3) *Selling commission payable to the Registered Brokers on the portion for Retail Individual Bidders and Non-Institutional Bidders, which are directly procured by the Registered Brokers and submitted to SCSBs for processing, would be as follows:*

Portion for Retail Individual Bidders: ₹ 10 per valid application* (plus applicable taxes)
Portion for Non-Institutional Bidders: ₹ 10 per valid application* (plus applicable taxes)

Amount of selling commission payable to Registered Brokers shall be determined on the basis of applications which have been considered eligible for the purpose of Allotment.

Appraisal and Bridge Loans

The above fund requirements have not been appraised by any bank or financial institution.

Means of Finance

Our Company proposes to utilise the Net Proceeds from the Fresh Issue towards augmenting its capital base to meet future capital requirements. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue.

Interim Use of Net Proceeds

Pending utilization for the purposes described above, we intend to deposit the Net Proceeds only in scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as may be approved by our Board or IPO Committee.

Monitoring of Utilization of Funds

We have appointed Axis Bank Limited as the Monitoring Agency for the Offer.

Our Board and the Monitoring Agency will monitor utilization of the Net Proceeds. The Monitoring Agency will also submit a report to our Board under Regulation 16(2) of the SEBI ICDR Regulations.

Our Audit Committee shall monitor the utilization of the proceeds of the Offer. We will disclose the utilization of the Net Proceeds, including interim use, under a separate head specifying the purpose for which such proceeds have been utilized along with details, if any in relation to all proceeds of the Offer that have not been utilised thereby also indicating investments, if any, of the unutilized proceeds of the Offer in our balance sheet for the relevant fiscal years.

Pursuant to the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the use and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Till such time as all the Net Proceeds have been utilized in full, our Company shall prepare an annual statement, certified by our Statutory Auditors, of funds utilised for purposes other than those stated in this Red Herring Prospectus and place it before the Audit Committee. Additionally, the report of the Monitoring Agency will also be placed before the Audit Committee promptly upon its receipt.

Further, in terms of Regulation 32 of the SEBI Listing Regulations, our Company will furnish a quarterly statement on deviations and variations, if any, in the use of proceeds from the objects stated in this Red Herring Prospectus to the Audit Committee for review, and post such review, submit the statement with the Stock Exchange in accordance with the SEBI Listing Regulations. This statement would also be published in the newspapers, after placing it before the Audit Committee and its explanation in the Directors' report in the annual report of our Company, in accordance with Regulation 47 and other applicable provisions of SEBI Listing Regulations. Additionally, our Company will also submit to the Stock Exchanges any comments or reports received from the Monitoring Agency.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Directors, Key Management Personnel and the members of our Promoter Group or our Group Company, except in the normal course of business and in compliance with applicable law.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the objects of the Fresh Issue, unless authorised by our shareholders in a general meeting by way of a special resolution. Pursuant to the Companies Act, 2013, our Promoters or controlling shareholders will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, in accordance with our Articles of Association and Chapter VI-A of the SEBI ICDR Regulations.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders, in consultation with the BRLM on the basis of assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to the sections "*Our Business*", "*Risk Factors*", "*Financial Statements*" and "*Management Discussion and Analysis"* on pages 129, 17, 202 and 355 respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe the following are our competitive strengths:

- Track record of consistent growth with quality loan portfolio
- Diversified product offerings presenting significant growth opportunities
- Access to diversified sources of capital and cost-effective funding
- Deep market knowledge through extensive sourcing channels
- Robust credit assessment and risk management framework
- Experienced management team with reputed investors

For further details, please see "*Our Business*" and "*Risk Factors*" on pages 129 and 17, respectively.

Quantitative factors

Some of the information presented in this section relating to our Company is derived from the Restated Financial Statements prepared in accordance with the Indian GAAP and restated as per the SEBI ICDR Regulations. Some of the quantitative factors, which form the basis for computing the Offer Price, are as follows:

1. ***Basic Earnings Per Share excluding exceptional items (Basic EPS) & Diluted Earnings Per Share excluding exceptional items (Diluted EPS)***

On a standalone basis

Financial Period	Basic EPS (₹) (1)	Diluted EPS (₹) (1)	Weightage
Financial Year ended March 31, 2017	15.86	15.08	3
Financial Year ended March 31, 2016	11.63	11.63	2
Financial Year ended March 31, 2015	8.83	8.83	1
Weighted Average (2)	**13.28**	**12.89**	
Three-month period ended June 30, 2017*	5.04	4.75	

* *Not annualized. Refer to Note 32.2 of "Annexure 32 - Restated Standalone Summary Statement of Earning Per Share" of the Restated Standalone financial statements for calculation of Basic EPS and Diluted EPS for the three-month period ended June 30, 2017*

(1) *Basic EPS and Diluted EPS calculations are in accordance with Accounting Standard 20 (AS-20) 'Earnings per Share', notified under Section 133 of Companies Act, 2013 read together along with paragraph 7 of the Companies (Accounts) Rules, 2014.*

(2) *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each year] / [Total of weights]*

On a consolidated basis

Financial Period	Basic EPS (₹) (1)	Diluted EPS (₹) (1)	Weightage
Financial Year ended March 31, 2017	16.14	15.33	3
Financial Year ended March 31, 2016	11.82	11.82	2
Financial Year ended March 31, 2015	9.12	9.12	1
Weighted Average (2)	**13.53**	**13.13**	

Financial Period	Basic EPS (₹) (1)	Diluted EPS (₹) (1)	Weightage
Six-month period ended June 30, 2017*	5.04	4.75	

* *Not annualized. Refer to Note 32.2 of "Annexure 32 - Restated Standalone Summary Statement of Earning Per Share" of the Restated Standalone financial statements for calculation of Basic EPS and Diluted EPS for the three-month period ended June 30, 2017*

(1) *Basic EPS and Diluted EPS calculations are in accordance with Accounting Standard 20 (AS-20) 'Earnings per Share', notified under Section 133 of Companies Act, 2013 read together along with paragraph 7 of the Companies (Accounts) Rules, 2014.*

(2) *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each year] / [Total of weights]*

2. ***Price Earning (P/E) Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share of ₹ 10 each***

Financial Period	P/E ratio at the lower end of the Price Band (no. of times)*	P/E ratio at the lower end of the Price Band (no. of times)*
Based on Basic EPS for the financial year ended March 31, 2017 – standalone basis	[●]	[●]
Based on Diluted EPS for the financial year ended March 31, 2017 – standalone basis	[●]	[●]
Based on Basic EPS for the financial year ended March 31, 2017 – consolidated basis	[●]	[●]
Based on Diluted EPS for the financial year ended March 31, 2017 – consolidated basis	[●]	[●]

**will be populated in the Prospectus*

Industry P/E ratio

Financial Period	P/E (x)*
Highest	56.59
Lowest	23.75
Average	41.51

* *The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section.*

3. ***Return on Net Worth (RoNW)****

As per the Restated Standalone Financial Statements of our Company:

Financial Period	RoNW (%)	Weightage
Financial Year ended March 31, 2017	20.60%	3
Financial Year ended March 31, 2016	27.89%	2
Financial Year ended March 31, 2015	24.71%	1
Weighted Average	**23.72%**	
Three-month period ended June 30, 2017**	6.01%*	

* *Net Profit after tax, as restated / Net worth, as restated, at the end of the period/year*
** *Not annualized and includes exceptional item*

As per the Restated Consolidated Financial Statements of our Company:

Financial Period	RoNW (%)	Weightage
Financial Year ended March 31, 2017	20.65%	3
Financial Year ended March 31, 2016	27.77%	2
Financial Year ended March 31, 2015	24.98%	1

Financial Period	RoNW (%)	Weightage
Weighted Average	**23.75%**	
Three-month period ended June 30, 2017**	6.03%*	

* *Net Profit after tax, as restated / Net worth, as restated, at the end of the period/year*
** *Not annualized and includes exceptional item*

Notes:
(1) *Weighted average = Aggregate of year-wise weighted Net Worth divided by the aggregate of weights i.e. [(Net Worth* ***x*** *Weight) for each year] / [Total of weights]*
(2) *Return on Net Worth (%) = Net Profit after Taxation (as restated) divided by Net worth at the end of the year.*
(3) *Net worth has been computed as the aggregate of share capital and reserves and surplus (including securities premium, share option outstanding account, debenture redemption reserve and surplus/ (deficit) of our Company).*

4. *Minimum Return on Net Worth after Offer to maintain Pre-Offer EPS (excluding exceptional items) of ₹ [●] for Fiscal 2017**

Financial Period	At Floor Price	At Cap Price
To maintain pre-Offer basic EPS		
On standalone basis	[●]%	[●]%
On consolidated basis	[●]%	[●]%
To maintain pre-Offer basic EPS		
On standalone basis	[●]%	[●]%
On consolidated basis	[●]%	[●]%

**will be populated in the Prospectus*

5. *Net Asset Value per Equity Share of face value of ₹10 each**

(i) As of June 30, 2017, our net asset value per share was ₹ 76.41 and ₹ 77.53, on a standalone and consolidated basis, respectively, as per our Restated Financial Statements. As of March 31, 2017, our net asset value per Equity Share was ₹ 65.13 and ₹ 66.25, on a standalone and consolidated basis, respectively, as per our Restated Financial Statements.

(ii) After the Offer on an standalone basis:

(a) At the Floor Price: ₹ [●]
(b) At the Cap Price: ₹ [●]

(iii) After the Offer on a consolidated basis:

(a) At the Floor Price: ₹ [●]
(b) At the Cap Price: ₹ [●]

(iv) Offer Price: ₹ [●]

**will be populated in the Prospectus.*

Notes:
(1) *Offer Price per Equity Share will be determined on conclusion of the Book Building Process.*
(2) *Net Asset Value Per Equity Share = net worth as per the restated financial information / number of equity shares outstanding as at the end of year/period*
(3) *Net worth has been computed by aggregating share capital and reserves and surplus as per the audited restated financial information. There is no revaluation reserve or miscellaneous expenditure (to the extent not written off).*

6. ***Allotment of Shares in Pre-IPO Placement***: MOFSL and MOSL were allotted an aggregate 3,990,422 Equity Shares, representing 8.05% of the Pre-Offer Capital of the Company at a price of ₹ 338.31 per Equity Share. The 3,990,422 Equity Shares held by MOFSL and MOSL were subsequently transferred by them to India Business Excellence Fund - III, a scheme of Business Excellence Trust III (a trust organized in India and registered with SEBI as a Category II Alternative Investment Fund *vide* registration number IN/AIF2/17-18/033) managed by MOPE Investment Advisors Private Limited, a subsidiary of MOFSL, on September 25, 2017.

7. The average cost of acquisition per share by our Promoters, calculated by taking the average of the amounts paid by our Promoters to acquire Equity Shares, is as given below.

Name of Promoter	Average cost of acquisition per Equity Share* (₹)
Kamlesh Chimanlal Gandhi	1.06
Mukesh Chimanlal Gandhi	1.38
Shweta Kamlesh Gandhi	1.09
Prarthna Marketing Private Limited	2.38

* *As certified by M. R. Pandhi & Associates, pursuant to certificate dated September 14, 2017.*

8. ***Comparison of Accounting Ratios with Listed Industry Peers***

Name of Company	Standalone/ Consolidated	Face Value (₹ per share)	EPS (₹)		NAV[1] (₹ per share)	P/E (x)	P/B (x)	RoNW (%)
			Basic	Diluted				
MAS Financial Services Limited	Consolidated	10	16.14	15.33	66.25	[●]	[●]	20.60
Shriram City Union Finance Limited	Consolidated	10	87.68	87.58	785.94	23.75	2.65	11.14
Capital First Limited	Standalone	10	23.20	21.76	224.43	36.75	3.56	9.69
Mahindra & Mahindra Financial Services Limited	Consolidated	2	9.06	9.00	122.44	48.94	3.60	7.35
Bajaj Finance Limited	Consolidated	2	34.01	33.67	176.01	56.59	10.83	19.13

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis and is sourced from the annual report of the respective companies for the year ended as on March 31, 2017 unless provided otherwise. All the financial information for our Company mentioned above for the year ended March 31, 2017 is consolidated.

Notes

1. *NAV is computed as the closing net worth divided by the closing outstanding number of equity shares adjusted for subsequent change in capital structure (if any)*
2. *P/E Ratio has been computed based on the closing market price of equity shares as on September 14, 2017 on the BSE Limited, divided by the Diluted EPS*
3. *P/B Ratio has been computed based on the closing market price of equity shares as on September 14, 2017 on the BSE Limited, divided by the NAV*
4. *RONW is computed as net profit after tax (after extra-ordinary item) divided by net worth excluding revaluation reserve at the end of the year. Net worth represents the aggregate of the paid-up share capital and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account*

STATEMENT OF TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

September 13, 2017

To
The Board of Directors
MAS Financial Services Limited
6, Ground Floor, Narayan Chambers,
B/H Patang Hotel, Ashram Road
Ahmedabad- 380009

Dear Sirs,

We refer to the proposed initial public offering of the equity shares ("Equity Shares") of MAS Financial Services Limited (the "Company", and such offering, the "Offer"). We enclose herewith the statement showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the Income-tax Act 1961, as amended, for inclusion in the Red Herring Prospectus ("RHP") and Prospectus ("Offer Documents") for the proposed Offer.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Income-tax Act 1961. Hence the ability of the Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

We do not express any opinion or provide any assurance whether:

- The Company or its shareholders will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include the enclosed statement regarding the tax benefits available to the Company and to its shareholders in the Offer Documents for the Offer which the Company intends to file and/or submit to the Securities and Exchange Board of India, Registrar of Companies and stock exchanges, provided that the below statement of limitation is included in the offer document.

LIMITATIONS

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the Offer relying on the statement.

This statement has been prepared solely in connection with the Offer under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

For Deloitte Haskins & Sells LLP

Chartered Accountants

ICAI Firm Registration Number: 1–7366W/W - 100018

Yogesh G Shah

Partner

Membership No. 40260
Ahmedabad

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO MAS FINANCIAL SERVICES LIMITED ("COMPANY") AND ITS SHAREHOLDERS

The information provided below sets out the possible direct tax benefits available to the Company and its shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the equity shares of the Company ("Equity Shares"), under the current tax laws presently in force in India. Several of these benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the Company and its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on commercial imperatives a shareholder faces, may or may not choose to fulfill. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice.

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THEIR PARTICULAR SITUATION.

Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on this statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on this statement.

This statement has been prepared solely in connection with the offering of Equity Shares by the Company under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND TO ITS SHAREHOLDERS

I. Special tax benefits available to the Company

There are no special tax benefits available to the Company under the provisions of the Income Tax Act, 1961.

II. Special tax benefits available to Shareholders

There are no special tax benefits available to the shareholders under the provisions of the Income Tax Act, 1961.

NOTES:

1. The above benefits are as per current tax laws.

2. This statement does not discuss any tax consequences in the country outside India of an investment in the Equity Shares. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources, including reports that have been prepared by CRISIL Limited ("CRISIL") that have the following disclaimer:

"CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. MAS Financial Services Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."

The information has not been independently verified by us, the BRLM, or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications that have been relied upon may alter their assumptions and may change their forecasts. We or the BRLM may not be able to update or alter such data immediately or at all. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect or may not be consistent across sources. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

The Indian Economy

The Indian economy is one of the largest economies in the world, with a gross domestic product ("**GDP**") on purchasing power parity basis of an estimated US$7.99 trillion in calendar year 2015. Per capita GDP in India has grown from an estimated US$5,500.00 in calendar year 2013 to an estimated US$6,200.00 in calendar year 2015. (*Source: World Factbook, available on https://www.cia.gov/library/publications/the-world-factbook/geos/print_in.html*). The RBI has stated that India's GDP was 7.60% in Fiscal 2016 against 7.20% in Fiscal 2015. (*Source: Reserve Bank of India Monetary Policy Report - October 2016*).

Financial Inclusion in India

Given the sheer size of the Indian population and considering that a large section still lacks access to formal banking services, driving financial inclusion has always been a key priority for the government. The banking system and 'priority sector' lending have been the most explored channels to bring majority of the population under the ambit of formal credit institutions. India is on the threshold of a high-growth trajectory, hence financial inclusion is imperative for sustaining equitable growth. In India, the major reasons for financial exclusion are poverty, low income, financial illiteracy, high transaction cost, and lack of infrastructure, primarily IT infrastructure. Consequently, a significant proportion of the population still does not have access to formal banking facilities. The global average of adult population with an account (at a bank, financial institution or with mobile money providers) is about 62%. India is far behind at about 53%. However, its average is above that of South Asia, which is relatively low at about 46% due to poor financial inclusion, especially certain of its neighbouring countries. *(Source: CRISIL Microfinance Industry Information, 2016 ("CRISIL MFI Information, 2016"))*

Financial inclusion is a comprehensive exercise that constitutes several products and services, such as provision bank accounts, insurance facilities, payment and remittance mechanisms, financial counselling, and most crucially, affordable credit. The government undertook several initiatives, which were orchestrated by the National Bank for Agriculture and Rural Development ("**NABARD**") and executed through entities such as regional rural banks, cooperatives and commercial banks. During the late 1970s, these lending institutions achieved significant reach and increasing number of individuals did avail of credit facilities. However, major delinquencies in repayment severely impaired the financial health of the entities. Furthermore, despite the rapid expansion in the scale of the institutions, several households continued to face difficulties in accessing credit facilities. *(Source: CRISIL MFI Information, 2016)*

Within the large suite of products and services under financial inclusion, microfinance institutions have a major role to play in the provision of credit. The sheer size of the market (in terms of financially-excluded households), a business model that offers sustainable credit to the poor at affordable rates and a repayment cycle spread over a longer duration, have been key growth drivers for micro finance industries ("**MFIs**") operating in India. *(Source: CRISIL MFI Information, 2016)*

Non-Banking Finance Companies in India

A non-banking financial company ("**NBFC**") is a company registered under the Companies Act, 1956, and is engaged in business of loans and advances; acquisition of shares/stock/bonds/debentures/securities issued by government or local authority or other securities of marketable nature; leasing; hire-purchase; insurance business; and chit business.

Financing requirements in India have risen in sync with the economy's notable growth over the past decade. NBFCs have played a major role in meeting this need, complementing banks and other financial institutions. NBFCs help fill gaps in the availability of financial services with respect to products as well as customer and geographic segments. A strong linkage at the grassroots level makes them a critical cog in the financial system. They cater to the masses in rural and semi-urban reaches, who have limited access to formal financing channels and lend to the informal sector and people without credit histories, thereby enabling the government and regulators to realise the mission of financial inclusion. The outstanding loans of NBFCs grew at approximately 20% between Fiscals 2012 and 2016. As of March 2016, they accounted for 15% of the overall systemic credit. *(Source: CRISIL Overview of NBFCs in India, 2016 ("CRISIL NBFC Overview, 2016"))*

NBFCs share in systemic credit is growing steadily

1. Banks' credit includes outstanding of RRBs and Cooperative banks;
2. Capital market borrowing and ECB includes corporate bond, commercial papers outstanding; but excludes amounts raised by banks & NBFC

(Source: CRISIL NBFC Overview, 2016)

On November 8, 2016, the Government of India withdrew legal tender of ₹ 500 and ₹ 1,000 denominations bank notes. Pursuant to this currency demonetisation, these high denomination notes have no value and cannot be used for transactions or exchange purposes with effect from November 9, 2016. These notes were replaced with a new series of bank notes of ₹ 500 and ₹ 2,000 denominations through banks until December 31, 2016 with strict limits on exchange and withdrawal of currency. The process of demonetization and replacement of these high denomination notes has significantly reduced the liquidity in the Indian economy, a primarily cash-based economy.

Due to this demonetisation measure, although the projected growth of NBFCs is expected to be impacted in Fiscal 2017, it is estimated to recover in Fiscal 2018. *(Source: CRISIL Demonetisation Impact on NBFCs, December 2016)* However, the outstanding growth in NBFCs has not been uniform across segments. The loan book of NBFCs is estimated to post

17% CAGR between fiscals 2017 and 2018. In the past, NBFCs gained market share at the expense of banks owing to focused lending, widening reach, and resource raising ability. However, going forward, CRISIL estimates that the growth will moderate significantly given a slew of regulations in terms of convergence with banks. Further, with slowing corporate demand for loans, banks have shifted their focus to retail assets. As a result, the pace of growth in the market share of NBFCs in most segments will slow down compared with the past. While the traditional businesses are expected to achieve stable growth, NBFCs are also actively looking at niche segments such as SME loans and low-cost housing finance for higher growth and diversification. *(Source: CRISIL NBFC Overview, 2016)*

Competitive advantage of NBFCs

By virtue of access to low-cost funds and an extensive branch network, banks compete with NBFCs, especially on the cost front. However, with their strategic presence in lending segments as well as geographies, NBFCs have carved out a niche for themselves to effectively compete with banks. The niche product focus of NBFCs enables them to make customized offerings. Currently, NBFCs dominate construction equipment finance, while they are slowly gaining market share in housing, loan against property, and microfinance. In emerging segments such as small and medium enterprise finance and wholesale finance, NBFCs have doubled their market share in the past five years even though it is still at a lower level. Low penetration in tier-II and tier-III cities, product and process innovation, and continued focus on core businesses will be the key enablers for steady growth. *(Source: CRISIL NBFC Overview, 2016)*

Microfinance sector in India

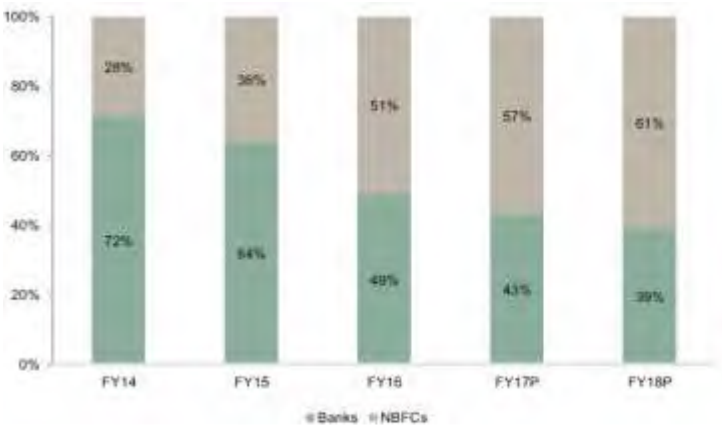
Micro-financing is aimed at aiding the under-privileged in undertaking economic activity, smoothening consumption and mitigating vulnerability to income shocks (in times of illness and natural disasters), thereby increasing their savings. Microcredit is the most common product offering of the microfinance industry. It refers to loans of very small amounts to borrowers who typically lack collateral, steady employment and verifiable credit history. Microfinance in India is synonymous with microcredit; this is because savings, thrift and micro insurance constitute a miniscule segment of the space. The NABARD is the main felicitator and mentor of microfinance initiatives in the country, with a focus on rural areas. It is assisting eligible NBFC-MFIs by providing them long-term refinance support. *(Source: CRISIL MFI Information, 2016)*

MFIs are the major players in the microfinance space in India. They are defined as non-deposit taking NBFCs (other than a company licensed under Section 25 of the Indian Companies Act, 1956) with minimum net owned funds of ₹ 50 million (for NBFC-MFIs registered in the north-eastern region, it is ₹ 20 million) and having not less than 85% of its net assets as "qualifying assets". Qualifying assets for NBFC-MFIs are non-collateral loans given to eligible borrowers. MFIs in India are less than two decades old and have seen a spurt in growth and penetration only over the past six years. In India, as per Micro Finance Institutions Network ("**MFIN**") data, NBFC-MFIs have a footprint in 30 states and union territories, and serve as many as 33.2 million clients. They have a total loan portfolio of ₹ 594 billion, as of March 2016. As per MFIN data, in Fiscal 2015, MFIs covered 489 districts (district level data not available for Fiscal 2016). *(Source: CRISIL MFI Information, 2016)*

Rising penetration driving remarkable growth in microfinance industry

Group lending model helps MFIs widen reach to low-income households Even as banks have been the traditional source of funds, constraints in the form of varying income levels, absence of collateral and significant fixed operational cost in proportion to small-ticket loans have limited their geographical and demographic reach.

NBFCs gaining market share in microfinance industry: Share of NBFCs vis-a-vis banks



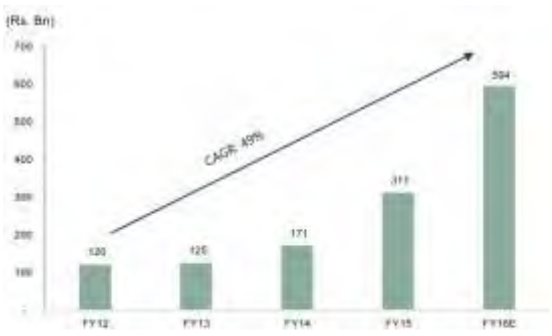
P – Projected
Includes players with SFB licence and excluding Bandhan Financial Services Limited which has now become a bank.

(Source: CRISIL Microfinance Opinion, 2016, ("CRISIL MF Opinion, 2016"))

In a bid to effectively tackle issues faced by conventional bank lending models, MFIs adopted an alternative operating mechanism in the form of group lending models, such as joint lending group ("**JLGs**") and self-help group ("**SHGs**"). These models are based on certain common principles, such as identifying individuals with similar credit requirements and using peer pressure to curb delinquencies. Under JLG, the amount is lent to individuals, who subsequently repay the amount directly to the lender. Under the SHG model, funds are lent to groups, which are trained to maintain financial records and are responsible for collections required to repay loan amounts to lenders. If a member defaults within a group, other members can pool in funds to ensure timely repayment and prevent the group from getting blacklisted. Furthermore, in comparison with banks, MFIs are able to charge higher interest rates to cover the financing and operational costs, and yet maintain sustainable profit margin. In a nutshell, MFIs have been able to provide a viable alternative mechanism to drive the financial inclusion agenda. *(Source: CRISIL MFI Information, 2016)*

The gross loan portfolio ("**GLP**") of MFIs has grown at a CAGR of 49% in the last four years (from Fiscal 2012 to Fiscal 2016). In the past two years, the industry logged 82% and 91% (to ₹ 594 billion) on-year rise in its overall loan portfolio in Fiscal 2015 and Fiscal 2016, respectively. MFI's GLP reached close to ₹ 600 billion in Fiscal 2016. Number of borrowers grew at 22% CAGR in the four-year period. Borrowers' count reached 33.2 million in Fiscal 2016, up 47% on-year, as some large MFIs focused on the untapped urban and semi-urban market and also recorded huge growth in overall disbursement. Average ticket size grew at a 13% CAGR in the previous four years reaching ₹ 17,807 in Fiscal 2016, up 21% on-year driven by strong urban disbursement growth, where the loan amount per account is usually higher than in rural areas. *(Source: CRISIL MF Opinion, 2016).*

Strong growth in MFI Loan Portfolio



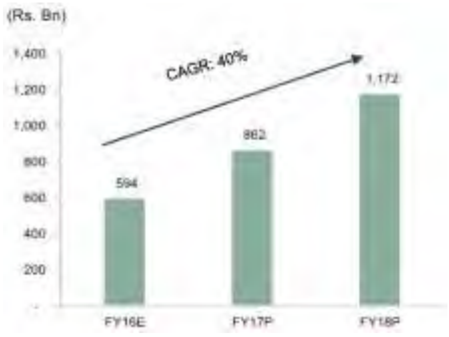
E- Estimated

1. MFIN data assumed to represent over 90% of the overall market.
2. Overall GLP includes only NBFC-MFIs and excludes, for all years, numbers of Bandhan Financial Services Limited which has now become a bank.

(Source: CRISIL MF Opinion, 2016)

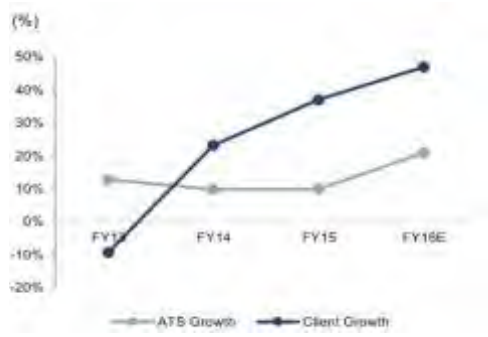
Based on this outperformance, CRISIL expects the industry growth to remain healthy, at around 40% annually, in the next two years but lower compared to Fiscal 2016, as rural areas in well-penetrated states mature. *(Source: MF Opinion, 2016)*

Strong growth to continue in MFI loan portfolio



P- Projected
(Source: CRISIL MF Opinion, 2016)

Growth supported by increase in average ticket size and client penetration

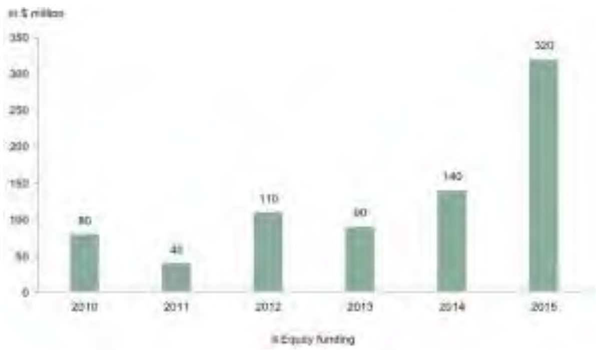


E- Estimated
(Source: CRISIL MF Opinion, 2016)

Owing to demonetisation measures, growth estimate for this sector in Fiscal 2017 has fallen to 8%. However, it is expected to revive and grow at the rate of 35% in Fiscal 2018. Disbursement in this sector is expected to decline sharply in the second half of Fiscal 2017. *(Source: CRISIL Demonetisation Impact on NBFCs, December 2016)*. Notwithstanding demonetisation, MFIs client base is expected to grow 25% CAGR from Fiscal 2016 to Fiscal 2018, backed by continued economic recovery and increasing demand from poor and lower middle class customers, especially from urban and semi-urban areas. Loan demand will mainly come from trading and services sectors and also from household finance. *(Source: MF Opinion, 2016).*

MFI attractive for investors - Equity funding in MFI increased by more than 100% in 2015

The microfinance industry in India has gained a lot of investors' attention over the past half-decade, with the top players posting high returns and sustainable growth numbers. Resultantly, many NBFCs have been launched in the space with support from private equity players, venture capitalists as well as banks themselves. Investment in the sector was close to $800 million during 2010 to 2015. *(Source: CRISIL MFI Information, 2016)*



(Source: CRISIL MFI Information, 2016)

Key Success Factors

Geographically diversified portfolio helps MFIs mitigate risks

Given that fixed operating cost is relatively high, considering the value of the loan amount, scale of operations is a crucial factor for MFIs. Firstly, a large, well-diversified portfolio in different geographies enables players to mitigate risks associated with a concentrated portfolio. Apart from this, having a wider scale of operations helps them cut down operating expenses, as a percentage of outstanding loans. *(Source: CRISIL MFI Information, 2016)*

Technology to be major enabler for MFIs to monitor portfolios and maintain asset quality

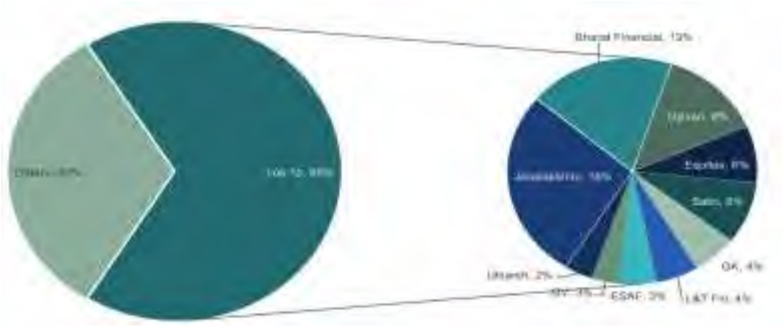
Apart from the cost benefits arising from automated documentation processes, having a robust back-end technological set up enables players to effectively monitor their loan portfolio. Technology is also likely to play a major role in preventing internal accounting lapses and facilitate a better monitoring mechanism for collections. Further, credit bureaus such as Equifax Inc. and Highmark Insurance Company are engaged in collecting data from several MFIs and building a comprehensive database that captures the credit history of borrowers. Receiving regular updates on borrowers' credit profiles from such bureaus will help MFIs maintain stronger asset quality. *(Source: CRISIL MFI Information, 2016)*

Managing local stakeholders - key determinant of MFIs' success

Considering the sensitive nature of operations, MFIs must ensure that their activities do not antagonise local leaders and government authorities. Apart from adherence to legal and regulatory guidelines, maintaining amicable relations with stakeholders in the respective geographies is a key determinant of MFIs' success. *(Source: CRISIL MFI Information, 2016)*

Competitors in microfinance segment

The top 10 MFIs accounted for 68% of the industry's overall gross loan portfolio in Fiscal 2016. *(Source: MF Opinion, 2016)* The illustration below demonstrates the share of major players in the microfinance segment:



Janalakshmi – Janalakshmi Financial Services; Bharat Financial Inclusion Limited; Ujjivan- Ujjivan Financial Services Limited; Equitas – Equitas Holdings Limited; Satin - Satin Creditcare Network Limited; GK - Grameen Koota Financial Services Private Limited; L&T Fin - L&T Finance Holdings; ESAF - ESAF Microfinance and Investments Private Limited; GV- Grama Vidiyal Microfinance Limited

(Source: MF Opinion, 2016)

Micro, Small and Medium Finance Segment in India

India's micro, small and medium enterprises ("**MSMEs**") contribute enormously to economic development. In Fiscal 2016, MSMEs accounted for about 45% of the country's manufacturing output and 40% of total exports. Further, the sector contributes to the socio-economic development of the country by providing employment in rural and backward areas, thereby reducing regional imbalance. In fact, MSMEs provide about 25% of the country's employment opportunities. Also, approximately 45% of MSMEs are located in rural areas. MSMEs complement large units as suppliers as well. The RBI defines MSMEs in line with the Micro, Small and Medium Enterprises Development Act, 2006. This definition is based on investment in plant and machinery. *(Source: CRISIL Micro, Small and Medium Enterprises Finance Opinion, 2016 ("CRISIL MSME Opinion, 2016"))*

Segregation of MSMEs under Medium Enterprises Development Act, 2006

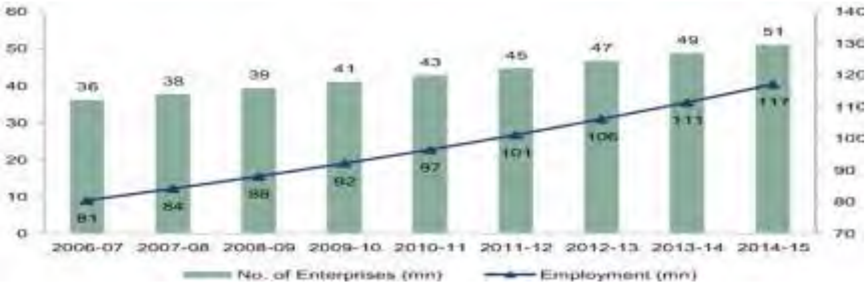
Enterprise	Investment in Plant and Machinery	
	Manufacturing	**Services**
Micro	Less than ₹ 2.5 million	Less than ₹ 1 million
Small	₹ 2.5 to 50.0 million	₹ 1 to 20 million
Medium	₹ 50 – 100 million	₹ 20 – 50 million

(Source: CRISIL MSME Opinion, 2016)

MSME Units growing at a steady rate

The number of MSMEs has been growing 4-5% year-on-year over the past five-six years. In Fiscal 2015, the total number of enterprises in the sector was estimated at 51 million, employing about 117 million people. *(Source: CRISIL MSME Opinion, 2016)*

MSME units and employment trends



Figures from 2007-08 are estimates of MSME ministry.
(Source: CRISIL MSME Opinion, 2016)

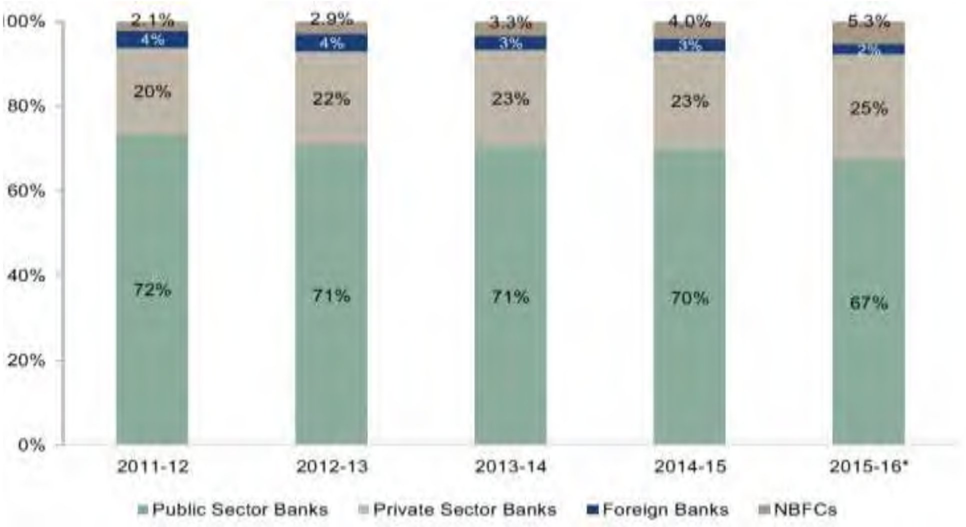
Growing presence of NBFCs in MSME financing segment

MSME lending in banks' loan portfolio has increased steadily since Fiscal 2013, with the segment comprising about 25% share of the total credit disbursed to corporates in Fiscal 2016. Public sector banks held the dominant share in the MSME lending space, funding almost two-thirds of the total MSME loan outstanding. However, their share has contracted over the past four to five years as private banks and NBFCs increase their presence in tier II and lower regions. Public sector banks are losing out due to their stricter appraisal process. Also, private banks and NBFCs have become more aggressive, in terms of turnaround time for sanctioning and disbursement of loans. For an NBFC, it usually takes three to four weeks to sanction a loan and only one - two days to disburse it. For private banks, the sanctioning duration is three - four weeks and disbursement period is one - two weeks. However, for a public sector bank, the sanctioning time typically stretches to six - seven weeks and disbursement two - three weeks. *(Source: CRISIL MSME Opinion, 2016)*

Demonetisation has impacted this sector due to high exposure of NBFCs to small companies and the trading community who are susceptible to liquidity risk. The growth rate estimate for this sector in Fiscal 2017 is 15%. However, the sector is expected to revive and grow at the rate of 25% in Fiscal 2018. *(Source: CRISIL Demonetisation Impact on NBFCs, December 2016).*

NBFCs have limited presence among large corporates, catering instead mainly to MSMEs. NBFCs have strengthened their presence in semi-urban and rural areas, which give them extensive regional presence, understanding of the local markets and helps customise products to customer needs. Presence in untapped territories helps them reach out to the unorganised sectors. System and process innovation, superior product delivery, focus on core businesses and enhanced orientation towards relationship building has resulted in improved operating efficiency of NBFCs. With increasing penetration, the share of NBFCs in overall MSME credit has increased over the past four - five years and is expected to expand further along with the MSME credit growth rate. The slower growth of banks' MSME portfolio would also help NBFCs capture market share over the next two - three years. *(Source: CRISIL MSME Opinion, 2016).*

Share of institutions in MSME financing segment



Provisional bank data for Fiscal 2016 only till September 2015; full year data for NBFCs for Fiscal 2016; loan against property portfolio of NBFCs has been excluded wherever possible

(Source: CRISIL MSME Opinion, 2016)

Factors driving competitiveness of NBFCs

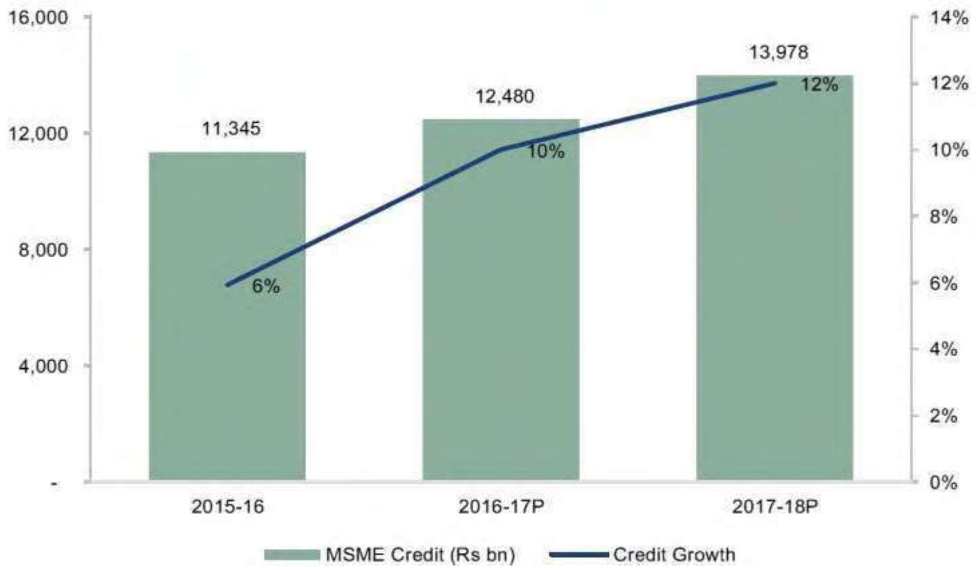
- *Greater market penetration and better operating efficiency;*
- *Niche focus and customized product offerings;*
- *Shorter turnaround time*

(Source: CRISIL MSME Opinion, 2016)

Increasing competition intensity among financiers to drive MSME credit growth

MSME credit is expected to grow 10-12% annually over the next two years. Banks and NBFCs continue to reach out to a maximum number of borrowers who are now demanding more from financial institutions, in terms of quicker sanction of loans and disbursements, lower interest rates, etc. *(Source: CRISIL MSME Opinion, 2016)*

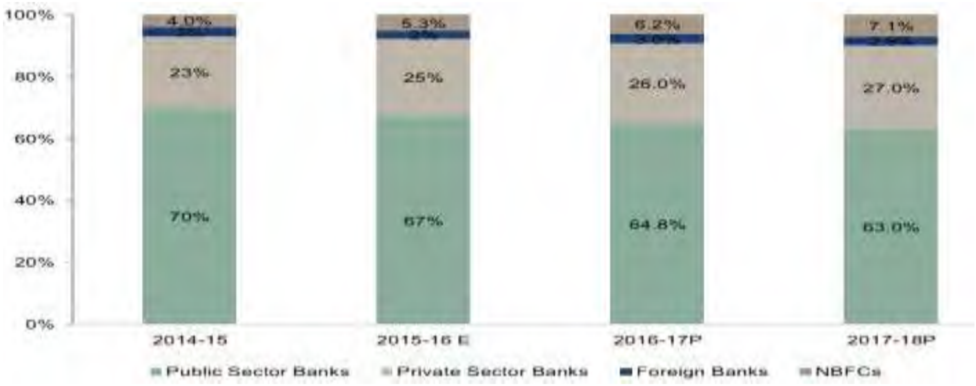
MSME credit growth trajectory



P- Projected
(Source: CRISIL MSME Opinion, 2016)

As growth is expected to be higher in non-metros and due to the aggressive push by NBFCs, we expect their share to increase further from the current 5.3%. NBFCs are aggressively expanding their MSME loan book, and are targeting new customers who do not have an existing relationship with them. Hence, growth will be supported by better customer reach, greater focus, faster documentation process, and their higher risk appetite. The loan book of NBFCs is also growing as they are replacing credit typically extended by the unorganised sector (moneylenders). They are attracting bank customers as well, by offering higher loan amounts, better service, faster turnaround time and less documentation. Also, NBFCs have improved their operating efficiencies by upgrading systems, concentrating on branches that fetch more business. *(Source: CRISIL MSME Opinion, 2016)*

Share of private financiers in MSME credit expected to increase



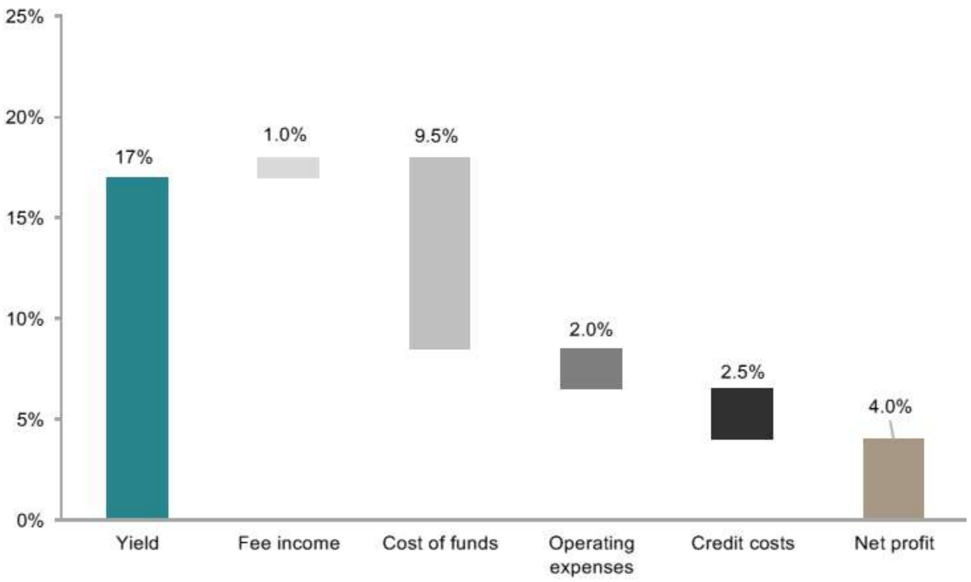
E- Estimated; P- Projected

(Source: CRISIL MSME Opinion, 2016)

Strong profitability due to higher yields and controlled credit cost

NBFCs have net profitability of 4% because of higher yields as well as strong appraisal and collection systems (which controls credit cost). Operating expenditure is high for financiers given the low ticket size, making it imperative for them to have a large workforce to get new business as well as for appraisal and collection. Direct selling agent payouts range from 0.5-1.5% and get added to operating expenditure. Going forward, the cost of funds is expected to come down. Yield is under pressure due to competition and gross non-performing assets could increase as NBFCs become aggressive. Consequently, profitability is expected to lower in the medium term. *(Source: CRISIL MSME Opinion, 2016)*

Profitability of NBFCs in MSME segment



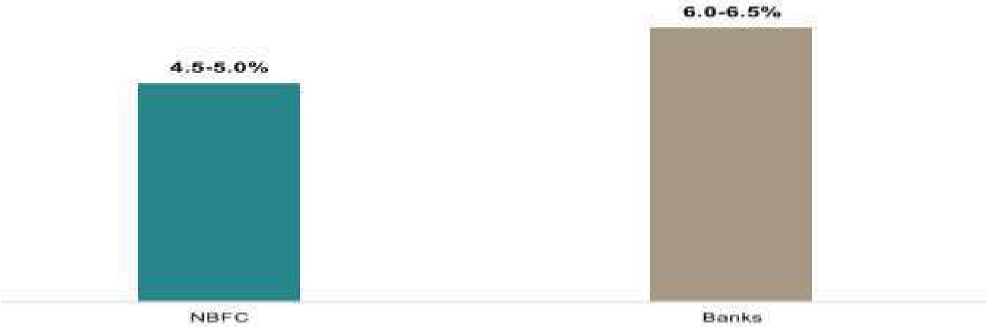
The figures for profitability are indicative in nature and would vary based on type of MSME and ticket size.

(Source: CRISIL MSME Opinion, 2016)

NPA levels for NBFCs lower than banks

As a result of a general slowdown in the economy, non-performing asset ("**NPA**") levels have increased. However, due to aggressive collection and recovery mechanism of NBFCs, their NPA levels are lower than banks. Private banks have increased their focus on MSMEs as they rebalance their loan portfolio following the defaulting of loans made to some large customers in the past 1-2 years. The lending norms have also become stricter and pressure on gross NPAs (90 dues past days) is increasing, which range from 4.5-5.0% for NBFCs and 6.0-6.5% for banks in Fiscal 2016. *(Source: CRISIL MSME Opinion, 2016)*

Gross NPAs among NBFCs and banks



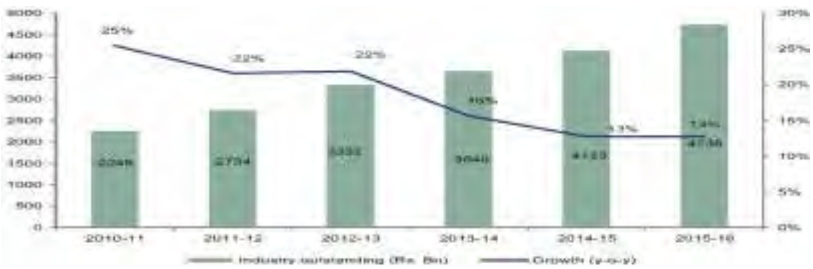
(Source: CRISIL MSME Opinion, 2016)

Auto-finance Industry in India

India is world's sixth largest vehicles manufacturer globally. Further, India is Asia's second largest two wheeler manufacturer and fifth largest producer of commercial vehicles, fourth largest manufacturer of passenger car and the largest manufacturer of tractors. Total production of automobiles in India was 23.9 million units including passenger vehicles, commercial vehicles, three wheelers and two wheelers in Fiscal 2016 as against 23.3 million units in Fiscal 2015. Auto sales across categories domestically rose by 3.78% in Fiscal 2016 from 19.72 million units in Fiscal 2015. Sale of passenger vehicles grew by 7.24% in Fiscal 2016, from 2.6 million units in Fiscal 2015. Commercial vehicle sales expanded by 11.51% in Fiscal 2016 while three-wheeler sales grew by 1.03% and two wheelers registered a growth of 3.01% during Fiscal 2016. *(Source: India Brand Equity Foundation Automobiles Report, February 2017 available at http://www.ibef.org/download/Automobile-February-2017.pdf)*

The auto finance industry grew by 13% in Fiscal 2016 to ₹ 4,738 billion supported by strong growth in new commercial vehicle ("**CV**") disbursements, recovery in new passenger vehicles ("**PV**") disbursements and muted growth in used vehicle loans. Within new vehicle financing, new PV disbursements grew by 15% primarily due to the upward revision of vehicle prices, increase in loan-to-value ("**LTV**") and higher finance penetration, while new CV disbursements grew by 28%. Higher sales of medium and heavy commercial vehicles ("**MHCV**") also contributed to an increase in the average ticket size of CV loans. Financiers remained cautious while lending to light commercial vehicle ("**LCV**") customers, who are mostly small fleet operators ("**SFOs**") and first-time buyers ("**FTBs**") with weaker credit profiles. Within used vehicle financing, used car disbursement grew by 10%, while used CV disbursements grew by 6%. *(Source: CRISIL Overall Auto Finance Opinion, 2016 ("CRISIL AF Opinion, 2016"))*

Industry grew at a rate of 13% in Fiscal 2016

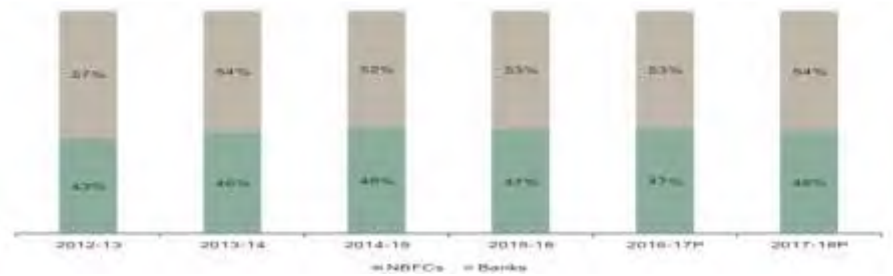


(Source: CRISIL AF Opinion, 2016)

Increase in NBFC share in auto-finance market

Banks currently hold 53% share in auto finance outstanding while NBFCs account for the rest. NBFCs have increased their market share from about 40% in Fiscal 2012 to 47% in Fiscal 2016 due to factors such as controlled operating cost, wider and effective reach, strong risk management capabilities to check and control bad debts, and better understanding of their customers. The latent credit demand allowed NBFCs to fill the gap, especially where banks do not have the appetite for risk and capabilities to serve. Stress on books of banks, especially public sector banks, also helped NBFCs to gain share in the auto finance market. Banks largely lend to large fleet operators whereas NBFCs lend to customers with a weaker credit profile such as SFO, FTB and first time users ("**FTU**"). Even in other vehicle segments, banks focus on salaried customers and self-employed customers with a strong credit profile. NBFCs have gained share by catering to customers with a relatively weaker credit profile, focusing on used vehicle financing (banks have a very limited presence in this space) and ensuring faster processing, lower documentation and greater flexibility in borrower appraisal. *(Source: CRISIL AF Opinion, 2016)*

NBFC's share in auto-finance market



P- Projected
(Source: CRISIL AF Opinion, 2016)

NBFCs have high share of used CV loans. Buyers in this segment are small road transport operators ("**SRTOs**") who lack a strong credit profile. Factors such as difficulties in assessing borrower income and value of used assets, and challenges in collection and recovery have kept banks away from used-vehicle financing. *(Source: CRISIL AF Opinion, 2016)*

According to CRISIL, in future, the banking activities of FTUs will increase and SRTOs may achieve a moderate scale of operations. Then, both types of buyers, hitherto catered to by NBFCs, may look for cheaper sources of financing such as banks. Armed with information on borrower profile from credit bureaus, banks may also by then become interested in tapping the segment. *(Source: CRISIL AF Opinion, 2016)*

In cars and utility vehicles ("**UVs**"), the NBFCs focus mainly on the tour and taxi segment in urban areas, and on self-employed customers or customers with weaker credit profile in rural areas. NBFCs also have been focusing on the used car segment and have a sizable share in the segment. NBFCs have a significant presence in CVs; the segment accounts for almost half of NBFCs' total auto finance outstanding while cars and UVs account for over a third of the total portfolio. FTUs, SRTOs and driver-turned-owners, the target customers of NBFCs, are typically first-time entrepreneurs, having limited personal equity for investing in new CVs. As a result, they opt for pre-owned CVs, preferably 5-12 year old vehicles; the price differential between new and old vehicles is also immense. Used-vehicle financing constitutes almost two-thirds of NBFCs' total CV finance outstanding. *(Source: CRISIL AF Opinion, 2016)*

Demand Drivers for passenger car industry

Increase in addressable households

Between Fiscal 2011 and Fiscal 2016, the number of households that could afford a car increased at about 15% CAGR as consumers' disposable incomes went up. We expect the number of these households to grow at 14% CAGR over next five years, boosted by a good monsoon and wage hikes for government employees. *(Source: CRISIL Auto-finance Industry Information, 2016 ("CRISIL AF Industry Information, 2016"))*

Marginal decline in cost of ownership

After having risen for past few years, cost of ownership is expected to decline marginally in Fiscal 2017 with greater transmission of past interest rate cuts and launch of more features-led models at entry level by manufacturers. *(Source: CRISIL AF Industry Information, 2016)*

Low penetration

India is under-penetrated compared to its global peers in terms of car ownership. There are 20 cars in India per 1,000 people which is significantly lower than developed nations (500-550 cars per 1,000 people) as well as developing nations (Thailand–93, Brazil–147). Huge under-penetration, combined with rising income levels, implies big growth potential for car sales in the longer term. *(Source: CRISIL AF Industry Information, 2016)*

Entry of new players and model launches aids growth

Over the past decade, a host of global players have established their production facilities in India to capitalise on growth opportunities. These players have not only brought their international best-selling models to India, but also found great value in introducing India-specific models. Availability of new and India-specific models against the backdrop of rising incomes will aid industry growth in the longer term. *(Source: CRISIL AF Industry Information, 2016)*

Increase in dealerships, urbanisation and access to finance

Greater distribution reach will push up sales of passenger cars, as a large number of households will be added to the target population. Typically, these households have potential to buy a car, but defer the decision due to absence of car dealerships and service infrastructure in the area. With most urban centres covered by dealership networks, car manufacturers are setting up new dealerships in smaller towns to increase penetration and sales in semi-urban and rural areas. Enhanced penetration of financing can improve passenger car sales across segments. Most manufacturers are targeting rural and semi-urban areas to increase sales volumes. Apart from increasing the number of dealerships, manufacturers are improving access to finance in these markets to enable more customers to purchase cars. *(Source: CRISIL AF Industry Information, 2016)*

Shorter replacement cycle

Shorter replacement cycles will also boost passenger car sales, mainly in mainstream/small-car/mid-size segments. Average replacement cycle has shrunk to four years in Fiscal 2016 from 4.5 years a decade ago, implying frequent upgradation to another model from the same segment or a higher-end model. A growing middle class with larger disposable income and more feature-led choices, is driving replacement demand. Also, concept of a second car is increasing in urban areas with more than one working member in a family. *(Source: CRISIL AF Industry Information, 2016)*

Commercial Vehicle Financing

CV finance: A lucrative market over the next 5 years

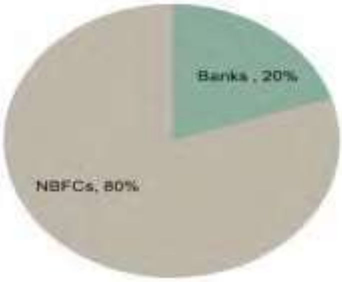
Over Fiscal 2011 to Fiscal 2016, CV loan disbursements grew at a CAGR of about 1%. However, disbursements for LCVs grew faster than MHCV loan disbursements as sales of the former rose rapidly. While loan disbursements for LCVs grew at a 6% CAGR over Fiscal 2011 to Fiscal 2016, disbursements for MHCVs grew at a miniscule 1% CAGR, as underlying asset sales slumped following the economic slowdown. Over the next 5 years, both (LCV and M&HCV) are expected to grow at a healthy pace. The high finance penetration and increasing LTV will support the higher disbursements. Also increasing vehicle prices will lead to higher disbursements. *(Source: CRISIL CV Financing – Disbursements, 2017).* The Indian auto finance sector as a whole has been impacted by the demonetisation measure, and repayment in cash is expected to reduce significantly. Despite this, the sector is expected to grow at the rate of 17% in Fiscal 2018. *(Source: CRISIL Demonetisation Impact on NBFCs, December 2016)*.

NBFCs account for large part of organised used CV disbursements

Given the high risk associated with the used CV segment, banks have had minimal exposure to the segment. A large part of banks' used CV portfolio is refinancing. Banks also occasionally extend financing to a buyer purchasing a CV that is sold after repossession by the bank. NBFCs are focused on niche segments with strong asset focus and deep understanding of local economy. They have capitalised on the enormous opportunity offered by the segment through investment in processes and manpower. High operating cost, lack of understanding of local geography, riskier customer profile, have forced banks to operate safe in this segment. *(Source: CRISIL Used CV Opinion, 2016)*

Auto finance NBFCs that operate in this segment have developed a deep understanding of the market, customer profile, product and developed expertise in valuation, credit appraisal and efficient management of operations and have, thus, have been able to maintain asset quality. In the used vehicle segment, financiers have their in-house valuation grid for valuation of vehicles of different models, make, vintage etc. They have greater penetration in rural areas, where the majority of used CV sales take place. Major NBFCs in the space also have branches close to transport hubs. NBFCs also accept payments in cash, given that a large part of their customer segment earns in cash. Continuous monitoring of the disbursed loans by field officers who had originated the loans through frequent visits to the borrower helps keep delinquencies under control. NBFCs dominate the used CV disbursement market with around 80% share. Two to three large NBFCs account for a significant portion of business, which makes it a low intensity competition market. *(Source: CRISIL Used CV Opinion, 2016)*

NBFCs account for bulk of used CV disbursements



(Source: CRISIL Used CV Opinion, 2016)

Finance penetration in used vehicles financing lower vis-à-vis new vehicles financing

As compared to new CV financing, where almost 98% of the vehicles are financed, a little over 90% of used vehicles are financed. The penetration level in used CV financing is low because of weak credit profile of customers and depreciated asset class. According to CRISIL, finance penetration will remain at similar levels. However, the percentage of vehicles financed in used CVs is higher than in other asset classes such as cars and utility vehicles, or two-wheelers. *(Source: CRISIL Used CV Opinion, 2016)* Demonetisation has impacted the projected growth of the used CV and used car financing sectors. *(Source: CRISIL Demonetisation Impact on NBFCs, December 2016)*.

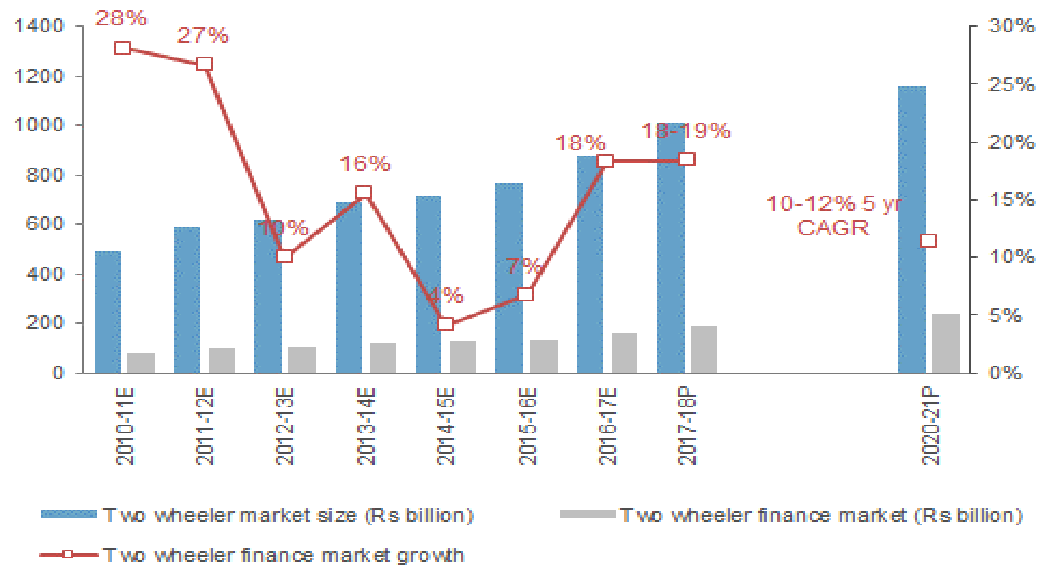
Two-wheeler Financing

In 2016-17, two-wheeler sales are expected to grow at 18%, steered by uptick in economic growth, pay commission pay-outs, lower cost of ownership due to subdued fuel prices, lower interest rates and expected above average monsoon which will help push up rural income. *(Source: CRISIL Two Wheeler Financing – Disbursements, 2017)* This projected growth of two-wheeler finance in India may be impacted by the recently introduced demonetisation measures. *(Source: CRISIL Demonetisation Impact on NBFCs, December 2016)*. According to CRISIL, the overall disbursements to increase by 18-19% year on year in Fiscal 2017, led by increase in average price, considerable shift of consumer's preference towards premium segments vehicle (as it's share has grown to 14% in total two-wheeler volume from 12% in 2009-10) mostly in urban area and higher finance penetration. *(Source: CRISIL Two Wheeler Financing – Disbursements, 2017)*

Disbursements to grow at a faster pace over the next 5 years

According to CRISIL, the disbursements in two wheeler segments to grow at 16-18% CAGR over the next 5 years and the total finance market to touch around ₹ 240 billion in Fiscal 2021 from around ₹ 163 billion in Fiscal 2017. The disbursements will go up because of steady underlying sales growth at 9-11% CAGR over the same period and gradual increase in the average selling price. As the players are increasing their reach to the rural market and deepening the finance penetration in premium segment vehicle, the overall finance penetration is projected to drive up to 28-29% till Fiscal 2021 from the current level of 26-27%. Among segments, scooter sales are likely to grow (at 14-16% CAGR) faster than motorcycle sales, which are likely to post a CAGR of 6-8%. Greater focus on the rural consumer, newer models with better fuel efficiency, and a wider distribution network in the semi-urban and rural areas will drive scooter sales. Also, finance penetration in scooters is lower than that of motorcycles, which provides ample room for total disbursements growth. *(Source: CRISIL Two Wheeler Financing – Disbursements, 2017)*

Growth in two-wheeler finance disbursements



E- Estimated; P- Projected

(Source: CRISIL Two Wheeler Financing – Disbursements, 2017)

Finance penetration levels to increase

After falling to less than 25% in Fiscal 2010, two-wheeler finance penetration has improved gradually. Over the next 5 years, although finance penetration is set to improve, the level of increase is expected to be only marginal. With banks reducing their exposure to this market post Fiscal 2009, players like Fullerton, Muthoot, Family Credit, and MAS Finance entered the space and have steadily built their portfolio. The ensuing rise in competition is expected to push up finance penetration. Moreover, financiers could make aggressive market moves, widening their reach to tier-III and tier-IV cities to tap the latent demand for two-wheeler loans. On the other hand, the higher share in sales of scooters, which are usually purchased using cash is expected to limit the increase in finance penetration. Finance penetration is higher at about 30-35% in the top 20 cities. The proportion of buyers buying a two-wheeler through loans outside the top 20 cities is lower, primarily due to the lower financing options in these regions and the lower EMI-servicing capability of the borrowers. Most borrowers in these regions are self-employed and lack a continuous income stream. *(Source: CRISIL Two Wheeler Financing – Disbursements, 2016)*

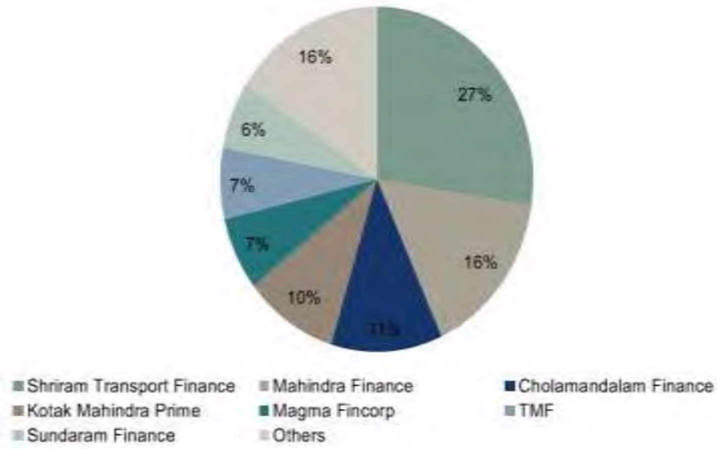
Finance Penetration for two-wheeler finance market

E- Estimated; P-Projected

(Source: CRISIL Two Wheeler Financing – Disbursements, 2017)

Competition in Auto-finance Segment

There are several players in the auto-finance segment in India. The illustration below demonstrates the market share of major players in this segment.



Shriram Transport Finance – Shriram Transport Finance Company Limited; Mahindra Finance – Mahindra and Mahindra Financial Services Limited; Cholamandalam Finance- Cholamandalm Investment & Finance Company Limited; Kotak Mahindra Prime – Kotak Mahindra Prime Limited; Magma Fincorp – Magma Fincorp Limited; TMF – Tata Motors Finance Limited; Sundaram Finance – Sundaram Finance Limited

(Source: CRISIL AF Opinion, 2016)

Housing Finance Industry in India

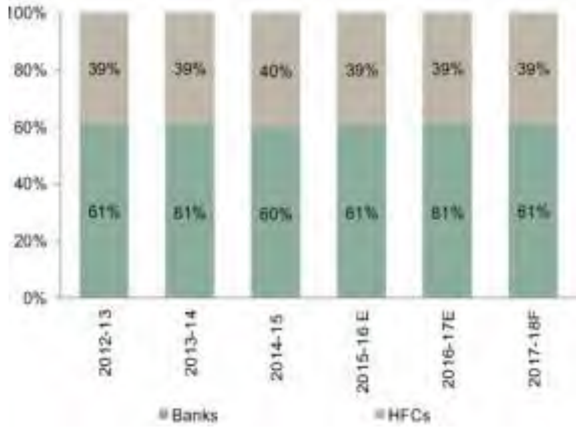
As of Fiscal 2016, India is home to more than 1.28 billion people, or an estimated 264.9 million households, compared with 207.2 million households in 2004. Rising population and changing income demographics have contributed to a sharp rise in the number of households, especially in urban areas. However, India's population grew at a slower pace of 1.4% CAGR over Fiscal 2002 to Fiscal 2016, compared with 2% over Fiscal 1986 to Fiscal 2000. In the current decade, population growth is expected to slow down further to 1.2%. Any increase in the population directly impacts demand for housing units and, in turn, the requirement for floor space area. The number of households is likely to rise with the change in the age mix, growing number of nuclear families, continuous urbanisation and increasing penetration of financing. Moreover, in the current scenario, population in the younger age brackets is very high. According to CRISIL, the trend to translate into a tremendous increase in working population, will lead to greater demand for housing. *(Source CRISIL Housing Finance Industry Information, 2016 ("CRISIL HF Industry Information, 2016"))*

Housing finance market outlook

The housing finance market in India is growing fast and is served by multiple institutions that cater to people in diverse geographies and across income spreads. Mortgage lending has significantly contributed to growth in housing construction and housing consumption. The Indian housing finance loan market has grown rapidly, with housing finance companies ("**HFCs**") at the forefront of that growth, clocking a CAGR of approximately 21% in housing loans outstanding between Fiscal 2011 and Fiscal 2016 versus the industry's (banks and HFCs) 18-19%. This is due to higher growth in non-metro cities, rising finance penetration and higher focus by HFCs. Banks currently have a lion's share in loan assets (61% in Fiscal 2016). *(Source: CRISIL Housing Finance Opinion, 2016 ("CRISIL HF Opinion, 2016")).* The recent demonetisation measure is expected to result in reduction of unaccounted cash transactions in the housing sector and a decline in prices is estimated. *(Source: CRISIL Demonetisation Impact on NBFCs, December 2016)*.

Outstanding housing finance loans

The share of NBFCs is increasing gradually



E- Estimated; P- Projected
(Source: CRISIL HF Opinion, 2016)

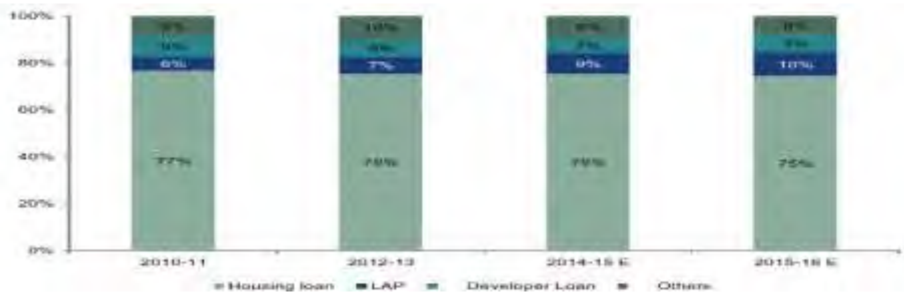
E- Estimated; P- Projected
(Source: CRISIL HF Opinion, 2016)

In Fiscal 2016, the home loan outstanding (by banks and HFCs) rose 17% to ₹ 12,318 billion. Owing to demonetisation, the HFC sector is projected to grow at 14% CAGR in Fiscal 2017 and 18% CAGR in Fiscal 2018. The profitability of mid-sized and small HFCs is expected to be impacted. This is owing to higher operating cost (as they aggressively increase reach in tier II and tier III cities) and higher credit cost due to higher risk in lending to self-employed and informal salaried segment. However, as funding is based on an agreement value, impact of price reduction may be low. *(Source: CRISIL Demonetisation Impact on NBFCs, December 2016)*. The growth of this sector will be supported by their niche presence in tier II & III cities as well as increase in finance penetration. *(Source: CRISIL HF Opinion, 2016)*.

HFCs are transitioning their product mix towards higher-yielding assets

According to CRISIL estimates, HFCs' total loan outstanding (housing loans, loan against property, developer loans and others) increased 16% to ₹ 6.5 trillion in Fiscal 2016. In contrast, over Fiscal 2011 and 2015, financiers had become cautious in lending to this segment, because of the slowdown and rising delinquency in the builders' portfolio and the share of developers' loans decreased from 9% to 6.7%, as HFCs focused on extending housing loans and loans against property to individuals. However, in Fiscal 2016, HFCs were aggressive to provide developer loans, while banks were reluctant due to higher delinquency in the past and the share of developer loans in the overall portfolio increased to 7.5% in Fiscal 2016. *(Source: CRISIL HF Opinion, 2016)*

Share of retail loans in HFCs' outstanding loans



E- Estimated
LAP – loan against property

(Source: CRISIL HF Opinion, 2016)

Tier-II, tier-III cities to support growth in housing finance

Despite an increase in residential property prices in Fiscal 2015, demand for individual home loans remained buoyant, with strong growth from tier-II and tier-III cities. With capital values in tier-I cities and metros remaining at unaffordable levels, the tier-II and tier-III cities have emerged as new avenues for growth. Employment opportunities, affordable property prices and availability of finance have been encouraging an increasing number of people to migrate from smaller towns and rural areas to tier-II and tier-III cities. With strong presence in tier-II and tier-III cities and superior client servicing resulting in quicker turnaround time, HFCs will be able to grow at a similar pace with banks. HFCs have shown strong growth in disbursements in non- metro cities. HFCs are expected to grow 19-20% over the next two years, because of favourable factors, such as demand for underlying assets, stable operating environment, increased financial penetration and steady property prices. Further, demand for affordable housing is also likely to stimulate housing demand in the near term, as more developers launch projects in this category. *(Source: CRISIL HF Opinion, 2016)*

Housing Finance Outlook for HFCs

E- Estimated; P- Projected

(Source: CRISIL HF Opinion, 2016)

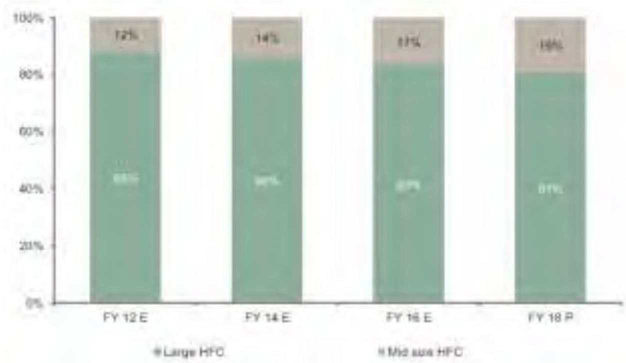
Mid-sized HFCs to grow at a faster rate than large HFCs

As per CRISIL estimates, mid-sized HFCs (those with a total retail housing loan outstanding of below ₹ 300 billion, as of March 2016) will record a 26-28% CAGR over Fiscal 2016 to Fiscal 2018, while large HFCs will grow at a 16-18% CAGR. CRISIL expects higher growth for mid-sized HFCs, given their focus on affordable housing projects and their relatively higher concentration in tier-II and smaller cities, where growth has been higher over the past year. On the other hand, metros have seen some moderation in housing demand, due to a decline in affordability amid high property prices and interest rates. The forecast by CRISIL is further supported by the fact that demand growth for affordable housing will exceed overall housing demand growth over the next two years, because of a greater focus on real estate developers in this segment. Most mid-sized HFCs are increasing their focus on sub-₹ 2.5 million loans, as they are able to earn 150-200 basis points by selling the loan portfolio to banks (which helps the banks meet their priority sector lending targets). *(Source: CRISIL HF Opinion, 2016)*

*Growth in large and medium sized HFCs**

E- Estimated; P- Projected

*Share of medium sized HFCs to increase**



E- Estimated; P- Projected

**For both the above-mentioned illustrations, large HFCs aggregate include financials of Housing Development Finance Corporation, Dewan Housing Finance Corporation Limited; Indiabulls Housing Finance Limited and LIC Housing Finance Limited*

(Source: CRISIL HF Opinion, 2016)

(Source: CRISIL HF Opinion, 2016)

Demand Drivers of Housing Industry

Population growth

Despite having a flourishing housing industry, India still faces a huge shortage of houses, especially in urban areas. The estimated share of urban population was 31.15% in Fiscal 2016, up from 30.70% in Fiscal 2014. We expect urbanisation to accelerate, translating into a CAGR of 1.8-2.0% in urban population between 2016 and 2022, compared with the overall population growth of 1.2% during the same period. This difference in growth rates implies that the gap between urban and rural population will narrow. Urbanisation has a twin impact on housing demand. On the one hand, it reduces the area per household, and on the other, there is a rise in the number of nuclear families, leading to the formation of more households. *(Source: CRISIL HF Industry Information, 2016)*

Nuclearisation

It refers to the formation of nuclear families from joint families and is primarily driven by employment-related migration. Nuclearisation, like urbanisation, has a twin impact. It reduces the area per household, but increases household formation, thereby increasing demand for housing units. However, rising real estate prices also lead to buyers preferring smaller apartments in comparable-income categories. *(Source: CRISIL HF Industry Information, 2016)*

Affordability

Income levels of the households have been increasing steadily over the years. The 'less than ₹ 0.2 million' household income category represented an estimated 78% of the total population in Fiscal 2016, compared to 86% in Fiscal 2010. The share of the ₹ 0.2-0.5 million' income bracket, which constituted 18% of total households in Fiscal 2016, is increasing at a faster pace. More households are estimated to have entered the ₹ 0.2-0.5 million' and 'greater than ₹ 0.5 million' income brackets. Floor space requirement increases with the rise in income. The area available in rural areas is higher than that of urban areas for corresponding income brackets. *(Source: CRISIL HF Industry Information, 2016)*

Availability of finance

The penetration of housing finance has been a key demand driver for the real estate industry. The spurt in housing demand over the past decade was primarily due to:

- The large number of employment opportunities created by IT/ITeS companies in urban areas, which has led to the migration of the younger workforce;
- Buoyant outlook of the housing industry, which has induced many investors to purchase apartments;
- Easy availability of finance, coupled with low interest rates, which gave a boost to affordability.

Interest rates and property prices have increased in the past few years. As a result, banks and financial institutions are offering home loans with longer tenures. However, there is little leeway in this regard. Further interest rate hikes or property price increases will significantly impact households' cash outflows, thus slowing down demand for housing. *(Source: CRISIL HF Industry Information, 2016)*

Tax Benefits

Tax reliefs have been instrumental in driving growth in the housing and housing finance sectors. The government has provided tax reliefs to both borrowers and lenders. Tax deduction is available for home loans under two sections of the Income Tax Act, 1961, (excluding home loans from private sources, such as friends and family). As per Section 24 (B) of the Income Tax Act, 1961, annual interest payments of up to ₹ 200,000 (₹ 300,000 for senior citizens) on housing loans can be claimed as a deduction from taxable income. As per Section 80 (C) (read with section 80 CCE) of the Income Tax Act, 1961, principal repayments of up to ₹ 150,000 on a home loan are allowed as a deduction from gross total income. Corporate borrowers do not get any special tax benefits, as the interest paid on the loan is allowed as a normal deduction for tax purposes. In addition, depreciation on property is permitted as deduction for calculating taxable income. Under Section 36 (1) (viii) of the Income Tax Act, 1961, with respect to any special reserve created and maintained by a financial corporation engaged in providing long-term finance for construction or purchase of houses for residential purposes, a maximum amount of 20% of the profits derived from such business (computed under the head 'profits and gains of business or profession') and carried to such special reserve, is tax deductible. This deduction is available only up to twice the total amount of the company's paid-up share capital and its general reserve. *(Source: CRISIL HF Industry Information, 2016)]*

Competition in Housing Finance Segment

The major players in housing finance industry are Dewan Housing Finance Limited, PNB Housing Finance Limited, GIC housing Finance Limited, Housing Development Financial Corporation Limited, Can Fin Homes Limited, Indiabulls Housing Finance Limited, L&T Housing Finance Limited, TATA Capital Housing Finance Limited and LIC Housing Finance Limited. ***(****Source: CRISIL Housing Finance Player Profile, 2016)*

Loans against property

Loans against property (LAP) are availed by mortgaging property, which acts as collateral to the financier. Financiers prefer advancing loans against property as they offer better security compared to unsecured personal loans. The total outstanding LAP has grown at a CAGR of 29% in the last four years (from Fiscal 2012 to Fiscal 2016). Factors contributing to increase in popularity of LAP include better product awareness, need of small businesses to raise capital and increasing property prices in key markets. Loans against property have been especially popular in metros and tier I cities owing to higher concentration of businesses in such cities. However, financiers have also been extending their LAP products to tier II cities where competition is lower. Self-employed borrowers accounted for almost 85% of LAP disbursements, and residential property accounted for 70% of the total property collaterized in LAPs in Fiscal 2016. *(Source: CRISIL LAP Opinion, 2016)*

Prior to demonetization, the total outstanding LAP was projected to grow at a CAGR of 21-23% in the forthcoming years (Fiscal 2016 to Fiscal 2018). (Source: CRISIL LAP Opinion, 2016) Following demonetisation, growth projections for LAPs have fallen from 30% in half year Fiscal 2017 to15% in Fiscal 2017 and Fiscal 2018. *(Source: CRISIL Demonetisation Impact on NBFCs, December 2016)*

Agricultural value chain financing

Agricultural input and equipment sector

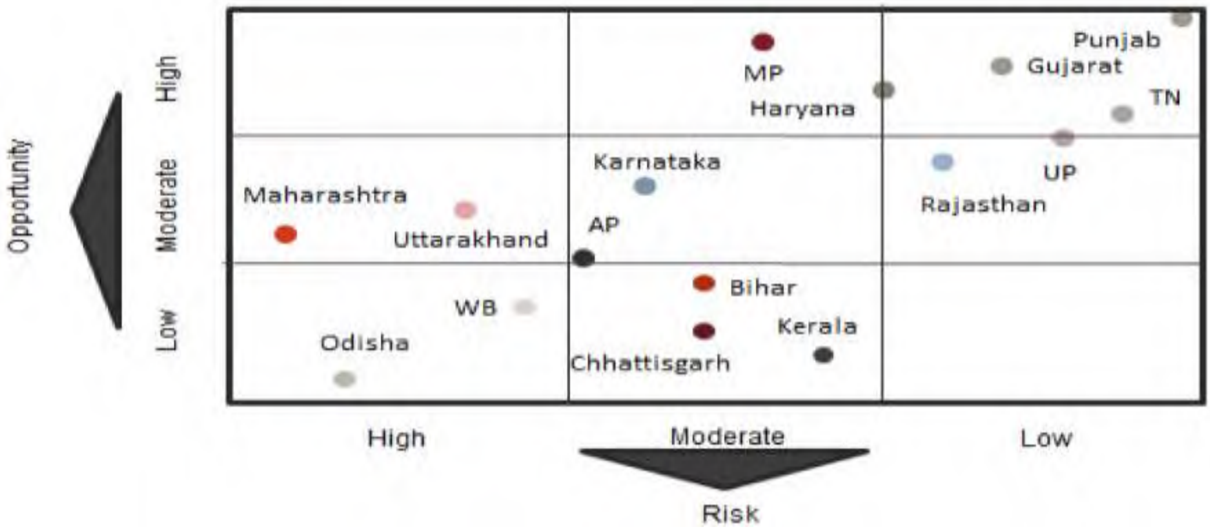
The growth and investment across farm-input segments is expected to lead to a 6% increase in market size to ₹ 2.4 trillion by Fiscal 2019. Power equipment, hybrid seeds penetration, and higher usage of bio-pesticides and bio-fertilisers will drive growth close to 15% in the Fiscal 2017 and over 10% thereafter, compared with a single digit growth for most large sub segments in Fiscal 2016. *(Source: CRISIL Agri Report, 2016)*

Tractors are expected to grow at 8-10% during Fiscal 2018-Fiscal 2019 with favorable government schemes, increasing irrigation cover, and rural infrastructure development to drive growth . Seeds are expected to grow at 13-15% during Fiscal 2018-Fiscal 2019 with product mix shift, and volume pick up to drive growth. Fertilizers growth estimates are restricted at 2.0-2.5% during Fiscal 2018-Fiscal 2019 on account of slowdown in urea consumption due to neem coating. The growth estimate for pesticides is estimated at 9-11% during Fiscal 2018 – Fiscal 2019 driven by growth in herbicides and fungicides. The increase in horticulture production will drive demand for fungicides, while higher rural wages will make manual weed-pulling expensive, thereby fostering herbicides consumption. Farm equipment sector is expected to grow at 10-11% driven by better monsoons and high replacement cycles. *(Source: CRISIL Agri Report, 2016)*

Agricultural financing

Agricultural finance segment had a market size of ₹ 8.8 trillion in Fiscal 2016. The expectation of good monsoons is expected to increase demand for agriculture credit. A growth of 13-15% is expected during Fiscal 2017 in agricultural financing in India. A state-wise assessment shows Punjab, Gujarat, Tamil Nadu as most favorable to this sector. Uttar Pradesh, Madhya Pradesh, Haryana and Kerala, Rajasthan, and Karnataka fall next in line. Profitability per hectare for marketing season Fiscal 2017 is best for states like Uttar Pradesh, Madhya Pradesh and Tamil Nadu. A structural change in agriculture banking has helped NPA levels to decline marginally. *(Source: CRISIL Agri Report, 2016)*

The state-wise risk-opportunity matrix is as below:



(Source: CRISIL Agri Report, 2016)

The states with low risk high opportunity are characterized by high profitability and larger ticket size of loans. Eastern states show higher NPAs due to lack of digitization of land records. Southern states show a good mix of opportunity and risk due to moderate NPAs and high penetration of credit. Two years of consecutive drought makes Maharashtra susceptible to spike in NPAs. Higher crop profitability separates Uttar Pradesh and Bihar on risk opportunity matrix. *(Source: CRISIL Agri Report, 2016)*

Some improvements taking place are:

- Digitisation of land records and stricter assessment for loans;
- Increasing penetration of irrigation leading to lower dependence on rains; and
- Education provided to farmers regarding banking and consequences of defaults.

(Source: CRISIL Agri Report, 2016)

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 16 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors" on page 17 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year.

Unless otherwise indicated, the financial information included herein is based on our Restated Consolidated Financial Statements for Fiscal 2013, 2014, 2015, 2016 and 2017 and as of and for the three month period ended June 30, 2017 included in this Red Herring Prospectus. For further information, see "Financial Statements" on page 202.

*Unless the context otherwise requires, in this section, reference to "we", "us" or "our" refers to MAS Financial Services Limited together with its Subsidiary, MAS Rural Housing & Mortgage Finance Limited ("**MRHMFL**") on a consolidated basis and reference to "Company" or "our Company" refers to MAS Financial Services Limited on a standalone basis.*

Overview

We are a Gujarat-headquartered NBFC with more than two decades of business operations and as of June 30, 2017, we operated across six States and the NCT of Delhi. Our business and financing products are primarily focused on middle and low income customer segments, and include five principal categories: (i) micro-enterprise loans; (ii) SME loans; (iii) two-wheeler loans; (iv) Commercial Vehicle loans (which include new and used commercial vehicle loans, used car loans and tractor loans); and (v) housing loans. Our Promoters have significant operational experience in the financial services sector in India, and our shareholders include development finance institutions including FMO and DEG and private equity investors including Sarva Capital.

As of March 31, 2017 and June 30, 2017, our AUM was ₹ 33,325.65 million and ₹ 34,517.41 million, respectively. Our AUM increased at a CAGR of 33.37% from ₹ 10,531.91 million as of March 31, 2013 to ₹ 33,325.65 million as of March 31, 2017. As of June 30, 2017 we had more than 500,000 active loan accounts, across more than 3,165 Customer Locations in six States and the NCT of Delhi, served through our 121 branches.

Our financing products include:

Micro-Enterprise Loans. We provide two categories of micro-enterprise loans: (i) loans up to ₹ 75,000, typically to self-employed individuals engaged in trading or manufacturing business; and (ii) loans ranging between ₹ 75,000 and ₹ 300,000, typically to sole proprietors and partnership firms. In Fiscal 2017 and in the three month period ended June 30, 2017, the Average Disbursement in our micro-enterprise loan segment was ₹ 33,638 and ₹ 48,055, respectively.

Small and Medium Enterprise (SME) Loans. We provide loans up to ₹ 50 million to our SME customers, which category primarily includes small and medium sized manufacturers, dealers and service providers engaged in various industries. The SME loan segment includes working capital loans (up to ₹ 50 million), loans for machinery and facilities (up to ₹ 20 million) and includes loans against property (up to ₹ 20 million) and loans extended to housing finance companies. In Fiscal 2017 and in the three month period ended June 30, 2017, the Average Disbursement in our SME loan segment was ₹ 5.50 million and ₹ 7.95 million, respectively.

Two-wheeler Loans. We provide two-wheeler loans primarily to farmers, self-employed and salaried individuals as well as professionals. In Fiscal 2017 and in the three month period ended June 30, 2017, the Average Disbursement in our two-wheeler loan segment was ₹ 43,110 and ₹ 39,472, respectively.

Commercial Vehicle Loans. We provide loans up to ₹ 700,000 for the purchase of new and used commercial vehicles, used cars as well as tractors. In this segment, our customers primarily include traders and manufacturers (for loading vehicles), travel businesses and small road transport operators. In Fiscal 2017 and in the three month period ended June 30, 2017, the Average Disbursement in our Commercial Vehicle loan segment was ₹ 149,817 and ₹ 184,326, respectively.

Housing Loans. We provide housing loans to customers for the purchase of new and old houses, construction of houses on owned plots, home improvement and for the purchase and construction of commercial property. Our customers in this segment typically include salaried and self-employed individuals. We also extend loans to developers for construction of affordable housing projects. The loan amount typically ranges between ₹ 50,000 and ₹ 5 million for residential property and between ₹ 50,000 and ₹ 10 million for commercial property. Our housing finance business is primarily operated through our Subsidiary, MRHMFL. In Fiscal 2017 and in the three month period ended June 30, 2017, Average Disbursement in our housing loan segment was ₹ 1.22 million and ₹ 1.43 million, respectively.

In addition to our sales team, we have entered into commercial arrangements with a large number of sourcing intermediaries, including commission based DSAs and revenue sharing arrangements with various dealers and distributors where part of loan default is guaranteed by such sourcing partners. As of June 30, 2017, we had 332 such sourcing intermediaries for our two-wheeler loan segment and 395 such sourcing intermediaries for our Commercial Vehicle loan segment. As of June 30, 2017, we had entered into arrangements with 55 sourcing intermediaries for our housing loan segment, who typically are affordable housing project developers and property agents.

A significant part of our business origination in various segments is represented by loans extended to MFIs, HFCs and other NBFCs that provide financing products including micro-enterprise loans, SME loans, Commercial Vehicle loans, two-wheeler loans and housing loans, enabling us to have a geographical reach extending beyond our direct Customer Locations. As of June 30, 2017, we had extended loans to 98 such financial institutions. As of June 30, 2017, ₹ 18,160.70 million, which represented 52.61% of our AUM related to loans extended to other financial institutions.

The following table sets forth certain information relating to our operations and financial performance in the periods specified:

(in ₹ million, except ratios and percentages)

	As of March 31, 2015	As of March 31, 2016	As of March 31, 2017	As of June 30, 2017
AUM				
Micro-Enterprise Loans	13,863.36	17,345.54	19,848.57	19,953.21
SME Loans	2,149.46	4,289.64	7,638.37	8,362.34
Two-wheeler Loans	2,396.60	2,575.68	2,853.86	3,192.80
Commercial Vehicle Loans	1,642.72	1,438.85	1,220.60	1,223.33
Housing Loans	943.79	1,348.80	1,764.25	1,785.73
Total AUM	**20,995.93**	**26,998.51**	**33,325.65**	**34,517.41**
Gross NPA	208.13	279.06	352.70	392.00
Gross NPA/ AUM (%)	0.99	1.03	1.06	1.14
Net NPA	170.94	239.28	305.48	330.50
Net NPA/ AUM (%)	0.81	0.89	0.92	0.96
Net Worth	2,100.45	2,329.87	3,820.26	4,385.31
Return on Average Net Worth	22.83	24.87	23.68	23.86
	Fiscal 2015	**Fiscal 2016**	**Fiscal 2017**	**Three month period ended June 30, 2017**
Revenue from operations	2,374.31	3,034.51	3,637.46	1,040.19
Profit after tax	399.83	508.21	685.58	234.14
Total Disbursement	**20,884.02**	**30,464.23**	**34,681.68**	**8,994.99**

 # Return on Average Net Worth for the three months ended June 30, 2017 has been presented on an annualized basis.

Our Company's CRAR as of March 31, 2015, 2016, 2017 and June 30, 2017 were 18.14%, 18.27%, 22.96% and 23.80%, respectively.

AUM in micro-enterprise, SME, two-wheeler, Commercial Vehicle and housing loan segments increased at a CAGR of 32.14%, 137.64%, 5.86%, 2.62% and 44.09% from March 31, 2013 to March 31, 2017, respectively. As of March 31, 2017 and June 30, 2017, our total outstanding debt including security deposits received from customers (excluding assignments) was ₹ 16,601.82 million and ₹ 18,603.32 million, respectively, and our finance cost was ₹ 1,642.43 million and ₹ 413.21 million, respectively.

Our Competitive Strengths

We believe that the following are our key competitive strengths:

Track record of consistent growth with quality loan portfolio

We offer a wide range of products that address the specific financing requirements of middle and low income individuals as well as micro, small and medium enterprises. We have been in operation for more than two decades, and as of June 30, 2017, had more than 500,000 active loan accounts across more than 3,165 Customer Locations in six States and the NCT of Delhi, served through our 121 branches. Our AUM increased at a CAGR of 33.37% from ₹ 10,531.91 million as of March 31, 2013 to ₹ 33,325.65 million as of March 31, 2017. As of June 30, 2017, our AUM was ₹ 34,517.41 million. AUM in the micro-enterprise loan segment increased at a CAGR of 32.14% from ₹ 6,509.75 million as of March 31, 2013 to ₹ 19,848.57 million as of March 31, 2017 while AUM in our SME loan segment increased at a CAGR of 137.64% from ₹ 239.50 million as of March 31, 2013 to ₹ 7,638.37 million as of March 31, 2017. Our total revenue increased at a CAGR of 26.35%, from ₹ 1,431.20 million in Fiscal 2013 to ₹ 3,647.02 million in Fiscal 2017, while our profit after tax increased at a CAGR of 25.87%, from ₹ 273.11 million in Fiscal 2013 to ₹ 685.58 million in Fiscal 2017. As of March 31, 2017, and June 30, 2017, Return on Average AUM was 2.34% and 2.76%, respectively, while Return on Average Net Worth was 23.68% and 23.86% (*on an annualized basis*), respectively.

Leveraging our significant operational experience, we have developed stringent credit quality checks and customised operating procedures that involve regular monitoring of our loan portfolio. Although our business is focused on the middle and low income group customer segments, we have maintained relatively low NPA ratios. We have also entered into revenue sharing arrangements with a large number of sourcing partners, where part of a loan default is guaranteed by these sourcing partners, effectively making them directly accountable for the quality of the loan portfolio they originate. We believe these arrangements enable us to lower delinquency rates of loans sourced through such arrangements. A significant part of our business is also represented by loans extended to other financial institutions, and we have developed stringent and ongoing loan portfolio diligence measures that enable us to ensure the quality of the receivables underlying the loans to such financial institutions. As of March 31, 2017 and June 30, 2017, our Gross NPA was ₹ 352.70 million and ₹ 392.00 million, respectively, while Net NPA was ₹ 305.48 million and ₹ 330.50 million, respectively, and our Gross NPAs as a percentage of our AUM was 1.06% and 1.14%, respectively as of such dates. Our quality loan portfolio also enables us to effectively assign or securitize a significant portion of it from time to time, thereby reducing operational risks. In Fiscal 2017, and in the three month period ended June 30, 2017, we obtained ₹ 15,125.07 million and ₹ 3,081.90 million, respectively, through assignment and/or securitization of loans.

Diversified product offerings presenting significant growth opportunities

We offer a diverse range of financial products and services targeted at the low and middle income customer segments. Our micro-enterprise loan and SME loan segments extend loans to manufacturers, dealers, distributors and related service providers in various industries. Our housing loan and two-wheeler loan segments are targeted towards salaried and self-employed individuals. We cover a diversified customer demographic through our various financing products. As of March 31, 2017 and June 30, 2017, SME loan segment represented 22.92% and 24.23%, micro-enterprise loans represented 59.56% and 57.81%, two-wheeler loans represented 8.56% and 9.25%, Commercial Vehicle loans represented 3.66% and 3.54%, and housing loans represented 5.29% and 5.17%, respectively, of our AUM as of such dates. We believe that our diversified product portfolio and customer base aligned with increasing market demand is a key component of our growth and success. Our wide, multi-channel business sourcing network enables us to introduce new financing products with relatively low incremental investment and operating expenses. It also enables us to reduce our exposure to sector-specific declines, local or regional economic downturns, disruptions from political circumstances and/or natural disasters.

We believe that our target customer segments present significant growth opportunities for our business. Our business is also operationally aligned to easily adapt to the changing financing environment for our target customer segments introduced by recent GoI measures to encourage formal banking channels. The NBFC sector in India is a promising industry with considerable growth prospects. The loan book of NBFCs in India is expected to grow at a CAGR of 17% from Fiscal 2017 to Fiscal 2018. *(Source: CRISIL NBFC Overview, October 2016)*. Owing to the withdrawal of legal tender of the ₹ 500 and ₹ 1,000 denominations of bank notes by GoI, the projected growth of NBFCs is expected to be impacted in Fiscal 2017. However, NBFC sector growth is expected to recover in Fiscal 2018. *(Source: CRISIL Demonetisation Impact on NBFCs, December 2016)*. For estimated growth projections on each of our product segments, see "*Industry Overview*" on page 109. We believe that given our large business network, deep market knowledge, diversified product portfolio and consistent growth record, we are well-positioned to capitalise on the growth opportunities for NBFCs in India.

Access to diversified sources of capital and cost-effective funding

Our quality portfolio and stable credit history has enabled us to obtain capital for our business operations without over-leveraging or significant equity dilution. We have a dedicated resource mobilization team to effectively address our funding requirements, reduce cost of borrowings, diversify sources of funds, manage interest rate risk and invest any surplus funds. Our funding requirements have historically been met primarily through term loans. We have established long-term relationships with various banks and financial institutions which provide ease of access to funding from such institutions. Our quality loan portfolio, stringent credit appraisal and risk management processes, and stable credit history have resulted in improved credit status with our lenders over the years, thereby enabling us to reduce our cost of borrowings from banks and other financial institutions. For further information on our credit ratings, see "– *Credit Ratings*" on page 142. We also obtain funds through assignment and/or securitization of our loan portfolio to banks, which purchase such portfolio to meet their priority sector and retail lending commitments. Furthermore, we also issue non-convertible debentures and commercial paper to supplement our funding requirements. Our Cost of Borrowings as of March 31, 2017 was 9.47%, compared to 8.41% in Fiscal 2013.

As of June 30, 2017, our total outstanding debt including security deposits received from customers (excluding assignments) was ₹ 18,603.32 million. In Fiscal 2017, and in the three month period ended June 30, 2017, we obtained ₹ 15,125.07 million and ₹ 3,081.90 million, respectively, through assignment and/ or securitization of loans. As of June 30, 2017, we had also issued subordinate non-convertible debentures, on which ₹ 600 million is outstanding. As of June 30, 2017, we had a net worth of ₹ 4,385.31 million and had aggregate share capital including CCDs of ₹ 1,414.43 million. As of June 30, 2017, our debt to equity ratio was 4.24. In addition to debt funding, internal accruals constitute a significant portion of our source of funds.

Deep market knowledge through extensive sourcing channels

We have developed an extensive operational network in Gujarat and Maharashtra. We focus on developing grass root level market knowledge and operational experience in markets we operate, in order to better understand customer requirements and ensure better collection, reduced loan delinquencies and greater efficiency of operations. In addition to our sales team, we have entered into commercial arrangements with a large number of sourcing intermediaries including commission based DSAs as well as sourcing partners where part of a loan default is guaranteed by such sourcing partners. We believe that these revenue sharing arrangements act as a relatively stable revenue source for such sourcing partners and are therefore attractive to them. As of June 30, 2017, we had 332 such two-wheeler sourcing intermediaries and 395 Commercial Vehicle sourcing intermediaries. For our housing loan segment, we have similar arrangements with affordable housing project developers and property agents. As of June 30, 2017, we had 55 sourcing intermediaries in housing finance.

We leverage our in-depth market knowledge to identify and develop close working relationships with MFIs, HFCs and other NBFCs focused on markets similar to ours. As of June 30, 2017, we had 98 such institutional borrowers. These measures enable us to diversify deployment of capital. With our extensive operational experience in these markets and financing products, we work closely with our institutional borrowers for their funding requirements and liability management, and to target mutually beneficial business opportunities. We have developed strong relationships with these financial institutions. We believe that our understanding of local markets and customer demographics and practices enable us to identify market opportunities, improve operating efficiencies, grow our loan portfolio and increase our customer base.

Robust credit assessment and risk management framework

Our target customers include micro-enterprises, SMEs, traders and individuals from low and middle income customer segments. We have developed customised credit analysis procedures for each product depending on the nature of the customer, purpose of the loan and the amount of loan advanced. Typically, we analyse past financial information and the applicant's business trends to assess their income levels. In addition to document verification and credit bureau reports, we conduct site verification, interviews, and market and banking reference checks on the applicant, co-applicant and guarantor, as applicable. We have also adopted various measures to assess our institutional borrowers, including the viability of their business and financing products, the credit history of such institutions, the reputation and experience of the relevant promoters and founders of such institutions, as well as their credit, collection and other operational procedures and policies. We have also introduced stringent credit checks for the underlying loan portfolios associated with loans extended to our institutional borrowers, including inspection of the hypothecated loan portfolio to ensure that they meet the requisite credit policies stipulated by us and carry out replacement of any substandard underlying asset. We continuously monitor the quality of such hypothecated loan portfolio. For further information on our credit assessment policies, see "– *Financing Products*". In addition, our collection procedures are primarily non-cash processes, either through post-dated checks or through the NACH system to ensure ease of monitoring financial transactions.

Experienced management team with reputed investors

We believe that the industry knowledge and experience of our senior management has enabled us to maintain consistent growth of our business over the years. Our promoters, Kamlesh Chimanlal Gandhi, Chairman and Managing Director and Mukesh Chimanlal Gandhi, Chief Financial Officer and Director – Finance, each have over 21 years of experience in the financial services sector. Mukesh Chimanlal Gandhi is also the chairman of the Gujarat Finance Companies Association and a director of the Finance Industry Development Council. They are supported by an accomplished board of directors and key management personnel. We believe that our senior management team has enabled us to develop and implement a consistent business plan and operational procedures. The experience of our promoters and senior management allows us to identify market opportunities, offer products and services targeted at specific customer segments, develop customer and product specific credit policies, while ensuring effective risk management and quality of loan portfolio. We believe that their combined market experience has contributed to our growth and profitability, as well as strong capital position. For further information, refer to "*Our Management*" on page 160.

Our investors include development finance institutions such as FMO and DEG, and private equity investors such as Sarva Capital and India Business Excellence Fund - III, and in the past, ICICI Venture Fund and Bellweather Microfinance Fund. We believe this reflects the credibility of our business operations and corporate governance standards.

Business Strategies

Our primary business strategies are as follows:

Strengthen marketing and sourcing channels while maintaining stable growth and quality of portfolio

We believe that the quality of our portfolio has enabled us to maintain and continue focus on maintaining stable growth with a quality portfolio going forward. Our AUM increased at a CAGR of 33.37% from ₹ 10,531.91 million as of March 31, 2013 to ₹ 33,325.65 million as of March 31, 2017. As of June 30, 2017 we had over 3,165 Customer Locations in six States and the NCT of Delhi served through our 121 branches. We continue to strategically and selectively open new branches or expand in new locations, typically expanding into geographies with a growth potential. We intend to further increase our penetration in the States of Madhya Pradesh, Rajasthan, Karnataka, Tamil Nadu and the NCT of Delhi. In order to effectively grow business in our existing markets, we tailor business origination and servicing efforts to specific requirements in a particular region. With our diversified product portfolio, we have significant cross-selling opportunities among our existing customers and serve their future financing requirements with our other products.

To diversify the deployment of our funds, we will also continue to increase loans extended to financial institutions thereby allowing us to expand our geographical reach while maintaining a relatively lower risk profile. We also continue to establish knowledge partnerships with these financial institutions to further strengthen our existing relationships, and also to increase our local market knowledge. With our extensive operational experience and diversified portfolio of financing products we continue to assist such institutions with their asset liability management and best practices. In addition, we will continue to expand our network of sourcing intermediaries. The quality of the portfolio generated through such arrangements would serve as the basis for conducting further business through them. We intend to maintain an optimal balance between growth, quality of portfolio and profitability to ensure greater penetration in existing markets and increasing expansion into new territories.

Expand our product offerings

We continue to undertake market assessment studies to strategically evaluate additional product offerings. For example, as part of our SME loans, we intend to extend loans to the agricultural input and equipment segment. We believe this segment has significant potential for growth. The growth and investment across farm-input segments is expected to lead to a 6% increase in market size to ₹ 2.4 trillion by Fiscal 2019. Power equipment, hybrid seeds penetration, and higher usage of bio-pesticides and bio-fertilisers is expected to drive growth of close to 15% in Fiscal 2017 and over 10% thereafter (compared to growth at single digits for most large sub-segments in Fiscal 2016). *(Source: CRISIL Agri Report, 2016).* We intend to finance working capital requirements, both long and short term, of manufacturers, distributors and dealers of agricultural input products. We also intend to offer loans to farmers to acquire accessories, implements and tractors in collaboration with dealers, manufacturers and distributors as sourcing intermediaries. The proximity of these sourcing intermediaries with farmers enables them to generate quality leads for us. As we expand our operations, we endeavour to expand our portfolio of products across various sectors by monitoring customer requirements.

Leverage our existing network and customer base to develop our housing finance business

The housing finance sector is projected to grow at 14% CAGR in Fiscal 2017 and 18% in Fiscal 2018. *(Source: CRISIL Demonetisation Impact on NBFCs, December 2016)* Offering housing loans through a registered housing finance entity provides us with certain competitive advantages, including greater leverage resulting from lower capital adequacy norms applicable to a HFC, as well as lower risk-weightage applicable to housing finance loans. The GoI encourages the availability of credit to the affordable housing industry and has implemented various policies and initiatives, particularly in relation to affordable housing. We will continue to provide financing for such housing projects. Loans given to develop affordable housing projects are considered as 'housing loans' as per NHB guidelines. We intend to expand our housing finance business by increasing the geographic reach of MRHMFL's operations. MRHMFL currently operates in Gujarat, Maharashtra, Rajasthan and Madhya Pradesh. We intend to establish additional branches in States that have favourable business potential for affordable housing loans. We believe our experience in understanding customer preferences by assessing income levels will enable us to effectively develop our housing loan portfolio. We also intend to leverage our existing operational network and customer base to cross-sell housing loans to our existing customers. As of June 30, 2017, we have strategic arrangements with 55 sourcing intermediaries in the housing loan segment, who are typically affordable housing project developers and property agents. We intend to establish more local sourcing arrangements in regions identified through market potential studies undertaken by us.

Leverage technology to foster growth

All our branches have been centrally connected to our corporate office in Ahmedabad, Gujarat. We regularly update our systems and continue to streamline our credit approval, administration and monitoring processes to meet customer requirements and maintain our risk profile. We continue to focus on developing and strengthening our IT capabilities to support our growth and improve the quality of our services. We believe that improving our technology infrastructure will allow us to respond to challenges on a real-time basis and improve our risks management capabilities. We intend to develop and implement analytics capabilities for lead generation, market mapping, improving customer responsiveness and anticipating customer requirements.

We further intend to develop data mining and analytics capabilities to improve predictability of repayment patterns and set up early warning systems. We also intend to develop data-driven insights to understand our target customers' propensity towards certain financial products. We anticipate using such information to conduct targeted marketing efforts allowing us to improve the availability of our products and consequently the quality of our services and credit portfolio. We intend to devote our analytics resources towards identifying growth opportunities across multiple dimensions – products, customers and channels to optimise profitability and growth.

Business Operations

Our Company was registered with the RBI as a public deposit taking NBFC since 1998. Subsequently in 2007, we were converted in to a non-public deposit taking NBFC. We provide a wide range of financial products that address financing requirements of middle and low income individuals as well as micro, small and medium enterprises.

Financing Products

Our products include:

Micro-Enterprise Loans

We provide loans up to ₹ 300,000 to customers, who primarily include retailers, traders, small manufacturers and service providers. Loan tenures range between 12 to 36 months. Micro-enterprise loans disbursed are mostly unsecured. AUM in the micro-enterprise loan segment increased at a CAGR of 32.14% from ₹ 6,509.75 million as of March 31, 2013 to ₹ 19,848.57 million as of March 31, 2017. In Fiscal 2017 and the three month period ended June 30, 2017, Average Disbursement in our micro-enterprise loan segment was ₹ 33,638 and ₹ 48,055, respectively. AUM in our micro-enterprise loan segment as of March 31, 2017 and June 30, 2017 was ₹ 19,848.57 million and ₹ 19,953.21 million, respectively, which represented 59.56% and 57.81%, respectively, of our AUM as of such dates.

We provide two categories of micro-enterprise loans:

(i) Micro-enterprise loans of up to ₹ 75,000 (up to ₹ 100,000, if the applicant is a repeat customer) are provided typically to self-employed individuals engaged in trading or manufacturing business.

Credit assessment process and approval criteria

Applicants are required to be between the ages of 21and 65 years. If an applicant is below 25 years, a family member is required as a co-applicant. The credit officer may also require a guarantor or co-applicant according to his assessment of the applicant's profile. As part of our credit assessment processes, we conduct internal de-duplication checks along with credit bureau and other database checks on the applicant, co-applicant and guarantor, as applicable, to ensure that none of them are defaulters with any bank or financial institution. We also conduct site visits and interviews with the applicant. Where applicable, we collect bank statements for the previous six months for all accounts and credit card statements for three months to assess repayment practice.

Loans up to ₹ 50,000 can be approved by a credit officer; up to ₹ 60,000 by a senior credit officer and more than ₹ 60,000 by a credit in-charge.

(ii) Micro-enterprise loans ranging from ₹ 75,000 – ₹ 300,000 are provided typically to sole proprietors and partnership firms.

Credit assessment process and approval criteria Applicants are required to be at least 22 years of age (if it is a family owned business) and 25 years of age (if it is a first generation business) while the maximum age to obtain loan is 65 years at the end of the tenure. The applicant's spouse as a co-applicant and collection comfort is preferred in all cases. At least one co-applicant must meet the age criteria. Residence or business premises should be owned either by the applicant or by a parent, spouse or child. As part of our credit assessment processes, we conduct internal de-duplication and other database checks on the applicant, co-applicant, proprietor, partners and guarantors, as applicable, to ensure that none of them are defaulters with any bank or financial institution. For loans of up to ₹ 100,000, the local site visit officer conducts a visit to the applicant's place of business and for loans above ₹ 100,000, site visit and interviews are conducted by the branch manager or the branch credit officer. We collect six months bank statements for all business accounts (where the applicant is a partnership firm) and all personal accounts (where the applicant is a proprietorship). We also verify income tax returns, as available, along with supporting financial statements to ensure that there was cash profit for the previous three years.

Loans in this category are approved by a sanctioning authority in the following manner:

Limits	Sanctioning Authority
Up to ₹ 100,000	Senior Credit Officer
From ₹ 100,000 to ₹ 150,000	Credit In-charge
More than ₹ 150,000	Director and Chief Operating Officer

SME Loans

We provide loans up to ₹ 50 million to customers, who primarily include small and medium size manufacturers, distributors, dealers and service providers engaged in various industries. SME loans include working capital loans, loans for machinery and facilities, and include loans against property and loans to housing finance companies. AUM in SME loan segment increased at a CAGR of 137.64% from ₹ 239.50 million as of March 31, 2013 to ₹ 7,638.37 million as of March 31, 2017. In Fiscal 2017 and in the three month period ended June 30, 2017, the Average Disbursement in our SME loan segment was ₹ 5.50 million and ₹ 7.95 million, respectively. AUM in our SME loan segment as of March 31, 2017 and June 30, 2017 was ₹ 7,638.37 million and ₹ 8,362.34 million, respectively, which represented 22.92% and 24.23%, respectively, of our AUM as of such dates.

Credit assessment process and approval criteria for working capital loans

Borrowers under this category are required to meet the following criteria, amongst others, to avail funding:

Limits	Main Criteria
Up to ₹ 5 million	• Business is required to have an operating history of at least one year or more. • Ownership of at least one property. • 50% of turnover, as assessed by our credit team, present in current account.
Up to ₹ 10 million	• Business is required to have an operating history of at least two years or more. • Ownership of at least one property. • 55% of turnover, as assessed by our credit team, present in current account.
Up to ₹ 20 million	• Business is required to have an operating history of at least three years or more. • Ownership of residential and business property.

Limits	Main Criteria
	• 60% of turnover as assessed by our credit team, present in current account.
Up to ₹ 30 million	• Business is required to have an operating history of at least four years or more. • Ownership of residential and business property. • 65% of turnover, as assessed by our credit team, present in current account.
Up to ₹ 50 million	• Business is required to have an operating history of at least five years or more. • Ownership of residential and business property. • 70% of turnover, as assessed by our credit team, present in current account.

Cash collateral, one woman family member as co-applicant and a third party guarantor is preferred in all cases. If the applicant has associate entities, documents of such associate entities are also required to be provided. Credit bureau, internal de-duplication and market reference checks are conducted for applicant, co-applicants and guarantor, as applicable, along with site visits and interviews. We have additional eligibility criteria based on turnover, debt/equity ratio and net worth on a case-to-case basis. Personal guarantees and post-dated checks for the entire loan amount are mandatory in all cases. Cash collateral is also stipulated as additional security, if required. We collect audited financial statements of the applicant for previous three years. For applicants with operating history of one year, unaudited financial statements are collected. In such cases, where the loan amount is over ₹ 2.50 million the unaudited financial statements need to be certified by a chartered accountant.

We also collect bank statements and income tax returns for minimum one year, of the business and related parties including other partners, directors or proprietors, as the case may be. Previous year financials of group concerns are also collected (along with three months of bank statements, if it operates in the same business). Check return due to insufficient funds without proper clarification and justification are grounds for rejection.

Credit assessment process and approval criteria for loans for machinery and facilities

Borrowers under this category are required to meet the following criteria, amongst others, to avail funding:

Formal category

Limits	Main Criteria
Up to ₹ 10 million	• Business is required to have an operating history of five years or more. • 70% turnover to be present in current account. • Guarantor is required.
Up to ₹ 15 million	• Business is required to have an operating history of five years or more. • 70% turnover to be present in current account. • Audited financial statements are required.
Up to ₹ 20 million	• Business is required to have an operating history of seven years or more. • 75% turnover to be present in current account. • Audited financial statements are required.

Informal category

Limits	Main Criteria
Up to ₹ 2.5 million	• Business is required to have an operating history of five years or more. • 20% turnover to be present in current account.

Limits	Main Criteria
	• Unaudited financials and a guarantor are required.
Up to ₹ 5 million	• Business is required to have an operating history of five years or more. • 40% turnover to be present in current account. • Unaudited financials and a guarantor are required.
Up to ₹ 7.5 million	• Business is required to have an operating history of seven years or more. • 60% turnover to be present in current account. • Unaudited financials required (to be certified by chartered accountant for loans above ₹ 1 million).

Critical ratios and cash flow analysis should be positive. We also assess repayment schedule of prior loans obtained. If the applicant is unaudited, we also examine their business model. LTV of the machinery should not exceed 60% in the formal category and 50% in the informal category. We also collect KYC and other relevant documents and conduct credit bureau, internal de-duplication and market reference checks for each applicant and guarantor, as applicable, along with site visits.

We collect income tax returns for previous two years and bank statements for the previous six months if the applicant is audited and one year bank statements if the applicant is not audited. For assessment of income, we may also collect sales and purchase bills and tax deduction certificates. As security, machinery is hypothecated to us. In case of facilities financing, a mortgage is registered. If the applicant is subject to an audit pursuant to the relevant income tax regulations, a third party guarantee is optional. However, a third party guarantor is preferred for applicants that do not undergo an audit.

Credit assessment process and approval criteria for loans against property

Borrowers under this category are required to meet the following criteria, amongst others, to avail funding:

Formal category

Limits	Main Criteria
Up to ₹ 7.5 million in metro cities (₹ 5 million in urban areas and ₹ 4 million in semi-urban areas)	• Business is required to have an operating history of one year or more. • Ownership of at least one property. • 50% – 60% turnover, as assessed by our credit team, present in current account.
Up to ₹ 15 million in metro cities (₹ 12.5 million in urban areas and ₹10 million in semi-urban areas)	• Business is required to have an operating history of two years or more. • Ownership of residence and business property. • 60% – 75% turnover, as assessed by our credit team, present in current account.
Up to ₹ 20 million in metro cities (₹ 15 million in urban areas and ₹ 10 million in semi-urban areas)	• Business is required to have an operating history of three years or more. • Ownership of residence and business property. • At least 75% turnover, as assessed by our credit team, present in current account.

Informal category

Limits	Main Criteria
Up to ₹ 2.5 million in metro cities (₹ 2 million in urban areas and ₹ 1,500,000 in semi-urban areas)	• Business is required to have an operating history of at least one year or more. • Ownership of at least one property. • Savings account is required.

Limits	Main Criteria
Up to ₹ 4 million in metro cities (₹ 3 million in urban areas and ₹ 2 million in semi-urban areas)	• Business is required to have an operating history of at least two years or more. • Ownership of at least one property. • 10% - 40% turnover, as assessed by our credit team, present in current account.
Up to ₹ 5million in metro cities (₹ 4 million in urban areas and ₹ 2.5 million in semi-urban areas)	• Business is required to have an operating history of at least three years or more. • Ownership of at least one property. • 20% - 50% turnover, as assessed by our credit team, present in current account.

Loans against property under this segment are provided for business purposes only. Age of the applicant or co-applicant should not be more than 55 years. One woman family member as a co-applicant is mandatory in all cases. If property is jointly owned, all owners are required as co-applicants. A guarantor is also mandatory in all cases. Credit bureau, internal de-duplication, site visit and reference checks are conducted for the applicant, co-applicants and guarantor, as applicable. Mortgage should be registered and residential property is preferred. Commercial property can also be considered with proper approvals. The property will be eligible to be mortgaged subject to positive title clearance (i.e., legal and technical evaluation) from authorised counsel. LTV is decided based on the valuation report provided by an approved valuer. We have also set additional eligibility criteria, assessed on a case-to-case basis, according to income and turnover assessment.

Two-wheeler Loans

We provide two-wheeler loans to our customers, who primarily include farmers, self-employed and salaried individuals and professionals. Maximum allowed tenure is 36 months. Our AUM in the two-wheeler loan segment increased at a CAGR of 5.86% from ₹ 2,272.65 million as of March 31, 2013 to ₹ 2,853.86 million as of as of March 31, 2017. In Fiscal 2017 and the three month period ended June 30, 2017, our Average Disbursement in two-wheeler loan segment was ₹ 43,110 and ₹ 39,472, respectively. AUM in the two-wheeler loan segment was ₹ 2,853.86 million and ₹ 3,192.80 million as of March 31, 2017 and June 30, 2017 respectively, which represented 8.56% and 9.25%respectively, of our AUM as of such dates.

Credit assessment process and approval criteria Applicants are required to be at least 18 years of age. Maximum age for obtaining two-wheeler loans is 60 years if salaried, or 65 years if self-employed, professional or a farmer, both at the end of the loan tenure. At least one property (residential or business) should be owned by the applicant or jointly residing family members. A family member as a co-applicant is compulsory if the applicant is self-employed and below the age of 25 or 27 (in case of applicants for agricultural loans). If the applicant is a student, an immediate earning family member as a co-applicant is compulsory. As a part of our credit assessment process, we conduct credit bureau, internal de-duplication and other database checks on the applicant, co-applicant and guarantor, as applicable. A site visit is conducted in all cases by our sales team or by a site visit executive or a site visit agency. The credit officer may demand a guarantor or co-applicant according to his assessment of the applicant's profile.

Commercial Vehicle Loans

We provide loans of up to ₹ 700,000 for the purchase of new and used commercial vehicles, used cars and tractors. In this segment, our customers typically comprise of traders and manufacturers (for loading vehicles) and road transporters. The minimum tenure of all loans is 12 months while the maximum tenure is 36 months for three-wheelers, SUV and MUV loans. The maximum tenure is 60 months for LCV and MHCV loans.

AUM in our Commercial Vehicle loan segment increased at a CAGR of 2.62% from ₹ 1,100.68 million as of March 31, 2013 to ₹ 1,220.60 million as of March 31, 2017. In Fiscal 2017 and the three month period ended June 30, 2017, our Average Disbursement in the Commercial Vehicle Loan segment was ₹ 149,817 and ₹ 184,326, respectively. Our AUM in the Commercial Vehicle loans was ₹ 1,220.60 million and ₹ 1,223.33 million as of March 31, 2017, and June 30, 2017 which represented 3.66% and 3.54 % respectively, of our AUM as of such dates.

Credit assessment process and approval criteria

Applicants are required to be at least 18 years of age and not older than 65 years at the end for the loan tenure. A parent as a co-applicant is compulsory if applicant is less than 21 years. In case of sole proprietorships where the borrower is less than 30 years, an earning family member is required as a co-applicant. At least one property (residential or business) should be owned by the applicant or jointly residing family members. The vehicle is hypothecated to us and the insurance policy is required to be executed in our favour. In addition, we also stipulate income, experience, and business stability requirements depending on whether the applicant is a first time user, first time owner, fleet operator or a captive user.

As part of our credit assessment process, we conduct site visits and internal de-duplication and other database checks on the applicant, co-applicant and guarantor, as applicable. Where required, we collect bank statements of applicant and the co-applicant for the previous six months. The credit officer may also require bank statements of the guarantor depending on his assessment. Maximum exposure to a single applicant is ₹ 500,000 in case of new customers (₹ 700,000 in case of tractors) and ₹ 300,000 in case of customers seeking refinance. We only finance used three-wheelers up to five years, SUVs and MUVs between seven and 10 years depending on the category of vehicle, tractors up to 10 years and LCVs and HCVs up to 15 years.

Housing Loans

Our housing loan segment is primarily operated through our Subsidiary, MRHMFL. We provide housing loans to our customers, who are primarily salaried and self-employed individuals. We provide loans for purchase of new and old houses, construction of houses on owned plots, home improvement loans and loans for purchase and construction of commercial property. We also extend loans to developers for construction of affordable housing projects. Minimum loan amount is ₹ 50,000 and maximum amount is ₹ 5,000,000 for residential property and ₹ 10,000,000 for commercial property. 240 months is the maximum tenure for loans for residential property and 120 months for commercial property. Our AUM in the housing loan segment increased at a CAGR of 44.09% from ₹ 409.33 million as of March 31, 2013 to ₹ 1,764.25 million as of March 31, 2017.

In Fiscal 2017 and the three month period ended June 30, 2017, our Average Disbursement in the housing loan segment was ₹ 1.22 million and ₹ 1.43 million, respectively. Our AUM in the housing loan segment was ₹ 1,764.25 million and ₹ 1,785.73 million as of March 31, 2017, and June 30, 2017 respectively, which represented 5.29% and 5.17% respectively, of our AUM as of such dates.

Credit assessment process and approval criteria

Applicants are required to be at least 21 years of age and not older than 65 years at the end of the loan tenure. Maximum tenure in case of a salaried applicant is up to the retirement age of the applicant and that in case of a self-employed applicant is up to 240 months or 65 years, whichever is lesser. All legal heirs are required as co-applicants.

As a part of our credit assessment process, we conduct credit bureau, internal de-duplication and other database checks on the applicant, co-applicant and guarantor to ensure that none of them are defaulters with any bank or financial institution. A site visit and interviews are conducted in all cases. The credit officer may additionally require a guarantor or co-applicant based on his assessment of the applicant's profile. In case of farmers, minimum land requirement is three bighas. In addition, at least one additional mode of income is required and the ratio of such income should preferably be at least 25% of total income. The maximum allowed LTV for housing according to NHB norms and in commercial purchase is 50% or less.

For loans extended to developers for affordable housing projects, the applicant is required to have at least three years' operating experience with ownership of residential or office property. The proposed project is required to be profitable with positive cash flows and all relevant permissions. Prior to disbursement, 15% of total proposed units are required to be pre-booked. Loan tenure ranges from 10 to 48 months with a maximum LTV of 70%. A mortgage of the current property and proposed construction is registered as security, along with personal guarantees and post-dated checks for the entire loan amount. The credit officer may also require 5% - 25% of the loan amount to be set aside as security deposit. We collect last three years balance sheet and income tax returns of the applicant and partners, as applicable, and last six months bank statements of all bank accounts. We also collect KYC and other relevant documents, conduct credit bureau, internal de-duplication and market reference checks along with site visits. In this category, we have fixed exposure level not exceeding 15% of our owned funds to single customer and not exceeding 25% of our owned funds to single group of customers.

For all product segments, any deviation from policy criteria and exposure can be approved by the credit committee based on the applicant's past track record with us and other assessments including references from the market, branch and collection department.

Organizational Network and Customer Origination

Organisational Network

As of June 30, 2017, we had over 3,165 Customer Locations in Gujarat, Maharashtra, Madhya Pradesh, Rajasthan, Karnataka and Tamil Nadu and the NCT of Delhi served through our 121 branches. Our organisation network is monitored by our head office in Ahmedabad, Gujarat.

Customer Origination

Customer origination is primarily through our sales team. They inform our target customers on our various product offerings to enable us to generate leads which are then followed until disbursement. We have entered into commercial arrangements with a large number of sourcing intermediaries, including commission based DSAs and revenue sharing arrangements with various dealers and distributors where part of the loan default is guaranteed by such sourcing partners. In accordance with our arrangements with these sourcing partners, they are required to conduct a preliminary assessment of the applicant based on pre-determined criteria provided by us. The applications that fulfil the pre-determined criteria are forwarded to us with a letter of recommendation from the respective sourcing partner. The sourcing partner is also required to collect all necessary supporting documents for the application and applicable margin money. As of June 30, 2017, we had 332 such sourcing intermediaries for our two-wheeler loan segment and 395 such sourcing intermediaries for our Commercial Vehicle loan segment. As of June 30, 2017, we had entered into arrangements with 55 sourcing intermediaries for our housing loan segment, who typically are affordable housing project developers and property agents. Our arrangements with these sourcing intermediaries are non-exclusive and beneficial in furthering the business objectives of all parties involved. In addition, our sales and marketing personnel are also situated at Commercial Vehicle and two-wheeler dealer locations.

Loans to MFIs, HFCs and other NBFCs

We leverage our in-depth market knowledge and experience to identify other financial institutions focused on similar sectors. We extend loans to MFIs, NBFCs and HFCs with their respective portfolio of receivables as collateral. These financial institutions are focused on markets similar to ours, enabling us to expand our geographic presence. As of June 30, 2017 we had 98 such institutional borrowers. We leverage our extensive experience in the financial services sector to assist them with asset liability management issues and best practices. We have developed strategic relationships with these institutions based on our long-term association with them. We examine their operations to gain an understanding of the local markets, customer demographics and operational challenges.

We generally enter into non-exclusive long-term relationships with these financial institutions. We extend term loans with tenures tailored for specific product segments ranging between 12 to 48 months. The rate of interest is determined at the time of sanction of the loan based on profitability of the applicant, existing relationship and synergy with our business. Typically, a portion of their receivables and book debts are hypothecated to us (providing coverage of at least 100% of the outstanding loan amount). We have introduced stringent credit checks for such underlying loan portfolio, including inspection of the hypothecated loan portfolio to ensure it meets agreed credit policies, and replacement of any sub-standard underlying asset. We continuously monitor the quality of such hypothecated loan portfolio. In accordance with our arrangements with these institutional borrowers, we obtain a list of underlying portfolio of receivables within periods stipulated in the sanction letter. If any of these underlying assets turns sub-standard, they are required to be replaced with standard assets. This arrangement is to ensure that these assets are always standard in nature for various facilities that may be extended. Personal guarantees from promoters/directors are also a preferred form of security for these transactions. In addition, as agreed at the time of sanction, an agreed percentage of the loan amount is maintained as cash reserves or a specific amount is placed as a security deposit by these institutions. We also obtain demand promissory notes, letters of continuity and other general undertakings as collateral security. In certain circumstances, we also have the right to convert outstanding amounts into fully paid up shares in these institutional borrowers. In order to manage our risk profile, we limit the maximum exposure of a single such institutional borrower to 10-15% of our total lending to each such category of borrowers.

Credit policies for loans to MFIs, HFCs and other NBFCs

We adhere to stringent credit policies while extending loans to NBFCs, MFIs and HFCs. Our loan policy requires that the financial institution must have been in existence for a minimum of three years. We undertake due diligence and analyse audited balance sheets for three years, verify bank account statements for previous six months and examine credit history. We analyse their systems, operations, credit processes and policies. We also analyse their portfolio at risk and NPA details, and obtain an internal de-duplication report. We also conduct an overdue analysis, site verification, market reference checks and interviews.

Our credit policy mandates that each borrower meets certain critical ratios and that their cash flows, credit history and internal de-duplications are positive. The borrower is preferred to be profitable on a month on month basis. Their portfolio at risk for 90 days should be not more than 5%. The products they offer should be satisfactory, viable and consistent with the products offered by us and all loans should be documented.

Loan Administration and Disbursement

Our loan administration process is documented and centralized to ensure operational efficiency. The branch manager evaluates a loan proposal based on recommendations from the sourcing credit officer and supporting documentation. In addition, our branch managers also consider other factors in the approval process such as site visit reports, details gathered from interviews, length of residence, past repayment record, and income sources. The branch manager recommends the approval of the application to our Central Processing Unit if the proposal meets the criteria established for approval. The applicant is intimated of the outcome of the approval process. If approved, the applicant is provided details of the loan amount, terms and conditions of such financing, including the rate of interest and the application of interest during the tenure of the loan. The borrower is required to execute a standard form loan-cum-hypothecation agreement. A loan repayment schedule is attached as a schedule to loan cum hypothecation agreement. The loan amount is disbursed as a lump sum or in instalments depending on the terms and conditions of the loan. Margin money and other charges are collected prior to disbursement.

Loan Monitoring

We identify our customers with a unique identification number and can track loan repayment of our customers, on a monthly basis, based on outstanding tenure of loans, number of instalments due and defaults, if any. Our Central Processing Unit monitors compliance with terms and conditions of credit facilities. A complete set of documents are stored at the central office which is controlled and monitored by a warehouse-in-charge. Accounts of borrowers with larger exposure are specifically reviewed every quarter by the Risk Management Committee. Delinquent borrowers are under constant scrutiny and follow-up by the collection team. Our close monitoring and endeavours to improve debt servicing methods enable us to maintain low NPA ratios.

Collection

Our collection procedures are primarily non-cash processes, either through post-dated checks or through the NACH system to ensure ease of monitoring financial transactions. Through a customer's unique identification number we are able to track and process all payments through these non-cash methods. On the due date of each monthly instalment, we send the post-dated checks or NACH mandates to the banks. Default, if any, is intimated to the originating branch which does a field-level follow up and collection. Our collection mechanism is built around maintaining customer relationships and adequate care is taken to ensure timely repayment while maintaining cordial relationships. We are, in certain cases, able to manage defaults through financial counselling and support. Any further failure to collect is reported to our legal team which initiates legal action for the seizure of collateral for recovery of dues.

Loan Recovery

We track loan repayment schedules of our customers regularly based on the outstanding tenure of the loans, the number of instalments due and the conduct of account. The following tables set forth certain information relating to our NPAs in the periods specified:

(in ₹ million, except ratios and percentages)

	As of March 31,					As of June 30, 2017
	2013	2014	2015	2016	2017	
Gross NPA	104.80	151.19	208.13	279.06	352.70	392.00
Gross NPA / AUM (%)	1.00	1.04	0.99	1.03	1.06	1.14
Net NPAs	89.32	122.19	170.94	239.28	305.48	330.50
Net NPAs / AUM (%)	0.85	0.84	0.81	0.89	0.92	0.96

Treasury Operations

Our treasury operations help us meet our funding requirements and manage short-term surpluses. We are well-capitalised with diversified sources of capital. We have a dedicated resource mobilization team that helps us meet our funding requirements, minimize the cost of our borrowings, diversify the sources of our funds, manage interest rate risk and invest surplus funds. Our fund requirements are predominantly sourced through term loans and assignment or securitization of portfolio to banks and financial institutions, commercial papers, and non-convertible debentures. Our finance team undertakes liquidity management by seeking to maintain an optimum level of liquidity and complying with the RBI's requirements for asset and liability management. Our objective is to ensure adequate capitalisation to conduct our business without holding excessive cash. As a systemically important NBFC focusing on economically weaker groups, we assign or securitize the portfolio to banks, which helps meet priority sector lending commitments of banks. Priority sector lending and long-term relationships with public/private sector banking institutions provides ease of access to funding from such institutions at lower costs. For further information about the principal components of interest-earning assets and interest-bearing liabilities, see "*Selected Statistical Information*" on page 183.

Assignment / Securitization of Portfolio

We currently undertake securitization and non-recourse assignment of receivables in accordance with RBI guidelines as a cost-effective source of funds. We sell a majority of the receivables generated from our financing businesses through such transactions. We continue to provide administrative services, including loan servicing and collection activities for the assigned portfolio. As of March 31, 2017 and June 30, 2017, our Off-book AUM as a percentage of AUM was 36.44% and 34.06%, respectively. Gains arising from securitization/ assignment are treated as income and vary according to a number of factors such as the tenure of the securitized/ assigned portfolio, the yield on the portfolio securitized/assigned and the coupon rate applied. The gains arising from assignment are amortized over the tenure of the loan in accordance with relevant RBI guidelines. For further information, see "*Financial Statements"* on page 202.

Credit ratings

The following table reflects the improvement in our credit ratings as of the date of the RHP:

Rating Agency	Type of Instrument	Term of Instrument/ Amount (₹)	Rating as of the date of the RHP
CRISIL Ratings	Commercial Paper Programme – Series I	200 million	CRISIL A1+(SO)
CRISIL Ratings	Commercial Paper Programme – Series II	750 million	CRISIL A1+(SO)
ICRA	Issuer rating	-	IrA- (positive) on notice of withdrawal*/ Outstanding
ICRA	Long-term fund based term loans	571.9 million	[ICRA]A- (positive) Outstanding
ICRA	Subordinated debt programme	600 million	[ICRA]A- (positive) Outstanding
India Ratings	Bank Loan	Long-term – 24,000	IND A (Stable)

**The issuer rating of the Company was put on a one year notice of withdrawal on December 16, 2016.*

Capital Adequacy Ratio

Our Company is subject to capital adequacy requirements set out by the RBI for systemically important non-deposit accepting NBFCs, which currently require us to maintain a capital adequacy ratio consisting of Tier I and Tier II capital of not less than 15% of our aggregate risk weighted assets on balance sheet and of risk adjusted value of off balance sheet items The following table sets out our capital adequacy ratios (on a standalone basis) as of the dates indicated based on the audited financial statements for the respective years / periods:

(in ₹ million, except ratios and percentages)

	As of March 31,					As of June 30,
	2013	2014	2015	2016	2017	2017
Tier I Capital	991.76	1,224.07	1,497.87	1,729.63	3,170.01	3,724.24
Tier II Capital	472.80	498.32	708.64	1,147.24	1,136.54	1,062.49
Total Capital	1,464.56	1,722.39	2,206.51	2,876.87	4,306.55	4,786.73
Total Risk Weighted Assets	**6,160.68**	**8,727.27**	**12,166.33**	**15,740.81**	**18,762.11**	**20,109.09**
Capital Adequacy Ratio						
Tier I Capital (as a Percentage of Total Risk Weighted Assets (%))	16.10	14.03	12.32	10.99	16.90	18.52

	As of March 31,					As of June 30, 2017
	2013	2014	2015	2016	2017	
Tier II Capital (as a Percentage of Total Risk Weighted Assets (%))	7.67	5.71	5.82	7.28	6.06	5.28
Total Capital (as a Percentage of Total Risk Weighted Assets (%))	**23.77**	**19.74**	**18.14**	**18.27**	**22.96**	**23.80**

Risk Management

Risk management forms an integral part of our business. As an NBFC, we are exposed to various risks related to our lending business and operating environment. Our objective is to evaluate and monitor various risks that we are subject to and follow stringent policies and procedures to address these risks. Our Risk Management Committee assists the Board in addressing various risks and discharging duties relating to corporate accountability. A documented, systematic assessment of processes and outcomes surrounding key risks including internal control is undertaken annually. The Risk Management Committee reviews the effectiveness of risk management systems in place and ensures that they are effectively managed. The Risk Management Committee also provides an independent and objective oversight of information on corporate accountability and risks, and takes into account reports of the Audit Committee on all categories of identified risks.

Risk Management Architecture

The major risks we face in our businesses are credit risk, concentration risks, interest rate risk, operational risk, liquidity risk and asset risk.

Credit Risk

Credit risk arises from loss that may occur from defaults by customers under loan agreements. Customer defaults and inability to recover such amount may lead to higher NPA ratios. Our product specific credit policies which include proposal evaluation and investigation procedure for credit appraisal of each applicant are approved by our Board. We manage our credit risk by evaluating the appropriate level of income and creditworthiness of our customers, carrying out cash flow analysis, setting credit limits and prudent LTV ratios. Credit exposure, credit limits and asset quality are regularly monitored at various levels.

Concentration Risk

As of June 30, 2017 we had over 3,165 Customer Locations in Gujarat, Maharashtra, Madhya Pradesh, Rajasthan, Karnataka and Tamil Nadu and the NCT of Delhi serviced through our 121 branches. Our organisation network and significant portion of our AUM is managed from our head office in Ahmedabad, Gujarat. Our experience coupled with customised credit policies has enabled us to mitigate concentration risks significantly. As part of our consistent growth strategy, we maintain a geographically diverse portfolio. Further, with a view to mitigate concentration risks, we have fixed the following ceilings for individual and group exposure in accordance with the prudential ceiling norms stipulated by RBI:

Particulars	Cap	RBI guidelines
Individual Exposure	15% of owned funds	15% of owned funds
Group Exposure	25% of owned funds	25% of owned funds

Interest Rate Risk

We are subject to interest rate risk, particularly because we lend to customers at fixed interest rates and for periods that may differ from our funding sources, which bear fixed and/ or floating interest rates. Interest rates are susceptible to a number of factors beyond our control, including monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. We assess and manage interest rate risk on our balance sheet by managing our assets and liabilities in line with our asset and liability management policy. As of June 30, 2017, 27.87% of our total borrowings were at fixed rates and 72.13% at floating rates.

We have an asset liability management policy, approved and adopted by our Board on recommendation by our Asset Liability Committee. Assets and liabilities are categorized into various buckets based on their maturities and repricing options. Efforts are made and action plans are drawn to ensure minimal mismatch, in line with guidelines prescribed by the RBI.

Operational Risk

Operational risks arise from inadequate or failed internal processes, people and systems or from external events. In order to control our operational risks, we have adopted well-defined loan approval processes and procedures. We also attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures and undertaking contingency planning. In addition, we have appointed audit firms to conduct internal audits to assess adequacy of and compliance with internal controls, procedures and processes. Reports of internal auditors as well as measures proposed on matters reported are discussed and reviewed at Audit Committee meetings.

Liquidity Risk

Liquidity risk arises due to unavailability of adequate funds at appropriate prices or tenure. We attempt to minimize this risk through a mix of strategies, including assignment of receivables and short-term funding. We also monitor liquidity risk through adequate bank sanction limits at the beginning of each Fiscal. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. Through our asset and liability management policy, we cap maximum mismatches in various maturities in line with guidelines prescribed by the RBI.

Asset Risk

Asset risks arise from decrease in the value of collateral over time. Sale price of a repossessed asset may be less than the amount of loan and interest outstanding and we may not be able to realize the full amount lent to our customers due to such a decrease in the value of collateral. Our employees are required to follow legal procedures and take appropriate care in dealing with customers while repossessing assets. We may also face certain practical and execution challenges while seizing collateral.

Technology

Our IT systems connect our branches and aid us with various processes involved in lending transactions. This ensures centralization of operations. We have developed proprietary software, MASEX, which we use to link and manage our operations. We have an IT policy focused on data security. The policy is applicable to all employees (temporary and full-time), all DSAs, agents and persons visiting our premises. We undertake risk assessments, involving employees and have systems in place to address various risks identified. All critical data is backed-up daily with backup servers at two different locations to ensure data safety. Access to our IT systems is limited only to relevant employees with passwords. We also train our employees on the importance of safeguarding data. As of June 30, 2017, all our branches have been connected and we operate centralised functions from our head office in Ahmedabad, Gujarat.

Insurance

We believe that we maintain all material insurance policies that are customary for companies operating in similar businesses. These include fidelity guarantee policies that cover all our employees, a money insurance policy in respect of cash-in-safe and in-transit. In addition, our directors are insured under a directors' and officers' liability insurance policy. We also maintain insurance coverage against losses occasioned by fire, burglary for the premises and equipment in our offices, public liability insurance, group and personal accident insurance covering our employees.

Employees

As of June 30, 2017, we had 606 full-time employees. In addition, we have temporary sales, marketing and recovery personnel who work on a commission basis. We adhere to a policy of nurturing dedicated talent by conducting regular training programmes. We provide training to our employees both as a commitment to their career development and also to ensure quality service to our customers. These trainings are conducted on joining as part of employee initiation and include additional on-the-job trainings. We also conduct on-going objective trainings to address specific short comings of the employees. We also intend to use technology as a platform to make our training programmes more effective and efficient.

Competition

We face competition from other NBFCs, MFIs and HFCs as well as banks. In addition to NBFCs, MFIs and HFCs, we face competition from unorganized small market participants who are prevalent in semi-urban and rural landscapes, local money lenders in rural areas, and small finance banks which are also focused on lending to low and middle income segments and micro, small and medium enterprises. The major players are Janalakshmi Financial Services, Bharat Financial Inclusion Limited in micro-enterprise loan segment *(Source: MF Opinion, 2016)*; Dewan Housing Finance Limited, PNB Housing Finance Limited in housing loan segment *(Source: CRISIL Housing Finance Player Profile, 2016)*; and Shriram Transport Finance Company Limited, and Mahindra and Mahindra Financial Services Limited in auto finance. *(Source: CRISIL AF Opinion, 2016)* We believe that our market knowledge, customer base and relationships with various financial entities, dealers and distributors will help us face competition.

Corporate Social Responsibility

The CSR committee comprises of Mukesh C. Gandhi, Darshana Saumil Pandya and Bala Bhaskaran. The CSR activities we undertake are in accordance with a CSR policy adopted by the CSR Committee. Our CSR activities are currently focused on providing monetary support to underprivileged students in furtherance of their graduate education.

Intellectual Property

In 2006, we initially registered our trademark with the Indian Trade Marks Registry. We have recently renewed this mark for another ten year period until May 16, 2026. There is no assurance that we would be able to renew the registration upon expiry of this ten year period.

We have also obtained registration with respect to on February 16, 2017, and such registration is valid for a ten year period until February 8, 2026.

Property

Our registered office is located at 6, Ground Floor, Narayan Chambers, Ashram Road, Ahmedabad – 380 009, India. Our registered office and few of our branches are owned by us. However, majority of our branches are located at premises leased or licensed to us. As of June 30, 2017, we had a network of 121 branches spread across six States and the NCT of Delhi.

Our Company has entered into an agreement dated July 26, 2017 for the acquisition of certain land at Ahmedabad, Gujarat for a consideration of ₹ 425.00 million. The completion of the acquisition is subject to execution of the sale deed and completion of registration formalities with the land revenue authorities.

REGULATIONS AND POLICIES

The following is an overview of certain sector-specific relevant laws and regulations which are applicable to the operations of our Company and our Subsidiary. The information detailed in this chapter has been obtained from publications available in public domain. The description of laws and regulations set out below is not exhaustive but indicative, and is only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice.

Key Indian regulations applicable to our Company

Our Company is Non-Banking Financial Company - Systemically Important Non-Deposit taking Company ("**NBFC-ND-SI**"), registered with RBI under RBI Act, 1934.

The RBI Act, 1934 ("RBI Act")

The RBI Act defines an NBFC as: (a) a financial institution which is a company; (b) a non-banking institution which is a company and which is in the principal business of receiving deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or (c) such other non-banking institution or class of such institutions as the RBI may, with the previous approval of the central government, and by notification in the official gazette, specify.

In order to commence or carry out the business of a non- banking financial institution, an NBFC has to mandatorily obtain a certificate of registration issued by the RBI and it should have minimum net owned fund of ₹ 2.50 million, except wherever otherwise a specific requirement as to net owned fund is prescribed by the RBI. Every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. Further, no appropriation can be made from such fund by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such withdrawal.

In addition, NBFCs are also governed by various directions, circulars and guidelines as issued by the RBI from time to time.

Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 ("Master Directions, 2016")

The Master Directions, 2016 defines NBFC-ND-SI as a non-banking financial company not accepting or holding public deposits and having total assets of ₹ 500 crore and above as shown in the last audited balance sheet. Also, an NBFC is required to maintain a minimum capital ratio consisting of Tier I and Tier II capital which shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. The Tier I capital in respect of NBFCs, at any point of time, shall not be less than 8.5 percent by March 31, 2016 and10 percent by March 31, 2017.

As per the Master Directions, 2016, the board of directors granting/ intending to grant demand/ call loans shall frame a policy for the company which includes, *inter alia*, a cut-off date within which the repayment of demand or call loan shall be demanded or called up and the rate of interest which shall be payable on such loans. NBFC shall separately disclose in its balance sheet the provisions made as per Master Directions, 2016 without netting them from the income or against the value of assets. The board of directors shall also lay down the appropriate grievance redressal mechanism within the organization. Such a mechanism shall ensure that all disputes arising out of the decisions of lending institutions' functionaries are heard and disposed of at least at the next higher level. NBFCs are also required to carry out verification of ownership of gold jewellery, when the borrower pledges at one time or cumulatively more than 20 grams of gold.

Corporate Governance

As per the Master Directions, 2016, all NBFC-ND-SI are required to adhere to certain corporate governance norms, including constitution of an audit committee, a nomination committee, an asset liability management committee and risk management committee. The audit committee should consist of not less than three members of its board of directors, and it must ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced. Nomination committee is required to ensure 'fit and proper' status of proposed/ existing director and in order to manage the integrated risk, all NBFCs shall form a risk management committee, besides the asset liability management committee.

In addition to this, all NBFCs shall ensure that a policy is put in place with the approval of the board of directors for ascertaining the fit and proper criteria of the directors at the time of appointment, and on a continuing basis. All NBFCs are also required to put up to the board of directors, at regular intervals, as may be prescribed the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the NBFC, conformity with corporate governance standards viz., composition of various committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions, etc. The NBFCs will also have to adhere to certain other norms in connection with disclosure, transparency and rotation of partners of the statutory audit firm.

Fair practice code

As per Master Directions, 2016, NBFCs having customer interface should mandatorily adopt the guidelines wherein all communications to the borrower shall be in the vernacular language or a language as understood by the borrower. Also, loan application forms shall include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and informed decision can be taken by the borrower. NBFCs should also give notice to the borrower in the vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. NBFCs shall also ensure that changes in interest rates and charges are effected only prospectively.

In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e., objection of the NBFC, if any, shall be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law and in the matter of recovery of loans, an NBFC shall not resort to undue harassment methods which include persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc. NBFC shall also ensure that the staffs are adequately trained to deal with the customers in an appropriate manner.

Master Direction - Know Your Customer (KYC) Direction, 2016 dated February 25, 2016 ("KYC Directions")

NBFCs having customer interface shall follow the KYC Directions, under which they are required to follow certain customer identification procedure while undertaking a transaction either by establishing an account based relationship or otherwise and monitor their transactions. The KYC Directions are applicable to every entity regulated by the RBI, specifically, scheduled commercial banks, regional rural banks, local area banks, primary (urban) co-operative banks, NBFCs, miscellaneous non-banking companies and residuary non-banking companies, amongst others. In terms of the KYC Directions, regulated entities are required to formulate a KYC policy which is duly approved by the board of directors of such entity or a duly constituted committee thereof. The KYC policy formulated is required to include four key elements, being customer acceptance policy, risk management, customer identification procedures and monitoring of transactions. The regulated entities are required to ensure compliance with KYC Policy through specifying as to who constitute 'senior management' for the purpose of KYC compliance, specifying allocation of responsibility for effective implementation of policies and procedures, independent evaluation of the compliance functions of the entity's policies and procedures, including legal and regulatory requirements amongst others.

Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 dated September 29, 2016

NBFCs are required to put in place a reporting system for recording frauds to RBI and should fix staff accountability in respect of delays in reporting of fraud cases to the RBI. For this purpose, an official of the rank of general manager or equivalent should be nominated who will be responsible for submitting all the returns to the Bank and reporting referred to in these directions. All individual cases involving ₹ 25 lakh or more should be continued to be placed before the audit committee of the Board.

Consolidated FDI Policy of 2017 datedAugust 28, 2017 ("FDI Policy")

As per the FDI Policy, foreign investment in NBFC is allowed under the automatic route up to 100% of the equity capital, which includes financial services activities regulated by financial sector regulators, such as RBI, SEBI, NHB or any other financial sector regulator as may be notified by the Government of India.

The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act")

The SARFAESI Act governs securitization of assets in India. Pursuant to a notification of the Ministry of Finance, GoI dated August 5, 2016, NBFCs with an asset size of more than ₹ 5,000 million were named as eligible lenders under the SARFAESI Act.

The SARFAESI Act provides that any securitization or reconstruction company may acquire the assets of a bank or financial institution by either entering into an agreement with such bank or financial institution for the transfer of such assets to the company or by issuing a debenture or bond or any other security in the nature of the debenture, for consideration, as per such terms and conditions as may be mutually agreed between them. The SARFAESI Act further provides that if the bank or financial institution is a lender in relation to any financial assets acquired by the securitization/reconstruction company as stated above, then such company shall be deemed to be the lender in relation to those financial assets.

Further, upon such acquisition, all material contracts entered into by the bank or financial institution, in relation to the financial assets, shall also get transferred in favour of the securitization/reconstruction company. The SARFAESI Act also enables banks and notified financial institutions to enforce the underlying security of an NPA without court intervention. Pursuant to an asset being classified as an NPA, the security interest can be enforced as per the procedure laid down in the Security Interest Enforcement Rules, 2002.

Key Indian regulations applicable to our Subsidiary

MAS Rural Housing & Mortgage Finance Limited, our Subsidiary, is primarily engaged in providing housing finance.

The National Housing Bank Act, 1987 ("NHB Act")

The national housing bank was set up under the NHB Act as a principal agency to promote and regulate housing finance companies in India. The NHB, *inter alia*, promotes, establishes and supports HFCs by providing financial, administrative and technical assistance to HFCs, framing guidelines for HFCs, subscribing to securities such as bonds of HFCs, guaranteeing financial obligations of HFCs and dealing in the mortgaged securities of HFCs. Under the terms of the NHB Act, the NHB has the power to direct deposit accepting HFCs to furnish such statements, information or particulars relating to deposits received by the HFC, as may be specified by the NHB.

Pursuant to an amendment to the NHB Act which was notified on June 12, 2000, HFCs are required to obtain certificate of registration under the NHB Act and meet the stipulated net owned fund requirements (presently ₹100 million) for carrying on the housing finance business in India. Further, every HFC is required to invest and continue to invest a prescribed proportion (presently 5%) of its public deposits which are outstanding at the close of business on the last working day of the second preceding quarter, in the unencumbered approved securities in India.

Additionally, HFCs are required to maintain an account with a scheduled bank either in term deposits or certificate of deposits (free of charge or lien) or in deposits with the NHB or by way of subscription to the bonds issued by the NHB, which can be partly in such accounts or deposits, a sum which, at the close of business on any day, together with the in the unencumbered approved securities as specified above, shall not be less prescribed proportion (presently 10%) of the deposits outstanding in the books of the HFC at the close of business on the last working day of the second preceding quarter. Pursuant to section 29C of NHB Act, HFCs are also required to create a reserve fund and transfer therein, before declaration of any dividend a sum not less than 20% of its net profit every year as disclosed in the profit and loss account.

The NHB may cause an inspection to be made of any deposit accepting HFC, for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the NHB or for the purpose of obtaining any information or particulars which the HFC has failed to furnish on being called upon to do so.

The Housing Finance Companies (NHB) Directions, 2010 ("HFC Directions")

The NHB has laid down the HFC Directions for regulation of operational and financial aspects of HFCs. The HFC Directions has set out norms pertaining to *inter alia*, income recognition, income from investments, accounting standards, NPA provisioning, provision for bad and doubtful debts, capital adequacy based on risk weighted assets and credit conversion factors for off balance-sheet items. Pursuant to the HFC Directions, no HFC can accept or renew public deposits unless it has obtained minimum investment grade rating for its fixed deposits from any one of the approved rating agencies, at least once a year and a copy of the rating is sent to the NHB and it complies with prudential norms.

As per the HFC Directions, no HFC can have deposits (inclusive of public deposits), the aggregate amount of which, together with the amounts, if any, held by it which are referred in clauses (iii) to (vii) of sub-section (bb) of Section 45 I of the Reserve Bank of India Act, 1934 as also loans or other assistance from the National Housing Bank, is in excess of 16 times of its net owned funds. Further, no HFC can accept or renew any public deposit which is repayable on demand or on notice or unless such deposit is repayable after a period of twelve months or more but not later than one hundred and twenty months from the date of acceptance or renewal of such deposits. Acceptance or renewal can only be done on a written application from the depositors in the form to be supplied by the HFC.

The instructions relating to operational and financial aspects of the housing finance companies contained in various circulars/notifications issued by NHB have been compiled and updated in Master Circular - The Housing Finance Companies (NHB) Directions, 2010 dated July 1, 2016 and as updated on June 30, 2017.

Revised Guidelines for Asset Liability Management System for HFCs dated October 11, 2010 ("ALM Guidelines")

The ALM Guidelines set forth broad guidelines for HFCs in respect of management of liquidity and interest rate risks. The ALM Guidelines provide that the board of directors of an HFC should have overall responsibility for management of risks and should decide the risk management policy and set limits for liquidity, interest rate, exchange rate and equity price risks. Additionally, an asset-liability committee is required to be constituted consisting of members of the HFC's senior management including the chief executive officer for ensuring adherence to the limits set by the board as well as for deciding the business strategy of the HFC (on the assets and liabilities sides) in line with the HFC's budget and decided risk management objectives.

The ALM Guidelines also recommended classification of various components of assets and liabilities into different time buckets for preparation of gap reports (liquidity and interest rate sensitive). In accordance with the ALM Guidelines, HFCs which are better equipped to reasonably estimate the behavioural pattern of various components of assets and liabilities on the basis of past data/empirical studies could classify them in the appropriate time buckets, subject to approval by the asset-liability committee/board of the HFC.

In addition, each HFC is required to set prudential limits on individual gaps in various time buckets with the approval of the board/management committee. Such prudential limits should have a relationship with the total assets, earning assets or equity.

Revised Guidelines on Fair Practices Code for HFCs dated October 11, 2010 ("Fair Practices Code")

The Fair Practices Code seeks to promote good and fair practices by setting minimum standards in dealing with customers, increase in transparency, encouragement of market forces, higher operating standards, fair and cordial relationship between customer and HFCs and foster confidence in the housing finance system.

The Fair Practices Code provides for provisions in relation to providing regular and appropriate updates to the customer and prompt resolution of grievances. HFCs are required to disclose information on interest rates, common fees, terms and conditions and charges through notices put up at designated places. Further, HFCs are required to ensure that advertising and promotional material is clear and not misleading and that privacy and confidentiality of the customers' information is maintained. Further, whenever loans are given, HFCs should explain to the customer the repayment process by way of amount, tenure and periodicity of repayment. However, if the customer does not adhere to repayment schedule, a defined process in accordance with the laws of the land shall be followed for recovery of dues.

The instructions related to fair practices code for housing finance company in various circulars/notifications issued by NHB have been compiled and updated in Master Circular – Fair Practice Code dated September 9, 2015 and as updated on June 30, 2017.

Laws relating to employment

Employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following in an indicative list of labour laws applicable to the business and operations of Indian companies:

- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;

- Maternity Benefit Act, 1961;
- Industrial Disputes Act, 1947 and
- Employees' Compensation Act, 1923.

In addition, there are certain state specific labour laws which also need to be complied with by Indian Companies.

Laws relating to Intellectual Property

The Trade Marks Act, 1999

In India, trademarks enjoy protection under both statutory and common law. Indian trademark law permits the registration of trademarks for goods and services. The Trade Marks Act, 1999 ("**Trademark Act**") governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. Certification marks and collective marks can also be registered under the Trademark Act. An application for trademark registration may be made by individual or joint applicants by any person claiming to be the proprietor of a trade mark, and can be made on the basis of either use or intention to use a trademark in the future.

Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration has to be restored. While both registered and unregistered trademarks are protected under Indian Law, the registration of trademarks offers significant advantages to the registered owner, particularly with respect to proving infringement. The Trademark (Amendment) Act, 2010 has been enacted by the GoI to amend the Trademark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries, and to empower the Registrar of Trademarks to do so. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to bring the law generally in line with international practice.

The Patents Act, 1970

The Patents Act, 1970 ("**Patents Act**") governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The Patents Act also prohibits any person resident in India from applying for a patent for an invention outside India without making an application for the invention in India. The term of a patent granted under the Patents Act is for a period of twenty years from the date of filing of the application for the patent.

The Copyright Act, 1957

The Copyright Act, 1957 ("**Copyright Act**") governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films and sound recordings. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes prima facie evidence of the particulars entered therein and may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, copyright protection of a work lasts for a period of sixty years following the demise of the author.

Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which expressly amount to an infringement of copyright.

Other Regulations

In addition to the above, we are required to comply with the provisions of the Companies Act, SEBI Listing Regulations, FEMA, labour laws, various tax related legislations such as the Goods & Services Tax (The Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, and Goods and Services Tax (Compensation to States) Act, 2017) and other applicable statutes for its day-to-day operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as 'MAS Financial Services Limited', a public limited company under the Companies Act, 1956, with a certificate of incorporation issued by the Assistant Registrar of Companies, Gujarat (Dadra & Nagar Haveli) on May 25, 1995 at Ahmedabad. Our Company received a certificate for commencement of business on May 29, 1995 from the Assistant Registrar of Companies, Gujarat (Dadra & Nagar Haveli).

Our Company was initially registered as a Category A (public deposit taking) NBFC pursuant to a certificate of registration (bearing registration number 01.00241) dated May 8, 1998, issued by the RBI. Subsequently, upon conversion of our Company to a Category B (non-public deposit taking) NBFC, our Company received a certificate of registration (bearing registration number B-01-00241) dated January 15, 2007, issued by the RBI.

Business and management

For a description of our activities, services, products, technology, markets, the growth of our Company, the standing of our Company with reference to prominent competitors in connection with our products, major suppliers and customers, environmental issues, geographical segment etc., see the sections titled "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and *"Government and Other Approvals"* on pages 129, 355 and 397, respectively.

For details of the management of our Company and managerial competence, see "*Our Management*" on page 160.

Changes in the registered office

There has been no change in our Registered and Corporate Office since incorporation.

Our main objects

The main objects of our Company as contained in our Memorandum of Association are:

1. *to carry on the business of leasing and hire purchase finance, loans under hypothecation, personal loans, micro loans under micro financing, agricultural finance, loan syndication, securitization, including distribution of credit by way of synchronization with banks, financial institutions etc. And to provide on lease or hire purchase or on loan or by any other mode of financing whether under hypothecation or mortgage all types of industrial and office and/or household plant, equipment, machinery, vehicles, land and building, real estates, movable and immovable properties, consumer durables, two wheelers, four wheelers, construction materials/ equipment etc. for private, personal or official purposes;*

2. *to render portfolio management service by investment in shares, debentures, stocks, debenture stock bonds, company deposits, government securities, government loans, national savings and post office savings schemes, units and to pass on the benefit of portfolio investment to investors as dividend, interest, loans and to act as brokers/underwriters, managers, merchant bankers, advisors, financial consultants to issue of shares, debentures, debenture stocks, bonds, securities; and*

3. *to act as issue, house, registrars, share transfer agents and to provide complete range of financial and management consultancy services like investment planning, loan syndications and to assist in providing finance for any company, firm, person, association of persons by way of loans, advances, deposits and any other form of finance and to carry on the business of financing and advancing short term and long term loans and credit financial facilities by way of bills of acceptance, bills discounting and other modes of finance including credit financial facilities by way of bills of acceptance, bills discounting and other modes of finance including credit cards or credit systems to individuals, firms, companies, co-operative societies or association of persons by whatever name called either on security or without any security or any third party guarantee or without such guarantee as may be considered appropriate.*

The main object clause and objects incidental or ancillary to the main objects contained in the Memorandum of Association enable our Company to undertake its existing activities.

Amendments to our Memorandum of Association

Since incorporation, the following amendments have been made to our Memorandum of Association:

Date of change/ shareholders' resolution	Nature of amendment
November 1, 1995	Clause V of our Memorandum of Association was amended to reflect increase in the authorised share capital of our Company to ₹ 5 million, divided into 500,000 Equity Shares of ₹ 10 each.
January 12, 1996	Clause V of our Memorandum of Association was amended to reflect increase in the authorised share capital of our Company to ₹ 10 million, divided into 1,000,000 Equity Shares of ₹ 10 each.
March 30, 1996	Clause V of our Memorandum of Association was amended to reflect increase in the authorised share capital of our Company to ₹ 25 million, divided into 2,500,000 Equity Shares of ₹ 10 each.
September 19, 1996	Clause V of our Memorandum of Association was amended to reflect increase in the authorised share capital of our Company to ₹ 30 million, divided into 3,000,000 Equity Shares of ₹ 10 each.
March 23, 1997	Clause V of our Memorandum of Association was amended to reflect increase in the authorised share capital of our Company to ₹ 40 million, divided into 4,000,000 Equity Shares of ₹ 10 each.
February 16, 1998	Clause V of our Memorandum of Association was amended to reflect reclassification of the authorised share capital of our Company as ₹ 40 million, divided into 3,500,000 Equity Shares of ₹ 10 each and 50,000 13.5% redeemable cumulative preference shares of ₹ 100 each.*
March 29, 2001	Clause V of our Memorandum of Association was amended to reflect reclassification of the authorised share capital of our Company as ₹ 40 million, divided into 4,000,000 Equity Shares of ₹ 10 each.*
June 20, 2006	Clause V of our Memorandum of Association was amended to reflect increase in the authorised share capital of our Company to ₹ 60 million, divided into 6,000,000 Equity Shares of ₹ 10 each.
July 24, 2006	Clause V of our Memorandum of Association was amended to reflect increase in the authorised share capital of our Company to ₹ 125 million, divided into 6,000,000 Equity Shares of ₹ 10 each, and 650,000 8.5% redeemable non-convertible cumulative preference shares of ₹ 100 each.
August 10, 2007	Clause V of our Memorandum of Association was amended to reflect increase in the authorised share capital of our Company to ₹ 155 million, divided into 9,000,000 Equity Shares of ₹ 10 each, and 650,000 8.5% redeemable non-convertible cumulative preference shares of ₹ 100 each.
March 15, 2008	Clause V of our Memorandum of Association was amended to reflect increase in the authorised share capital of our Company to ₹ 555 million, divided into 9,000,000 Equity Shares of ₹ 10 each, 650,000 8.5% redeemable non-convertible cumulative preference shares of ₹ 100 each and 40,000,000 8% redeemable cumulative non-convertible preference shares of ₹ 10 each.
March 29, 2008	Clause V of our Memorandum of Association was amended to reflect increase in the authorised share capital of our Company to ₹ 580 million, divided into 11,500,000 Equity Shares of ₹ 10 each, and 650,000 8.5% redeemable non-convertible cumulative preference shares of ₹ 100 each and 40,000,000 8% redeemable cumulative non-convertible preference shares of ₹ 10 each.
July 21, 2008	Clause V of our Memorandum of Association was amended to reflect increase in the authorised share capital of our Company to ₹ 1,040 million, divided into 15,500,000 Equity Shares of ₹ 10 each, 650,000 8.5% redeemable non-convertible cumulative preference shares of ₹ 100 each, 40,000,000 8% cumulative redeemable preference shares of ₹ 10 each and 42,000,000 7% compulsorily convertible cumulative preference shares of ₹ 10 each.
September 30, 2008	Clause V of our Memorandum of Association was amended to reflect increase in the authorised share capital of our Company to ₹ 1,060 million, divided into 15,500,000 Equity Shares of ₹ 10 each, 650,000 8.5% redeemable non-convertible cumulative preference shares of ₹ 100 each, 40,000,000 8% cumulative redeemable preference shares of ₹ 10 each and 44,000,000 7% compulsorily convertible cumulative preference shares of ₹ 10 each.
January 28, 2014	Clause V of our Memorandum of Association was amended to reflect increase in the authorised share capital of our Company to ₹ 1,120 million, divided into 21,500,000 Equity Shares of ₹ 10 each, 650,000 redeemable non-convertible cumulative preference shares of ₹ 100 each, 40,000,000 8% cumulative redeemable preference shares of ₹ 10 each and 44,000,000 7% compulsorily convertible cumulative preference shares of ₹ 10 each.
	Clause V of our Memorandum of Association was amended to reflect reclassification of the authorised share capital of our Company as ₹ 1,120 million, divided into 21,500,000 Equity Shares of ₹ 10 each, 650,000 redeemable non-convertible cumulative preference shares of ₹ 100 each, 40,000,000 8% cumulative redeemable preference shares of ₹ 10 each, 22,000,000 Series A CCPS and 22,000,000 Series B CCPS.
May 2, 2016	Clause V of our Memorandum of Association was amended to reflect the reclassification of the authorised share capital of our Company as ₹ 1,120 million, divided into 21,500,000 Equity Shares of ₹ 10 each, 650,000 redeemable non-convertible cumulative preference shares of ₹ 100 each, 4,000 Series C CCPS, 22,000,000 Series A CCPS and 22,000,000 Series B CCPS.
November 9, 2016	Clause V of our Memorandum of Association of our Company was amended to reflect the reclassification of the authorised share capital of our Company as ₹ 1,120 million, divided into 64,000,000 Equity Shares of ₹ 10 each, 400 Series C CCPS, 22,000,000 Series A CCPS and 22,000,000 Series B CCPS.

[*] We have been unable to trace the forms filed with the RoC recording certain amendments to our Memorandum of Association. See "Risk Factors – Some of our corporate records are not traceable. There have been certain instances of discrepancies in relation to certain statutory filings and records made by our Company with the RoC under applicable law" on page 29.

Total number of equity shareholders of our Company

As on the date of this Red Herring Prospectus, our Company has 21 equity shareholders. For further details, see "*Capital Structure*" on page 76.

Major events and milestones

The table below sets forth some of the major events in the history of our Company:

Calendar Year	Details
1995	Incorporation of our Company
1998	Registered as a public deposit taking non-banking financial company with the RBI
2006	Received investment from Bellwether Microfinance Trust
	Incorporation of MAS Rural Housing & Mortgage Finance Limited, our Subsidiary
2007	Registered as a non-public deposit taking non-banking financial company with the RBI
2008	Received investment from FMO
	Received investment from ICICI Venture Fund Management Company Limited
2010	Developed and implemented customised Enterprise Resource Planning system called 'MASEX'
2012	Received investment from DEG
2013	AUM crossed ₹10,000 million
2014	Sarva Capital, then known as Lok Capital II LLC, purchased 21,735,545 compulsorily convertible cumulative preference shares of our Company from FMO
2015	AUM crossed ₹ 20,000 million
	NCDs issued by our Company listed on BSE Limited
2016	India Ratings & Research upgraded the rating of our bank loans to "Ind A", with stable outlook.
2017	AUM crossed ₹ 30,000 million

Changes in activities of our Company during the last five years

There have been no changes in the activities of our Company during the last five years, including discontinuance of our lines of business, loss of agencies or markets or on account of similar factors which may have had a material effect on our profits/ losses.

Capital raising (Equity/ Debt)

Our equity issuances in the past and outstanding indebtedness as on August 31, 2017, have been provided in "*Capital Structure*" and "*Financial Indebtedness*" on pages 76 and 387, respectively.

Our Company has not undertaken any public offering of debt instruments since its inception. However, we have issued unsecured, compulsorily redeemable NCDs on two occasions, details of which are given below:

a. On March 18, 2015, our Company allotted 200 NCDs having a face value of ₹ 1 million each. These NCDs carry a coupon rate of 13.5% p.a. and are compulsorily redeemable on September 18, 2021.

b. On June 22, 2015, our Company allotted 400 NCDs having a face value of ₹ 1 million each. These NCDs carry a coupon rate of 14% p.a. and are compulsorily redeemable on June 22, 2022.

These NCDs are currently listed on BSE Limited.

Strikes and lock-outs

We have not had any strikes and lock-outs in our operations in the past.

Time/cost overrun

We have not experienced any instances of time/ cost overrun in our business operations.

Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity by the Company

There have been no instances of defaults or rescheduling of borrowings with financial institutions, banks or conversion of loans into equity in relation to our Company.

Injunctions or restraining order against our Company

There are no injunctions or restraining orders against our Company.

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets

Acquisition of the business of M/s Marketing & Allied Services – 1996

Pursuant to a memorandum of understanding dated March 31, 1996 between our Company and M/s Marketing & Allied Services, the recoverables of M/s Marketing & Allied Services (valued at ₹ 9,148,000) were transferred to our Company along with the rights to recover such amounts directly from the clients. In lieu of such transfer, our Company agreed to allot 457,400 Equity Shares each to the partners of M/s Marketing & Allied Services, namely Kamlesh Chimanlal Gandhi and Mona Mukesh Gandhi. M/s Marketing & Allied Services ceased its operations with effect from March 31, 1996. See also "*Capital Structure – Share Capital History – History of Equity Share capital of our Company*" on page 76.

Except as described above, our Company has not acquired any business or undertaking, and has not undertaken any merger, amalgamation or revaluation of assets.

Material Agreements

A. Share Purchase and Shareholders' Agreements

Shareholders' agreement dated January 29, 2014 ("FMO-Sarva Agreement"), executed between our Company, Mukesh Chimanlal Gandhi, Kamlesh Chimanlal Gandhi, Shweta Kamlesh Gandhi, erstwhile Mukesh Chimanlal Gandhi HUF, FMO and Sarva Capital

FMO had initially subscribed to 43,471,090 7% CCPS pursuant to a share subscription and shareholders' agreement dated June 30, 2008 ("**FMO Agreement**"), executed between our Company, Mukesh Chimanlal Gandhi, Kamlesh Chimanlal Gandhi, Shweta Kamlesh Gandhi, Mona Mukesh Gandhi, erstwhile Mukesh Chimanlal Gandhi HUF, and FMO. The FMO Agreement was subsequently amended on October 19, 2011 and June 11, 2012, in light of certain observations received from the RBI, so as to bring the terms of the FMO Agreement in compliance with the then applicable provisions of FEMA. For details of compounding order received from the RBI in this regard, see "*Outstanding Litigation and Material Developments - Litigation involving our Company - Other Compoundings"* on page 392.

Subsequently, pursuant to a share purchase agreement dated January 29, 2014 ("**SPA**"), executed between our Company, FMO and Sarva Capital, Sarva Capital acquired 21,735,545 CCPS held by FMO for a consideration of ₹ 413,300,000. In supersession of the FMO Agreement, our Company, Mukesh Chimanlal Gandhi, Kamlesh Chimanlal Gandhi, Shweta Kamlesh Gandhi, erstwhile Mukesh Chimanlal Gandhi HUF, FMO and Sarva Capital entered into the FMO-Sarva Agreement, recording therein the terms and conditions applicable to them. Pursuant to the FMO-Sarva Agreement, Series A CCPS held by FMO carry a right to be paid a fixed, cumulative, preferential dividend at the rate of 0.01% *p.a.*, while the Series B CCPS held by Sarva Capital carry a right to be paid a fixed, cumulative, preferential dividend at the rate of 13.31% *p.a.*

Under the FMO-Sarva Agreement, FMO and Sarva Capital have certain preferential rights, including tag-along rights with respect to any Equity Shares they might hold upon conversion of the Series A CCPS or Series B CCPS, in the event of a proposed transfer of more than 15% Equity Shares by Kamlesh Chimanlal Gandhi, Mukesh Chimanlal Gandhi, Shweta Kamlesh Gandhi and erstwhile Mukesh Chimanlal Gandhi HUF. In addition, till such time they hold Series A CCPS and Series B CCPS in our Company, FMO and Sarva Capital are entitled to nominate one director each on the Board. Further, any decision of the shareholders, Board or any committee thereof, on certain matters classified as 'strategic matters' in relation to our Company requires the prior written consent of FMO and Sarva Capital, including:

- increase in issued, subscribed or paid up equity or preference share capital of our Company;
- alteration or variation in the rights of the shareholders;
- change in the rights and preference of securities; and
- transfer of shares/ share equivalents (other than in a manner expressly contemplated by the FMO-Sarva Agreement).

Pursuant to the FMO-Sarva Termination Agreement dated March 23, 2017, the parties to the FMO-Sarva Agreement have agreed that all rights of FMO and Sarva Capital arising out of the FMO-Sarva Agreement, including the rights disclosed above, would terminate upon receipt of final listing and trading approval by our Company from the Stock Exchanges pursuant to the Offer. Further, under the FMO-Sarva Termination Agreement:

- The Series A CCPS and Series B CCPS were required to be converted into Equity Shares at an agreed conversion price prior to filing of the Red Herring Prospectus ("**CCPSC Conversion**"). After CCPS Conversion, FMO and Sarva Capital would offer the resultant Equity Shares in the Offer for Sale, to the extent of the FMO Offer Size and the Sarva Initial Offer Size, respectively. The CCPS Conversion took place on September 12, 2017, pursuant to which, 1,739,865 Equity Shares were allotted to FMO and 1,280,723 Equity Shares were allotted to Sarva Capital. See "*Capital Structure*" on page 76. Subsequently, FMO is offering Equity Shares to the extent of the FMO Offer Size, and Sarva Capital is offering Equity Shares to the extent of the Sarva Offer Size in the Offer (subject to, in the event of under-subscription in the Offer, the mechanism by which the balance subscription received in the Offer (after 90% of the Fresh Issue) will be met as set forth in "*The Offer*", "*General Information*", "*Terms of the Offer – Minimum Subscription*" and "*Offer Procedure – Withdrawal of the Offer*" on pages 65, 73, 417 and 445, respectively).

- If the Offer Price is higher than the reference price based on which the CCPS conversion was effected, such that FMO is able to realise the FMO Offer Size by sale of less than all Equity Shares held by it, FMO will offer such lesser number of Equity Shares in the Offer and transfer the balance Equity Shares held by it to Mukesh Chimanlal Gandhi and Kamlesh Chimanlal Gandhi ("**Upside Promoters**"), in equal proportion, for an aggregate amount of ₹ 100 as per an agreed formula and in compliance with applicable laws.

- If the Offer Price is higher than the reference price based on which the CCPS conversion will be effected, Sarva Capital will transfer Equity Shares held by it to the Upside Promoters, in equal proportion, for an aggregate amount of ₹ 100 as per an agreed formula set out in the FMO-Sarva Termination Agreement, in compliance with applicable laws.

- The Upside Promoters shall, within one Working Day of the determination of the Offer Price, notify FMO and Sarva Capital of the number of the Equity Shares to be transferred by FMO and Sarva to the Upside Promoters. The number of Equity Shares to be transferred will be mentioned in the Prospectus and transfer shall be completed by the parties after listing of the Equity Shares pursuant to the Offer, as per the timelines agreed between the parties and in accordance with applicable law.

Put option agreement dated January 29, 2014, executed between FMO, Sarva Capital, Mukesh Chimanlal Gandhi, Kamlesh Chimanlal Gandhi, Shweta Kamlesh Gandhi and erstwhile Mukesh Chimanlal Gandhi HUF ("FMO-Sarva Put Option Deed").

Pursuant to the FMO-Sarva Put Option Deed, FMO and Sarva Capital were granted the right to cause the remaining parties to purchase the Series A CCPS and Series B CCPS held by FMO and Sarva Capital, upon the occurrence of certain events including, but not limited to (a) our Company's failure to undertake an IPO before March 31, 2020 (in the case of Sarva Capital) and before December 31, 2017 (in case of FMO); (b) our Company's dissolution or termination; or (c) breach of any representation, warranty, covenant or undertaking in the FMO-Sarva Agreement.

Subscription agreement dated June 13, 2012, executed between our Company, Kamlesh Chimanlal Gandhi, Mukesh Chimanlal Gandhi, Shweta Kamlesh Gandhi, erstwhile Mukesh Chimanlal Gandhi HUF, Prarthna Marketing Private Limited and DEG ("DEG Agreement").

Pursuant to the DEG Agreement, DEG subscribed to 4,998 CCDs at a premium of ₹ 30,000 per CCD and 125 Equity Shares at a premium of ₹ 1,190 per Equity Share.

Under the DEG Agreement, DEG is entitled to nominate one director and one non-voting observer on the Board of our Company. In addition, DEG has certain preferential rights, including pre-emptive rights, in the event our Company proposes to issues any Equity Shares or share equivalents, tag-along rights in the event of a proposed transfer of share by certain existing shareholders, and drag along rights, subject to certain conditions provided in the DEG Agreement. Further, certain 'reserved matters' in relation to our Company require the affirmative vote of the director nominated by DEG at Board meetings or at least one authorized representative of DEG at shareholder meetings, as applicable, including:

- amendment, restatement, modification or supplement to the MoA and AoA of our Company and the Subsidiary;
- alteration in the capital structure of our Company, including change our authorised share capital;
- alteration or variation in the rights of the shareholders; and
- transfer of shares/ share equivalents (other than in a manner expressly contemplated by the DEG Agreement).

The DEG Agreement was amended by an addendum dated November 23, 2016 ("**DEG Addendum**"), pursuant to which, our Company is required to complete an IPO of its Equity Shares, as contemplated under the DEG Agreement, by March 31, 2018.

Pursuant to the DEG Amendment Agreement dated March 23, 2017, the parties have agreed that all rights of DEG arising out of the DEG Agreement would terminate upon the date of receipt of final listing and trading approval from the Stock Exchanges in relation to the IPO. Further, in terms of the DEG Amendment Agreement:

- The CCDs will convert into Equity Shares ("**DEG Converted Shares**") at an agreed conversion price ("**DEG Conversion Price**") prior to the filing of the RHP with the RoC. After conversion, DEG will offer the resultant Equity Shares as well as Equity Shares already held by DEG ("**DEG Existing Shares**") in the Offer for Sale aggregating up to the DEG Offer Size. It is clarified that while DEG may offer the DEG Existing Shares as part of the DEG Offer Size, for the purpose of delivery and transfer of the DEG Unsold Shares (defined below), the DEG Offer Size will be computed only on the basis of the DEG Converted Shares.

- If the Offer Price is higher than the DEG Conversion Price, such that DEG is able to realise the DEG Offer Size by sale of less than all DEG Converted Shares, DEG shall offer such lesser number of DEG Converted Shares in the Offer and transfer the balance DEG Converted Shares ("**DEG Unsold Shares**") held by it to the Upside Promoters, in equal proportion, for an aggregate amount of ₹ 100, in compliance with applicable laws.

- The Upside Promoters shall, within one Working Day of the determination of the Offer Price, notify DEG of the number of the DEG Unsold Shares to be transferred by DEG to the Upside Promoters. The number of DEG Unsold Shares to be transferred will be mentioned in the Prospectus and the transfer shall be completed by the parties after listing of the Equity Shares pursuant to the Offer, as per the timelines agreed between the parties and in accordance with applicable law.

The CCDs were converted to 2,470,175 Equity Shares on September 21, 2017. "*Capital Structure - Share Capital History - History of Equity Share Capital of our Company*" on page 76.

Option deed dated June 13, 2012, executed between Kamlesh Chimanlal Gandhi, Mukesh Chimanlal Gandhi, Shweta Kamlesh Gandhi, erstwhile Mukesh Chimanlal Gandhi HUF, Prarthna Marketing Private Limited and DEG, as amended ("DEG Option Deed")

In terms of the DEG Option Deed, amended by the first addendum dated November 23, 2016 and the second addendum dated March 23, 2017, if our Company does not complete an IPO before March 31, 2018, DEG would be entitled to convert its CCDs to Equity Shares at any time from April 1, 2019 to March 31, 2020, at a price determined pursuant to an agreed formula. Upon conversion, DEG has the right (but not the obligation) to sell all Equity Shares held by it to the Promoters, at any time between April 1, 2019 and March 31, 2020 pursuant to an agreed formula.

The DEG Option Deed shall terminate upon the earlier of (a) receipt of final listing and trading approval by the Company in relation to the proposed IPO, (b) DEG ceasing to hold any shares or share equivalents in our Company, (c) the fulfilment of the Promoters' obligation under the DEG Option Deed or exercise of the put option right granted therein by DEG.

Earmarking agreement dated July 9, 2012, executed between Shweta Kamlesh Gandhi, Mukesh Chimanlal Gandhi, Kamlesh Chimanlal Gandhi, erstwhile Mukesh Chimanlal Gandhi HUF, DEG and Axis Trustee Services Limited ("Earmarking Agreement").

Shweta Kamlesh Gandhi, Mukesh Chimanlal Gandhi, erstwhile Mukesh Chimanlal Gandhi HUF, DEG and Axis Trustee Services Limited entered into the Earmarking Agreement on July 9, 2012, pursuant to which Shweta Kamlesh Gandhi agreed to keep, at all times during the term of the Earmarking Agreement, Equity Shares comprising at least 15% of the issued, subscribed and paid-up equity capital and voting rights in our Company, calculated on a fully diluted basis ("**Earmarked Shares**"). In order to facilitate the Offer and the Pre-IPO Placement, if any, DEG had consented to release the Earmarked Shares two Working Days prior to the filing of the RHP with the RoC. The Earmarked Shares have been released on September 22, 2017.

Investment Agreement dated March 30, 2017, executed between Kamlesh Chimanlal Gandhi, Mukesh Chimanlal Gandhi, Shweta Kamlesh Gandhi, Prarthna Marketing Private Limited (as Promoters), our Company, Motilal Oswal Financial Services Limited ("MOFSL") and Motilal Oswal Securities Limited ("MOSL" and such agreement, the "Motilal Investment Agreement")

Pursuant to the Motilal Investment Agreement, (i) MOFSL agreed to subscribe to 2,364,695 Equity Shares for a consideration of approximately ₹ 800 million and (ii) MOSL agreed to subscribe to 1,625,727 Equity Shares for a consideration of approximately ₹ 550 million (MOFSL and MOSL, collectively, the "**MO Investors**").

In terms of the Motilal Investment Agreement, our Company requires the prior written consent of the MO Investors in the following events:

- if it seeks to raise more than ₹ 2,250 million through the Fresh Issue; and
- if the Offer Price is lower than the subscription price per Equity Share paid by the MO Investors (being ₹ 338.31) divided by 0.9.

For details of the allotments made by our Company pursuant to the Motilal Investment Agreement, see "*Capital Structure – Notes to Capital Structure"* on page 76.

B. Other Agreements

Other than as mentioned in *"History and Certain Corporate Matters – Material Agreements"* on page 154, our Company has not entered into any material contract other than in the ordinary course of business carried on or intended to be carried on by our Company in the last two years preceding this Red Herring Prospectus.

Holding Company

Our Company does not have a holding company.

Our Subsidiary

Our Company has one Subsidiary, namely MAS Rural Housing & Mortgage Finance Limited ("**MRHMFL**"). The details of MRHMFL are as follows:

Corporate information

MRHMFL was incorporated on July 24, 2007 under the Companies Act, 1956 with the Registrar of Companies, Gujarat (Dadra & Nagar Haveli). A certificate for commencement of business was issued to MRHMFL on March 7, 2008. Its CIN is U74900GJ2007PLC051383 and its registered office is situated at 4th Floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad – 380 009, Gujarat, India.

On January 7, 2008, MRHMFL received a certificate of registration (bearing registration number 02.0067.08) issued by National Housing Bank under section 29A of the NHB Act to carry on the business of a housing finance institution without accepting public deposits.

MRHMFL is enabled under its objects to carry on the business of *inter alia* advancing money to any person or corporation and to finance or assist in financing the sale of houses, buildings or flats, by way of hire purchase arrangements. MRHMFL is currently engaged in the business of providing housing finance.

The board of directors of MRHMFL comprises the following persons:

1. Kamlesh Chimanlal Gandhi;
2. Mukesh Chimanlal Gandhi;
3. Bala Bhaskaran;
4. Chetan Ramnikal Shah;
5. Subir Nag; and
6. Darshana Saumil Pandya.

Capital structure and shareholding pattern

The authorised share capital of MRHMFL is ₹ 300,000,000 divided into 23,000,000 equity shares of ₹ 10 each and 7,000,000 preference shares of ₹ 10 each. The issued, subscribed and paid-up capital of MRHMFL is ₹ 220,349,200 divided into 18,034,920 equity shares of ₹ 10 each and 4,000,000 8% optionally convertible preference shares of ₹ 10 each.

The shareholding pattern of MRHMFL is as follows:

Equity share capital

S. No.	Name of shareholder	No. of equity shares of ₹ 10 each	Percentage of issued equity share capital (%)
1.	MAS Financial Services Limited	10,750,000	59.61
2.	Mukesh Chimanlal Gandhi	3,402,310	18.87
3.	Kamlesh Chimanlal Gandhi	2,060,980	11.43
4.	Shweta Kamlesh Gandhi	1,821,330	10.1
5.	Bala Bhaskaran	100	*Negligible*
6.	Darshana Saumil Pandya	100	*Negligible*
7.	Saumil Pandya	100	*Negligible*
Total		18,034,920	100

Preference share capital

S. No.	Name of shareholder	No. of preference shares of ₹ 10 each	Percentage of issued preference share capital (%)
1.	Kamlesh Chimanlal Gandhi	1,000,000	25
2.	Mukesh Chimanlal Gandhi	2,000,000	50
3.	Shweta Kamlesh Gandhi	1,000,000	25
Total		4,000,000	100

Significant sale or purchase between our Company and Subsidiary

Our Company has not been involved in any sales or purchases with our Subsidiary where such sales or purchase exceed in value in aggregate of 10% of the total sales or purchases of our Company.

Common Pursuits

There are no common pursuits between our Company and our Subsidiary.

Business interest between our Company and our Subsidiary

Except as disclosed in the "*Our Business*" and "*Related Party Transactions*" on pages 129 and 182 respectively, our Subsidiary does not have any business interest in our Company.

Other confirmations

Listing

Our Subsidiary is not listed on any stock exchange in India or abroad. It has neither made any public or rights issue (including any rights issue to the public) in the three years preceding the date of this Red Herring Prospectus, nor been refused listing of any securities at any time by any recognised stock exchanges in India or abroad.

Sick subsidiaries

Our Subsidiary has not become a sick company under the meaning of the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985 or declared insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016. Further no winding up, insolvency or bankruptcy proceedings have been initiated against it.

Accumulated profits or losses

There are no accumulated profits or losses of our Subsidiary not accounted for by our Company in its consolidated financial statements.

Sale or purchase of shares of our Subsidiary during the last six months

None of our Promoters or the members of our Promoter Group, directors of Prarthna Marketing Private Limited, our Corporate Promoter, our Directors or their relatives have sold or purchased securities of our Subsidiary during the six months preceding the date of this Red Herring Prospectus.

Joint Ventures of our Company

As on the date of this Red Herring Prospectus, our Company does not have any joint ventures.

Strategic and financial partnerships

As on the date of this Red Herring Prospectus, our Company does not have any strategic or financial partners.

OUR MANAGEMENT

Pursuant to our Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. Our Company currently has six Directors on its Board, including three independent Directors.

Our Board

The following table sets forth details regarding our Board as on the date of this Red Herring Prospectus:

Name, Designation, Address, Occupation, Nationality, Term and DIN	**Age (years)**	**Other Directorships/Partnerships/ Trusteeships**
Kamlesh Chimanlal Gandhi *Designation:* Chairman and Managing Director *Address:* 5-A, Kumar Society, Jivraj Park, Vejalpur, Ahmedabad 380 051, Gujarat, India *Occupation*: Business *Nationality:* Indian *Term:* Liable to retire by rotation *DIN:* 00044852	51	*Other Directorships:* 1. MAS Rural Housing & Mortgage Finance Limited 2. Prarthna Marketing Private Limited 3. Swalamb Mass Financial Services Limited
Mukesh Chimanlal Gandhi *Designation:* Whole-time Director and Chief Financial Officer *Address:* 4A-4B, Ashirwad Apartments, Nr. V.S. Hospital, Ashram Road, Ellisbridge, Ahmedabad 380 006, Gujarat, India *Occupation*: Business *Nationality:* Indian *Term:* Liable to retire by rotation *DIN:* 00187086	59	*Other Directorships:* 1. Finance Industry Development Council 2. MAS Rural Housing & Mortgage Finance Limited 3. Prarthna Marketing Private Limited 4. Swalamb Mass Financial Services Limited *Partnerships:* 1. Anamaya Capital LLP
Darshana Saumil Pandya *Designation:* Executive Director and Chief Operating Officer *Address:* 36 - Maruti Nandan Kutir, Near Shyam Villa-1, Gala Club Road, Bopal, Ahmedabad 380 058, Gujarat, India *Occupation*: Service *Nationality:* Indian *Term:* Liable to retire by rotation. *DIN:* 07610402	44	*Other Directorships:* 1. MAS Rural Housing & Mortgage Finance Limited
Bala Bhaskaran *Designation:* Independent Director *Address:* H-33, Hariom Park, Opposite Ghosha Society, Thaltej, Ahmedabad 380 054, Gujarat, India *Occupation*: Professional *Nationality:* Indian	66	*Other Directorships:* 1. Kesavan Chandrika Foundation 2. MAS Rural Housing & Mortgage Finance Limited 3. Swalamb Mass Financial Services Limited *Partnerships* 1. Indiq Inspection and Diagnostics LLP

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (years)	Other Directorships/Partnerships/ Trusteeships
Term: Five years from April 1, 2014 *DIN:* 00393346		
Chetan Ramniklal Shah *Designation:* Independent Director *Address:* Sadar Pole, Kakar Khad, Nadiad, Kheda 387 001, Gujarat, India *Occupation*: Professional *Nationality:* Indian *Term:* Five years from April 1, 2014 *DIN:* 02213542	62	*Other Directorships:* 1. MAS Rural Housing & Mortgage Finance Limited
Umesh Rajanikant Shah *Designation:* Independent Director *Address:* 7 Sanskruti Apartments, Bhagat Baug, Near New Shardamandir School, Paldi, Ahmedabad 380 007, Gujarat, India *Occupation*: Service *Nationality:* Indian *Term:* Five years from December 21, 2016 *DIN:* 07685672	61	Nil

Brief profiles of our Directors

Kamlesh Chimanlal Gandhi, aged 51 years, is the Chairman and Managing Director of our Company. He has been associated with our Company since May 25, 1995 and as Managing Director since November 1, 1995. He received the higher secondary school examination certificate from the Gujarat Secondary Education Board, Gandhinagar in 1983. He has over 21 years of experience in the financial services sector.

Mukesh Chimanlal Gandhi, aged 59 years, is a whole-time Director and Chief Financial Officer of our Company. He has been associated with our Company since May 25, 1995. He was designated as the Director (Finance) and Chief Financial Officer of our Company on March 20, 2015. He holds bachelor's and master's degrees in commerce from Gujarat University. He has over 21 years of experience in the financial services sector, with our Company. He is also the chairman of the Gujarat Finance Company Association and a director of the Finance Industry Development Council.

Darshana Saumil Pandya, aged 44 years, is an executive Director of our Company. She has been associated with our Company since June 1, 1996, and as an executive Director since September 23, 2016. She holds a bachelor's degree in commerce from Gujarat University. She has over 20 years of experience in the financial service sector. Presently, she also holds the position of the Chief Operating Officer of our Company.

Bala Bhaskaran, aged 66 years, is an independent Director of our Company. He has been associated with our Company as a Director since November 1, 1995 and as an independent Director since April 1, 2014. He holds a bachelor's of technology degree in electrical engineering (power) from Indian Institute of Technology, Madras, a post graduate diploma in management from Indian Institute of Management, Bangalore and a doctorate in management from Sardar Patel University. He is also a qualified chartered financial analyst registered with the Institute of Chartered Financial Analysts of India. He has over 20 years of professional experience and has in the past held various positions with Shanti Business School as Director, PGDM, Gujarat Industrial Investment Corporation Limited as Senior Manager (Overseas

Cell), Jyoti Limited as the Corporate Planning Officer, Bihar State Credit & Investment Corporation Private Limited as Development Officer, Indian Institute of Management as a researcher, Tata Merlin & Gerin Limited as Junior Engineer, Khira Steel Works Private Limited as Trainee Industrial Engineer, and Reunion Engineering Company Private Limited as Trainee Engineer.

Chetan Ramniklal Shah, aged 62 years, is an independent Director of our Company. He has been associated with our Company since June 6, 2008 and as an independent Director since April 1, 2014. He holds bachelor's degrees in commerce and law (general) from Gujarat University. He is also a qualified chartered accountant registered with the Institute of Chartered Accountants of India. He has over 33 years of experience in the financial services sector and has in the past worked with the Natpur Co-operative Bank as the Manager – Finance.

Umesh Rajanikant Shah, aged 61 years, is an independent Director of our Company. He has been associated with our Company as an independent Director since December 21, 2016. He holds a bachelor's degree in commerce from Gujarat University. He is also a qualified chartered accountant registered with the Institute of Chartered Accountants of India. He has over 35 years of experience in finance, accounting, auditing and taxation. He has, in the past held various positions with, *inter alia*, Celestial Biologicals Limited as the Associate Vice President – Finance and Accounts; e-Infochips Bangalore Limited as the Vice President – Finance; Intas Pharmaceuticals Limited as the General Manager – Accounts; SAI Consulting Engineers Private Limited as the Executive Director and CFO; and Piramal Financial Services Limited as the General Manager.

Relationship between Directors

Except as stated below, none of our Directors are related to each other:

Name of the Directors	Relationship
Kamlesh Chimanlal Gandhi and Mukesh Chimanlal Gandhi	Brothers

Remuneration details of our Directors

(1) Remuneration details of our executive Directors

Kamlesh Chimanlal Gandhi

Kamlesh Chimanlal Gandhi was last re-appointed as our Managing Director by a Board resolution dated May 25, 2016 and a shareholders' resolution dated June 29, 2016.

Pursuant to a resolution of our Board dated March 29, 2017, Kamlesh Chimanlal Gandhi is entitled to a basic salary of ₹ 2,577,000 per month, with effect from April 1, 2017. In addition, he is entitled to, *inter alia*, bonus payments, ex-gratia payments, house rent allowance, education allowance and medical reimbursement as per the rules of our Company. During Fiscal Year 2017, the total amount of compensation paid to him was ₹ 42.96 million.

Mukesh Chimanlal Gandhi

Mukesh Chimanlal Gandhi was last re-appointed as our whole-time Director by a Board resolution dated May 17, 2017 and a shareholders' resolution dated June 21, 2017.

Pursuant to a resolution of our Board dated March 29, 2017, Mukesh Chimanlal Gandhi is entitled to a basic salary of ₹ 2,577,000 per month, with effect from April 1, 2017. In addition, he is entitled to, among other amounts, bonus payments, ex-gratia payments, house rent allowance, education allowance and medical reimbursement as per the rules of our Company. During Fiscal Year 2017, the total amount of compensation paid to him was ₹ 42.89 million.

Darshana Saumil Pandya

Darshana Saumil Pandya was appointed as our executive Director by a Board resolution dated September 23, 2016. Presently, she also holds the position of the Chief Operating Officer of our Company.

In her capacity as Chief Operating Officer of the Company, Darshana Saumil Pandya is entitled to a salary of ₹ 65,000 per month. In addition, she is also entitled to certain benefits including *inter alia* housing rent allowance, conveyance, medical benefits, bonus payments and education allowance. During Fiscal Year 2017, the total amount of compensation paid to her was ₹ 1.72 million.

(2) Remuneration details of our independent Directors

Pursuant to the resolution of our Board dated June 18, 2008, our independent Directors are entitled to receive sitting fees of ₹ 10,000 and ₹ 5,000 for attending each meeting of our Board and committees thereof, respectively. Additionally, our independent Directors are also entitled to reimbursement of travelling and out of pocket expenses incurred by them to attend such meetings.

Details of the sitting fees paid to our independent Directors during Fiscal Year 2017 are set forth below.

Name of Director	Remuneration paid (In ₹)
Bala Bhaskaran	125,000
Chetan Ramniklal Shah	145,000
Umesh Rajanikant Shah	60,000

Remuneration paid or payable from Subsidiary

Details of the remuneration paid to our Directors by our Subsidiary during Fiscal Year 2017 are set forth below.

Name of Director	Remuneration paid (In ₹)
Kamlesh Chimanlal Gandhi	1,920,000
Mukesh Chimanlal Gandhi	1,920,000
Darshana Saumil Pandya	322,449

Details of the sitting fee paid to our Directors by our Subsidiary during Fiscal Year 2017 are set forth below.

Name of Director	Remuneration paid (In ₹)
Bala Bhaskaran	90,000
Chetan Ramniklal Shah	70,000

Bonus or profit sharing plan for the Directors

Our Company does not have a bonus or profit sharing plan for our Directors. However, Kamlesh Chimanlal Gandhi, Mukesh Chimanlal Gandhi and Darshana Saumil Pandya are entitled to bonus payments as part of their remuneration. For further details regarding the remuneration details of Kamlesh Chimanlal Gandhi, Mukesh Chimanlal Gandhi and Darshana Saumil Pandya, see "*– Remuneration details of our executive Directors*" on page 162.

Shareholding of our Directors

Our Articles do not require our Directors to hold any qualification shares.

Details of our Directors who hold Equity Shares as on the date of this Red Herring Prospectus are as follows:

Name	No. of Equity Shares	Percentage of pre-Offer equity share capital (%)
Kamlesh Chimanlal Gandhi	6,242,818	12.59
Mukesh Chimanlal Gandhi	16,110,450	32.50
Darshana Saumil Pandya	948	*Negligible*
Bala Bhaskaran	945	*Negligible*

For details of our Directors who hold equity shares in our Subsidiary as on the date of this Red Herring Prospectus please see the "*History and Other Corporate Matters – Our Subsidiary - Capital structure and shareholding pattern*" on page 157.

Service contracts with Directors

Our Directors have not entered into any service contracts with our Company which provide for any benefit upon termination of employment.

Interest of Directors

All of our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them.

Certain of our Directors may also be regarded as interested in the Equity Shares and Series C CCPS held by them, their relatives or by the companies, firms, trusts in which they are interested as directors, members, partners, trustees and promoters. Further, certain Directors may also be deemed to be interested in Equity Shares that may, pursuant to this Offer, be subscribed by or Allotted to them, their relatives, or to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters. Certain of our Directors are also shareholders in our Subsidiary. Accordingly, our Directors may also be interested to the extent of dividends paid by our Company and Subsidiary in lieu of such shareholding.

Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them. For further details regarding the shareholding of our Directors in our Company, see "*– Shareholding of our Directors*" on page 163.

Our Directors, Kamlesh Chimanlal Gandhi, Mukesh Chimanlal Gandhi, Bala Bhaskaran, Chetan Ramniklal Shah and Darshana Saumil Pandya are also directors of our Subsidiary and some of them are directors of our Group Company. Darshana Saumil Pandya is also the chief operating officer of our Subsidiary. Such Directors may be deemed to be interested to the extent of payments made between our Company and such Subsidiary or Group Company. They may also be deemed to be interested to the extent of remuneration received from such Subsidiary or Group Company.

Our Directors, Kamlesh Chimanlal Gandhi and Mukesh Chimanlal Gandhi have, along with our Promoter, Shweta Kamlesh Gandhi, guaranteed certain term loans and cash credit facilities availed by our Company, amounting to ₹ 3,250 million and ₹ 15,550 million, respectively. As on August 31, 2017, the total amount outstanding in relation to these facilities was ₹ 2,078.09 million and ₹ 9,084.51 million, respectively. Kamlesh Chimanlal Gandhi and Mukesh Chimanlal Gandhi have, along with our Promoter, Shweta Kamlesh Gandhi also guaranteed facilities amounting to ₹ 2,388.40 million availed by the Subsidiary, of which an amount of ₹ 1,402.91 million is currently outstanding.

Except as disclosed below, none of sundry debtors or beneficiaries of loans and advances are related to our Directors:

Name	Nature of relationship	Outstanding amount (in ₹ million) as on August 31, 2017
Paras Capfin Company Private Limited	Kamlesh Chimanlal Gandhi holds cumulative redeemable preference shares of the company, aggregating to ₹ 5 million	34.17
M Power Micro Finance Private Limited	Kamlesh Chimanlal Gandhi holds cumulative redeemable preference shares of the company, aggregating to ₹ 5 million	168.75

Except as detailed below, no loans have been availed by our Directors from our Company.

Name	Designation	Type of loan	Sanctioned Amount (in ₹)	Outstanding amount (in ₹) as on August 31, 2017	Interest Rate (%)
Darshana Saumil Pandya	Executive Director and Chief Operating Officer	Staff loan	400,000	69,435	12

Further, Kamlesh Chimanlal Gandhi, our Chairman and Managing Director and Mukesh Chimanlal Gandhi, our whole-time Director and Chief Financial Officer, are also material creditors of the Company, as on August 31, 2017. For further details on material creditors of the Company, see "*Outstanding Litigations and Material Developments – Litigation involving our Company - Outstanding dues to small scale undertakings or any other creditors"* on page 392.

Interest in promotion of our Company

Except Kamlesh Chimanlal Gandhi and Mukesh Chimanlal Gandhi who are Promoters of our Company, our Directors have no interest in the promotion of our Company as of the date of this Red Herring Prospectus.

Interest in property

Our Directors have no interest in any property acquired by our Company within the two years preceding the date of this Red Herring Prospectus, or presently intended to be acquired by our Company or in any transaction for acquisition of land, construction of buildings and supply of machinery.

Appointment of relatives to a place of profit

Except as disclosed below, none of the relatives of the Directors have been appointed to an office or place of profit with our Company:

Name	Designation	Nature of Relationship
Saumil Pandya	President & Head - Retail Assets	Spouse of Darshana Saumil Pandya
Dhvanil K. Gandhi	Business Development Manager	Son of Kamlesh Chimanlal Gandhi

Confirmations

None of our Directors have been identified as wilful defaulters, as defined under the SEBI ICDR Regulations.

Our Directors are not, and have not, during the five years preceding the date of the Draft Red Herring Prospectus and until the date of this Red Herring Prospectus, been on the board of any listed company whose shares have been or were suspended from being traded on BSE Limited or the NSE.

None of our Directors have been or are directors on the board of listed companies which have been or were delisted from any stock exchange(s).

Our Company has not made any payments in cash or shares or otherwise to our Directors or to firms or companies in which our Directors are interested as members, directors or promoters; nor have our Directors been offered any inducements to become directors or to otherwise be interested in any firm or company, in connection with the promotion or formation of our Company.

For details of our Directors' association with the securities market, see "*Other Regulatory and Statutory Disclosures*" on page 401.

Changes in our Board during the last three years

The changes in our Board during the three years immediately preceding the date of this Red Herring Prospectus are as follows:

Name of Director	Designation	Date of change	Reasons
Rakesh Rewari	Nominee Director	February 27, 2017	Resignation
Rajeshbabu Rajendran Natrajan	Nominee Director	February 22, 2017	Resignation
Umesh Rajanikant Shah	Independent Director	December 21, 2016	Appointment
Jagdish Joshipura	Independent Director	November 12, 2016	Demise
Darshana Saumil Pandya	Executive Director and Chief Operating Officer	September 23, 2016	Appointment as Executive Director
Rajeshbabu Rajendran Natarajan	Nominee Director	December 23, 2015	Appointment
Venkatesh Natarajan	Nominee Director	December 23, 2015	Cessation
Cornelis Jan De Kruijf	Nominee Director	December 9, 2014	Cessation

Borrowing Powers

Pursuant to a resolution of the shareholders of our Company passed at the AGM held on June 21, 2017, the Board has been authorised to borrow any sum or sums of money, in any currency, from time to time, at its discretion, for the purpose of the business of our Company, which together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed the aggregate of our paid up capital and free reserves, provided that the total outstanding amount so borrowed shall not at any time exceed ₹ 35,000 million.

Corporate Governance

In addition to the applicable provisions of the Companies Act, 2013 with respect to corporate governance, provisions of the SEBI Listing Regulations will also be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges.

Kamlesh Chimanlal Gandhi, our Chairman and Managing Director, is an executive Director. Our Company currently has six Directors, of which three are executive Directors and three are independent Directors. Of the three executive Directors, we have one woman Director on our Board. Our Company is in compliance with corporate governance norms prescribed under SEBI Listing Regulations and the Companies Act, 2013, particularly, in relation to composition of our Board of Directors and constitution of board level committees.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements under SEBI Listing Regulations and the Companies Act, 2013.

Board-level committees

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

(a) Audit Committee;
(b) Nomination and Remuneration Committee;
(c) Corporate Social Responsibility Committee; and
(d) Stakeholders Relationship Committee.

Our Company has also constituted committees in accordance with the applicable RBI directions and guidelines, including the Asset Liability Management Committee, the Finance Committee and the Risk Management Committee.

The details of the committees required to be constituted by our Company under the Companies Act, 2013 and the SEBI Listing Regulations are as follows:

Audit Committee

The Audit Committee currently consists of:

Name	Position in the committee	Designation
Bala Bhaskaran	Chairman	Independent Director
Chetan Ramniklal Shah	Member	Independent Director
Umesh Rajanikant Shah	Member	Independent Director

Our Audit Committee was constituted by a resolution of our Board dated January 13, 2009, and was last reconstituted on December 21, 2016 in compliance with section 177 of the Companies Act, 2013 and SEBI Listing Regulations. The terms of reference of the Audit Committee include the following:

(i) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
(ii) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
(iii) approval of payment to statutory auditors for any other services rendered by them;
(iv) reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    (a) matters required to be included in the Director's Responsibility Statement to be included in the board of directors report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act, 2013;
    (b) changes, if any, in accounting policies and practices and reasons for the same;
    (c) major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
    (d) significant adjustments made in the financial statements arising out of audit findings;
    (e) compliance with listing and other legal requirements relating to financial statements;
    (f) disclosure of any related party transactions; and
    (g) modified opinion(s) in the draft audit report.

(v) reviewing, with the management, the quarterly financial statements before submission to the board of directors for their approval;
(vi) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to our board of directors to take up steps in this matter;
(vii) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
(viii) approval or any subsequent modification of transactions of the Company with related parties;
(ix) scrutiny inter-corporate loans and investments;
(x) valuation of undertakings or assets of the Company, wherever it is necessary;
(xi) evaluation of internal financial controls and risk management systems;
(xii) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
(xiii) review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
(xiv) discussion with internal auditors of any significant findings and follow up there on;
(xv) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
(xvi) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
(xvii) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
(xviii) to review the functioning of the whistle blower mechanism;
(xix) approval of the appointment of the Chief Financial Officer of the Company after assessing the qualifications, experience and background, etc. of the candidate; and
(xx) carry out any other function as is mentioned in the terms of reference of the Audit Committee.

Further, the Audit Committee shall mandatorily review the following information:

(i) management discussion and analysis of financial condition and results of operations;
(ii) statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;
(iii) management letters / letters of internal control weaknesses issued by the statutory auditors of the Company;
(iv) internal audit reports relating to internal control weaknesses;
(v) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
(vi) statement of deviations in terms of the SEBI Listing Regulations:

    (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and
    (b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee currently consists of:

Name	Position in the committee	Designation
Bala Bhaskaran	Chairman	Independent Director
Chetan Ramniklal Shah	Member	Independent Director
Umesh Rajanikant Shah	Member	Independent Director

Our Company constituted a nomination committee by way of a resolution of our Board dated December 23, 2010, which was subsequently reconstituted as the Nomination and Remuneration Committee on March 20, 2015, in compliance with section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee was last reconstituted on December 21, 2016. The terms of reference of the Nomination and Remuneration Committee include the following:

(i) identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
(ii) formulation of criteria for determining qualifications, positive attributes and independence of a director;
(iii) recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
(iv) devise a policy on diversity of the Board;
(v) formulation of criteria for evaluation of performance of independent Directors and the Board; and
(vi) determine whether to extend or continue the term of appointment of independent directors, on the basis of the report of performance evaluation of independent directors.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee currently comprises of:

Name	Position in the committee	Designation
Bala Bhaskaran	Chairman	Independent Director
Mukesh Chimanlal Gandhi	Member	Whole-time Director and Chief Financial Officer
Chetan Ramniklal Shah	Member	Independent Director

Our Stakeholders Relationship Committee was constituted by a resolution of our Board dated September 23, 2016, in compliance with section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and was last reconstituted on December 21, 2016.

The Stakeholders Relationship Committee is authorised to consider and resolve the grievances of the security holders of our Company, including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

Corporate Social Responsibility Committee ("CSR Committee")

The CSR Committee currently comprises of:

Name	Position in the committee	Designation
Mukesh Chimanlal Gandhi	Chairman	Whole-time Director and Chief Financial Officer
Darshana Saumil Pandya	Member	Executive Director and Chief Operating Officer
Bala Bhaskaran	Member	Independent Director

The CSR Committee was constituted by a resolution of our Board dated March 21, 2014 in compliance with section 135 of the Companies Act, 2013 and was last reconstituted on December 21, 2016. The terms of reference of the CSR Committee include the following:

(i) to formulate and recommend to the board, a corporate social responsibility ("**CSR**") policy for its approval;
(ii) to recommends CSR activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
(iii) to submit to the Board reports in respect of the CSR activities undertaken by the Company;
(iv) to recommend the budget for CSR and spend the allocated amount on CSR activities;
(v) to create transparent monitoring mechanism for implementation of CSR initiatives in India;
(vi) to monitor the CSR policy of the company from time to time;
(vii) to monitor activities/ charter of the joint working group who are authorized to ensure that the CSR activities of the Company are implemented effectively; and
(viii) to authorize executives of the Company to attend the meetings of the CSR Committee.

IPO Committee

In addition to above committees, our Board has also constituted an IPO Committee pursuant to a resolution dated September 23, 2016. The IPO Committee was subsequently reconstituted on December 21, 2016 and currently comprises of:

Name	Position in the committee	Designation
Kamlesh Chimanlal Gandhi	Chairman	Chairman and Managing Director
Mukesh Chimanlal Gandhi	Member	Whole-time Director and Chief Financial Officer
Darshana Saumil Pandya	Member	Executive Director and Chief Operating Officer

Name	Position in the committee	Designation
Chetan Ramniklal Shah	Member	Independent Director
Bala Bhaskaran	Member	Independent Director
Umesh Rajanikant Shah	Member	Independent Director

The quorum for meetings of the IPO Committee is two members.

The terms of reference of the IPO Committee of our Company include the following:

(i) to decide, along with the Selling Shareholders, on the IPO size (including any reservation for employees and/or any other reservations, firm allotments as may be permitted, green shoe option and/or any rounding off in the event of any oversubscription), timing, pricing (price band, issue price, including to anchor investors etc.) and all other terms and conditions of the IPO, along with the Selling Shareholders, and to make any amendments, modifications, variations or alterations thereto;

(ii) to take all actions as may be authorized in connection with the Offer for Sale;

(iii) to appoint and enter into arrangements with the BRLM, underwriters to the IPO, syndicate members to the IPO, brokers to the IPO, advisors to the IPO, escrow collection banks to the IPO, registrars to the IPO, refund banks to the IPO, public issue account banks to the IPO, advertising agencies, legal counsel and any other agencies or persons or intermediaries appointed in relation to the IPO and to negotiate and finalise the terms of their appointment;

(iv) to negotiate, finalise, settle, execute and deliver or arrange the delivery of the BRLM's mandate letter, the offer agreement, registrar agreement, syndicate agreement, underwriting agreement, cash escrow agreement, share escrow agreement and all other documents, deeds, agreements, memorandum of understanding and other instruments whatsoever, including with respect to the payment of commissions, brokerages and fees, with the BRLM, registrar to the IPO, legal advisors, auditors, Stock Exchanges and any other agencies/intermediaries in connection with the IPO, with the power to authorise one or more officers of the Company to negotiate, execute and deliver all or any of the aforestated documents;

(v) deciding the terms, pricing and all other related matters regarding the Pre-IPO Placement, including execution of the relevant documents with the investors in consultation with the BRLM, the Selling Shareholders and in accordance with Applicable Laws;

(vi) to finalise, settle, approve and adopt the DRHP, the RHP, the Prospectus, the preliminary and final international wrap, as applicable, for the IPO together with any addenda, corrigenda or supplement thereto and take all such actions as may be necessary for filing of these documents including incorporating such alterations/ corrections/ modifications as may be required by and to submit undertaking/ certificates or provide clarifications to SEBI or any other relevant governmental and statutory authorities;

(vii) to make applications to, seek clarifications and obtain approvals from, if necessary, the FIPB, the RBI, the SEBI, the RoC or any other statutory or governmental authorities in connection with the IPO and take all such actions as may be necessary pursuant to such clarifications/ approvals, including incorporate such modifications/ amendments/ alterations/ corrections as may be required in the DRHP, the RHP and the Prospectus and other documents in relation to the IPO;

(viii) to open and operate bank account(s) of the Company in terms of the cash escrow agreement in relation to application moneys received from anchor investors in the IPO and for handling of the public issue account and refund account for the IPO, and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

(ix) to authorise any concerned person on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the IPO;

(x) to seek, if required, the consent of the lenders to the Company and/or the lenders to the subsidiaries of the Company, industry data providers, parties with whom the Company has entered into various commercial and other agreements including without limitation customers and suppliers of the Company, any concerned government and regulatory authorities in India or outside India and any other consents that may be required in connection with the IPO;

(xi) to take such actions that may be considered necessary or as may be required pursuant to corporate governance requirements under Applicable Laws, in connection with the IPO;

(xii) to open and operate a bank account of the Company in terms of Section 40(3) of the Companies Act, 2013 and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

(xiii) to determine and finalise, along with the Selling Shareholders, the bid opening and bid closing dates (including bid opening and closing dates for Anchor Investors and QIBs);

(xiv) to issue confirmation of allocation notes, as applicable, representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on the Stock Exchanges, with power to authorise one or more officers of the Company to sign all or any of the aforestated documents;

(xv) if necessary, along with the Selling Shareholders, to withdraw the DRHP or the RHP or not to proceed with the Offer at any stage, in accordance with Applicable Laws;

(xvi) to make applications for listing of Equity Shares on the Stock Exchanges and to execute and to deliver or arrange the delivery of necessary documentation (including the listing agreements) to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;

(xvii) to do all such deeds and acts as may be required to dematerialize the Equity Shares and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection, and to authorise one or more officers of the Company to execute all or any of the aforestated documents;

(xviii) to authorize and approve the incurring of expenditure and payment of fees, commissions, remuneration and expenses in connection with the IPO;

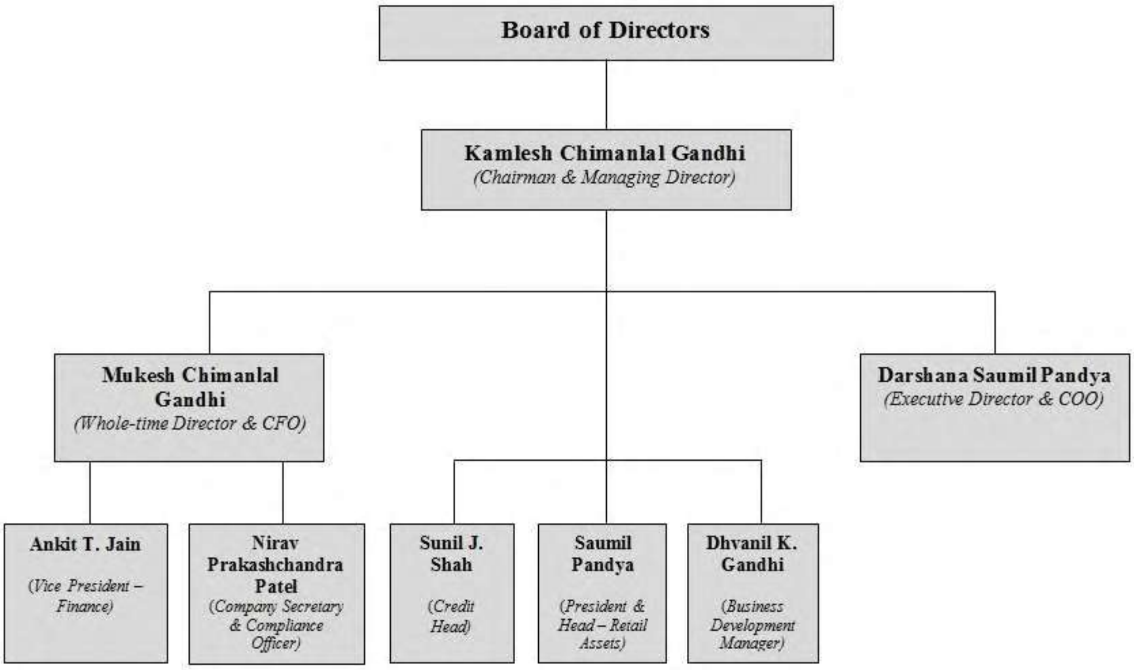
(xix) to do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, along with the Selling Shareholders, in consultation with the BRLM, deem necessary or desirable for the IPO, including without limitation, determining the anchor investor portion and allocation to Anchor Investors, finalizing the basis of allocation and allotment of Equity Shares to the successful allottees and credit of Equity Shares to the demat accounts of the successful allottees in accordance with Applicable Laws;

(xx) to settle all questions, remove any difficulties or doubts that may arise from time to time in regard to the IPO, including with respect to the issue, offer or allotment of the Equity Shares, terms of the IPO, utilisation of the IPO proceeds, appointment of intermediaries for the IPO and such other issues as it may, in its absolute discretion deem fit;

(xxi) to take such action, give such directions, as may be necessary or desirable as regards the IPO and to do all such acts, matters, deeds and things, including but not limited to the allotment of Equity Shares against the valid applications received in the IPO, as are in the best interests of the Company; and

(xxii) to execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as may be deemed necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the IPO. Any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing.

Management Organisation Structure



Key Management Personnel

The following persons are the Key Management Personnel of our Company:

1. Kamlesh Chimanlal Gandhi, Chairman and Managing Director
2. Mukesh Chimanlal Gandhi, whole-time Director and Chief Financial Officer
3. Darshana Saumil Pandya, executive Director and Chief Operating Officer
4. Nirav Prakashchandra Patel, Company Secretary and Compliance Officer
5. Saumil Pandya, President & Head - Retail Assets
6. Sunil J. Shah, Credit Head
7. Ankit T. Jain, Vice President – Finance
8. Dhvanil K. Gandhi, Business Development Manager

Kamlesh Chimanlal Gandhi, Chairman and Managing Director; Mukesh Chimanlal Gandhi, whole-time Director and Chief Financial Officer; Darshana Saumil Pandya, executive Director and Chief Operating Officer; and Nirav Prakashchandra Patel, Company Secretary are also key managerial personnel of our Company as defined in section 2(51) of the Companies Act, 2013.

All the Key Management Personnel are permanent employees of our Company.

Brief profiles of our Key Management Personnel

For a brief profile of Kamlesh Chimanlal Gandhi, Chairman and Managing Director; Mukesh Chimanlal Gandhi, whole-time Director and Chief Financial Officer; and Darshana Saumil Pandya, executive Director and Chief Operating Officer, see "- *Brief Profiles of our Directors*" above on page 161.

The details of our other Key Management Personnel as of the date of this Red Herring Prospectus are set forth below:

Nirav Prakashchandra Patel, aged 29 years, is the Company Secretary and Compliance Officer of our Company. He has been associated with our Company since December 23, 2015. He holds a bachelor's degree in commerce from Sardar Patel University. He is also an associate of the Institute of Company Secretaries of India. He has over two years of experience in secretarial compliance and has in the past, worked with SAT Industries Limited as the company secretary and compliance officer. He received a gross remuneration of ₹ 0.41 million in Fiscal Year 2017.

Saumil Pandya, aged 44 years, is the President & Head – Retail Assets of our Company. He has been associated with our Company since September 1, 1996. He holds a bachelor's degree in commerce from Gujarat University. He has over 20 years of experience in the financial services sector, with our Company. He received a gross remuneration of ₹ 2.3 million in Fiscal Year 2017.

Sunil J. Shah, aged 46 years, is the Credit Head of our Company. He has been associated with our Company since July 1, 1998. He holds a bachelor's degree in commerce from Gujarat University. He has over 18 years of experience in the financial service sector, with our Company. He received a gross remuneration of ₹ 1.34 million in Fiscal Year 2017.

Ankit T. Jain, aged 29 years, is the Vice President - Finance of our Company. He has been associated with our Company since April 1, 2010. He holds a bachelor's degree in commerce from University of Pune and a master's degree in business administration from ICFAI University. He has over six years of experience in the financial services sector, with our Company. He received a gross remuneration of ₹ 1.10 million in Fiscal Year 2017.

Dhvanil K. Gandhi, aged 23 years, is the Business Development Manager of our Company. He has been associated with our Company since April 1, 2014. He holds a bachelor's degree in business administration from Ahmedabad University. He has over two years of experience in the financial services sector, with our Company. He received a gross remuneration of ₹ 0.85 million in Fiscal Year 2017.

Relationship among Key Management Personnel

Except as stated below, none of our Key Management Personnel are related to each other:

Name of the Directors	Relationship
Kamlesh Chimanlal Gandhi and Mukesh Chimanlal Gandhi	Brothers
Kamlesh Chimanlal Gandhi and Dhvanil K Gandhi	Father and son
Darshana Saumil Pandya and Saumil Pandya	Wife and husband

Bonus or profit sharing plan for the Key Management Personnel

There is no profit sharing plan for the Key Management Personnel of our Company.

However, Kamlesh Chimanlal Gandhi, Mukesh Chimanlal Gandhi and Darshana Saumil Pandya are entitled to bonus payments as part of their remuneration. For further details regarding the remuneration details of Kamlesh Chimanlal Gandhi, Mukesh Chimanlal Gandhi and Darshana Saumil Pandya, see "– *Remuneration details of our executive Directors*" on page 162. Bonus payments are also made to eligible employees in compliance with the Payment of Bonus Act, 1965. Except as described above, our Company does not make any bonus payments to its Key Management Personnel.

Shareholding of Key Management Personnel

Details of our Key Management Personnel who hold Equity Shares as on the date of this Red Herring Prospectus are as follows:

Name	No. of Equity Shares	Percentage of pre-Offer Equity Share capital (%)
Kamlesh Chimanlal Gandhi	6,242,818	12.59
Mukesh Chimanlal Gandhi	16,110,450	32.50
Darshana Saumil Pandya	948	*Negligible*
Saumil Pandya	945	*Negligible*

Details of our Key Management Personnel who hold equity shares in our Subsidiary as on the date of this Red Herring Prospectus are as follows:

Name	No. of equity shares of ₹ 10 each	Percentage of issued capital (%)
Kamlesh Chimanlal Gandhi	2,060,980	11.43
Mukesh Chimanlal Gandhi	3,402,310	18.87
Darshana Saumil Pandya	100	*Negligible*
Saumil Pandya	100	*Negligible*

Service Contracts with Key Management Personnel

Except for terms set forth in the appointment letters, our Key Management Personnel have not entered into any other contractual arrangements with our Company or our Subsidiary, as the case may be.

Except for statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company, including Key Management Personnel, is entitled to any benefit upon termination of employment.

Interest of Key Management Personnel

None of our Key Management Personnel have any interest in our Company except to the extent of their shareholding in our Company and our Subsidiary, remuneration from our Company and our Subsidiary, loans availed from our Company, and benefits and reimbursement of expenses incurred by them in the ordinary course of business.

As on the date of this Red Herring Prospectus, except as disclosed in "- *Interest of Directors*" on page 163, no loans have been availed by any of our Key Management Personnel from our Company.

Contingent and deferred compensation payable to Key Management Personnel

There is no contingent or deferred compensation payable to our Key Management Personnel.

Changes in Key Management Personnel during the last three years

Changes in our Key Management Personnel during the three years immediately preceding the date of this Red Herring Prospectus set forth below.

Name	Designation	Date of change	Reason
Darshana Saumil Pandya	Executive Director and Chief Operating Officer	September 23, 2016	Appointment as executive Director
Nirav Prakashchandra Patel	Company Secretary	December 23, 2015	Appointment
Punita Maheshwari	Company Secretary	December 23, 2015	Cessation
Mukesh Chimanlal Gandhi	Chief Financial Officer	March 20, 2015	Appointment
Punita Maheshwari	Company Secretary	December 19, 2014	Appointment
Deepika Sharma	Company Secretary	December 19, 2014	Cessation

Employee stock option and stock purchase schemes

Our Company does not have any employee stock option schemes.

Payment of non-salary related benefits to officers of our Company

Except for loans disbursed to Darshana Saumil Pandya and Saumil Pandya (described above under *"– Interest of Directors"* and *"– Interest of Key Management Personnel"*, respectively), no amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of filing of this Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment.

Arrangements and understanding with major shareholders, customers, suppliers or others

Rakesh Rewari, nominated pursuant to the DEG Agreement, and Rajeshbabu Rajendran Natrajan, nominated pursuant to the FMO-Sarva Agreement served on our Board as Nominee Directors until February 27, 2017 and February 22, 2017, respectively. As on the date of this Red Herring Prospectus, none of our Directors or Key Management Personnel have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are:

1. Kamlesh Chimanlal Gandhi
2. Mukesh Chimanlal Gandhi
3. Shweta Kamlesh Gandhi and
4. Prarthna Marketing Private Limited.

For details on the build-up of our Promoters' shareholding in our Company, see "*Capital Structure – Notes to Capital Structure*" on page 76.

Details of our Promoters are set forth below:

1. Kamlesh Chimanlal Gandhi

Identification Particulars	Details
Voter ID Number	GJ/11/064/0954767
Driving License Number	GJ01 1993D006360
Address	5-A, Kumar Society, Jivraj Park, Vejalpur, Ahmedabad 380 051, Gujarat, India

Kamlesh Chimanlal Gandhi, aged 51 years, is the Chairman and Managing Director of our Company. For details of his profile, see "*Our Management*" on page 160.

2. Mukesh Chimanlal Gandhi

Identification Particulars	Details
Voter ID Number	GJ/11/064/954986
Driving License Number	GJ01 20010905587
Address	4A-4B, Ashirwad Apartments, Nr. V.S. Hospital, Ashram Road, Ellisbridge, Ahmedabad 380 006, Gujarat, India

Mukesh Chimanlal Gandhi, aged 59 years, is the Whole-time Director and Chief Financial Officer of our Company. For details of his profile, see "*Our Management*" on page 160.

3. Shweta Kamlesh Gandhi

Identification Particulars	Details
Voter ID Number	ZCU2913903
Driving License Number	97/021099
Address	5-A, Kumar Society, Jivraj Park, Vejalpur, Ahmedabad 380 051, Gujarat, India

Shweta Kamlesh Gandhi, aged 46 years, is one of our Promoters and has been associated with our Company since incorporation. She has received the secondary school examination certificate from Gujarat Secondary Education Board, Gandhinagar. She is a home maker and is not involved in the daily functioning of our Company.

4. Prarthna Marketing Private Limited ("PMPL")

Corporate information

PMPL was incorporated on April 8, 1997 as 'Prarthna Marketing Private Limited', a private limited company under the Companies Act, 1956, with the RoC. Its CIN is U51507GJ1997PTC032065 and its registered office is situated at 5th floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad, 380 009, Gujarat.

PMPL is enabled under its objects to carry on the business of *inter alia* traders, whole sellers, retailers, importers and exporters of merchandise goods, electrical and electronic goods and also act as service agents for providing after sales services. PMPL is currently not engaged in any business activities.

The board of directors of PMPL comprises the following persons:

1. Mukesh Chimanlal Gandhi and
2. Kamlesh Chimanlal Gandhi.

Capital structure and shareholding pattern

The authorised share capital of PMPL is ₹ 0.50 million divided into 50,000 equity shares of ₹10 each. The issued, subscribed and paid-up capital of PMPL is ₹ 101,390 divided into 10,139 equity shares of ₹ 10 each.

The shareholding pattern of PMPL is as follows:

S. No.	Name of shareholder	No. of equity shares of ₹10 each	Percentage of issued capital (%)
1.	Shweta Kamlesh Gandhi	5,511	54.35
2.	Kamlesh Chimanlal Gandhi	4,443	43.72
3.	Pravinbhai L. Shah	100	0.98
4.	Mukesh Chimanlal Gandhi	20	0.30
5.	Parth C. Shah	10	0.10
6.	Sonal Siddharth Shah	10	0.10
7.	Siddharth P. Shah	10	0.10
8.	Savitaben C. Joshi	1	0.01
9.	Khyati J. Thaker	1	0.01
10.	Shobhana J. Thaker	1	0.01
11.	Jitendra J. Thaker	1	0.01
12.	Niki J. Thaker	1	0.01
13.	Manvish J. Thaker	1	0.01
14.	Ashok Trivedi	1	0.01
15.	Bharat Anandlal Shah	1	0.01
16.	Bharat R. Raval	1	0.01
17.	Darshan G. Mehta	1	0.01
18.	Dilip Kumar Ratilal	1	0.01
19.	Haks Enterprise	1	0.01
20.	Harshad Somabhai Patel	1	0.01
21.	Hemal R. Bhavsar	1	0.01
22.	Kartikey B. Jani HUF	1	0.01
23.	Kusumben S. Parikh	1	0.01
24.	Mahesh Kumar C. Shah	1	0.01
25.	Mital A. Mashruwala	1	0.01
26.	Natwarlal K. Makim	1	0.01
27.	Natwarial K. Makim HUF	1	0.01
28.	Nirali N. Makim	1	0.01
29.	R.D. Shah Investment Corp.	1	0.01
30.	Rupalbhai M. Shah	1	0.01
31.	Sajni R. Mashruwala	1	0.01
32.	Shantilal M. Shah HUF	1	0.01
33.	Shashikant G. Parikh	1	0.01
34.	Shrey Investments	1	0.01
35.	Sudevi M. Shah	1	0.01
36.	Umang Natwarlal Makim HUF	1	0.01
37.	Urvi M. Shah	1	0.01
38.	Urvi Vipul Parikh	1	0.01
39.	Ushaben S. Patel	1	0.01
40.	Apurva Shantilal Shah	1	0.01
41.	Purav Apurva Shah	1	0.01
42.	Milan P. Dalal	1	0.01
Total		**10,139**	**100**

Natural person(s) in control of PMPL

Shweta Kamlesh Gandhi and Kamlesh Chimanlal Gandhi are the natural persons in control (holding 15% or more voting rights) of PMPL, holding 98.07% of its paid-up share capital.

Change in control

There has been no change in the control of PMPL in the three years immediately preceding the date of the Draft Red Herring Prospectus, and until the filing of this Red Herring Prospectus.

Change in management

Except as stated below, there has been no change in the management of PMPL in the three years immediately preceding the date of the Draft Red Herring Prospectus, and until the filing of this Red Herring Prospectus:

(i) Pursuant to board resolution dated March 17, 2015, Mukesh Chimanlal Gandhi was appointed as an additional director of PMPL and as a director pursuant to the shareholders' resolution dated September 30, 2015.

(ii) Pravinbhai Shah resigned as director of PMPL with effect from March 17, 2015.

The details of the PAN and bank account numbers of our Promoters, the passport numbers for our individual Promoters and the CIN and the address of the RoC where PMPL is registered were submitted with the Stock Exchanges at the time of submission of the Draft Red Herring Prospectus.

Interest of Promoters

Interest of Promoters in the Promotion of our Company

Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company, as applicable, as well as any dividends declared and remuneration and employment related benefits paid by our Company to them. For further details, see *"Capital Structure"* and *"Our Management"* on pages 76 and 160, respectively.

Interest of Promoters in the Property of our Company

Our Promoters do not have any interest in any property acquired by our Company within two years preceding the date of the Draft Red Herring Prospectus or is proposed to be acquired by our Company or in any transaction for acquisition of land, construction of buildings and supply of machinery etc.

Interest of Promoters in our Company other than as Promoters

Our Promoters, Kamlesh Chimanlal Gandhi, Mukesh Chimanlal Gandhi and Shweta Kamlesh Gandhi have guaranteed certain term loans and cash credit facilities availed by our Company, amounting to ₹ 3,250 million and ₹ 15,550 million, respectively. As on August 31, 2017, the total amount outstanding in relation to these facilities was ₹ 2,078.09 million and ₹ 9,084.51 million, respectively. Kamlesh Chimanlal Gandhi, Mukesh Chimanlal Gandhi and Shweta Kamlesh Gandhi have also guaranteed facilities amounting to ₹ 2,388.40 million availed by the Subsidiary, of which an amount of ₹ 1,402.91million is currently outstanding.

Further, Kamlesh Chimanlal Gandhi, and Mukesh Chimanlal Gandhi are also material creditors of the Company, as on August 31, 2017. For further details on material creditors of the Company, see "*Outstanding Litigations and Material Developments – Litigation involving our Company - Outstanding dues to small scale undertakings or any other creditors"* on page 392.

Except as stated in this section and the sections titled "*Our Business*", "*History and Certain Corporate Matters*", "*Our Management*" and *"Financial Statements"* on pages 129, 151, 160 and 202, respectively, our Promoters do not have any interest in our Company other than as promoters.

Common Pursuits of our Promoters

Our Promoters are not involved with any ventures which are in the same line of activity or business as that of our Company.

Payment of amounts or benefits to our Promoters or Promoter Group during the last two years

Except as disclosed in the sub-section "– *Interest of Promoters*" on page 176, no amount or benefit has been paid by our Company to our Promoters or the members of our Promoter Group in the two years preceding the date of the Draft Red Herring Prospectus, or is intended to be paid or given to our Promoters or members of our Promoter group..

Related Party Transactions

Except as stated in Note 33.8 of *"Annexure 33 - Restated Standalone Summary Statement of Notes to Accounts"* of the Restated Standalone Financial Statements and Note 34.8 of *"Annexure 34 - Restated Consolidated Summary Statement of Notes to Accounts"* of the Restated Consolidated Financial Statements on pages 265 and 343, respectively, our Company has not entered into any related party transactions with our Promoters during the last five Fiscal Years.

Confirmations

Our Company has not made any payments in cash or shares or otherwise to our Promoters or to firms or companies in which our Promoters are interested as members, directors or promoters; nor have our Promoters been offered any inducements to become directors or to otherwise be interested in any firm or company, in connection with the promotion or formation of our Company.

Our Company has been controlled by our Promoters in the last five years immediately preceding the date of the Draft Red Herring Prospectus.

Except as disclosed in the section "*Our Management - Interest of Directors*" on page 163, none of the beneficiaries of loans, advances and sundry debtors are related to our Promoters.

Disassociation by Promoters in the Last Three Years

Our Promoters have not disassociated themselves from any venture in the last three years preceding the date of the Draft Red Herring Prospectus, except as stated below:

S. No.	Name of venture	Date of disassociation	Reason for disassociation
Mukesh Chimanlal Gandhi			
1.	Mukesh Gandhi HUF	December 17, 2016	Dissolution of Mukesh Chimanlal Gandhi HUF
2.	MAS Realities Limited	March 17, 2017	Cessation as director
3.	Sarjan Developers Private Limited	March 17, 2017	Cessation as director
4.	Acquarian Information Technology Private Limited	March 8, 2017	Cessation as director
Kamlesh Chimanlal Gandhi			
1.	MAS Realities Limited	March 17, 2017	Cessation as director
2.	Sarjan Developers Private Limited	March 17, 2017	Cessation as director
3.	Acquarian Information Technology Private Limited	March 8, 2017	Cessation as director

Promoter Group

(a) Natural Persons

The natural persons who are part of our Promoter Group (being the immediate relatives of our Promoters) are as follows:

S. No.	Name	Relation with Promoters
1.	Urmilaben Chimanlal Gandhi	Mother of Mukesh Chimanlal Gandhi and Kamlesh Chimanlal Gandhi
2.	Meena Yogeshbhai Shah	Sister of Mukesh Chimanlal Gandhi and Kamlesh Chimanlal Gandhi
3.	Saryuben Mahendra Kumar Doshi	Sister of Mukesh Chimanlal Gandhi and Kamlesh Chimanlal Gandhi
4.	Prarthna Gandhi	Daughter of Mukesh Chimanlal Gandhi
5.	Pooja Gandhi	Daughter of Mukesh Chimanlal Gandhi
6.	Rushil Gandhi	Son of Mukesh Chimanlal Gandhi
7.	Rasikbhai Parekh	Father -in-law of Mukesh Chimanlal Gandhi
8.	Milan Parekh	Brother-in-law of Mukesh Chimanlal Gandhi

S. No.	Name	Relation with Promoters
9.	Shilpa Shah	Sister-in-law of Mukesh Chimanlal Gandhi
10.	Dhvanil Gandhi	Son of Kamlesh Chimanlal Gandhi and Shweta Kamlesh Gandhi
11.	Dhriti Gandhi	Daughter of Kamlesh Chimanlal Gandhi and Shweta Kamlesh Gandhi
12.	Pravinbhai L. Shah	Father of Shweta Kamlesh Gandhi
13.	Jaybhai Shah	Brother of Shweta Kamlesh Gandhi
14.	Dimple Vora	Sister of Shweta Kamlesh Gandhi

(b) Companies and entities

In addition to our corporate Promoter and our Subsidiary, the companies and entities that form part of our Promoter Group are as follows:

S. No.	Name of Promoter Group Entity
Companies	
1.	Swalamb Mass Financial Services Limited
Partnership	
1.	Anamya Capital LLP
Trust	
1.	Urmilaben Chimanlal Gandhi Foundation

Shareholding of the Promoter Group in our Company

Our Promoter Group do not hold any Equity Shares in our Company.

Other Confirmations

Our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority. Further, there have been no violations of securities laws committed by any of them in the past or are currently pending against them.

Our Promoters, relatives of our Promoters and members of our Promoter Group have not been declared as wilful defaulters as defined under the SEBI ICDR Regulations.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

OUR GROUP COMPANY

In terms of the SEBI ICDR Regulations, to identify 'group companies' for the purpose of disclosure in offer documents, our Company considered companies covered under Accounting Standard 18 issued by the Institute of Chartered Accountants of India) as per the latest annual standalone and consolidated financial statements of our Company (*i.e.*, for Fiscal Year 2017) and certain other companies as considered material by our Board pursuant to the materiality policy adopted by the Company by a board resolution dated March 22, 2017.

In terms of the materiality policy, the following companies would be considered 'material' and identified as 'Group Companies':

(i) A member of the Promoter Group with whom our Company has entered into one or more transactions that, individually or cumulatively, exceed 10% of the total standalone or consolidated revenues of our Company, whichever is lower, in each of Fiscal Year 2013, 2014, 2015, 2016, 2017 and the three month period ended June 30, 2017 ("**Relevant Period**"); or

(ii) A company which, after the Relevant Period, would require disclosure in the standalone or consolidated financial statements of our Company for subsequent periods as entities covered under Accounting Standard 18.

For avoidance of doubt, it is clarified that (i) our Subsidiary; and (ii) any companies which, subsequent to the Relevant Period, have ceased to be related parties of our Company in terms of Accounting Standard 18 solely on account of there being no significant influence/ control over such company in terms of Accounting Standard 18 are not considered as Group Companies for the purpose of disclosure in the DRHP.

Based on the above, Swalamb Mass Financial Services Limited is our Group Company. Its details are provided below.

Swalamb Mass Financial Services Limited ("SMFSL")

SMFSL was incorporated on January 31, 2007 as 'Swalamb Mass Financial Services Limited', a company under section 25 of the Companies Act, 1956, with the RoC. Its CIN is U67190GJ2007NPL049894 and its registered office is situated at Office No. 19-22, 4th floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad, Gujarat 380 009, India.

SMFSL is enabled under its objects to carry on the business of, *inter alia*, banking correspondent and liasioning agent. SMFSL is currently not engaged in any business activities.

Interest of the Promoter

Except to the extent of their shareholding and directorship, our Promoters do not have any other interest in SMFSL.

Financial Information

The following information has been derived from the audited financial statements of SMFSL for the last three Financial Years.

(₹*in million, unless specified*)

Particulars	FY 2017	FY 2016	FY 2015
Equity Capital	0.50	0.50	0.50
Reserves and surplus (excluding revaluation reserves)	(0.08)	(0.07)	(0.07)
Sales/Turnover	0	Nil	Nil
Profit/(Loss) after Tax (in ₹)	(3,450)	(3,450)	(3,420)
Basic EPS (in ₹)	(0.07)	(0.07)	(0.07)
Diluted EPS (in ₹`)	(0.07)	(0.07)	(0.07)
Net asset value per share (in ₹)	8.43	8.50	8.57

There are no significant notes of the auditors in relation to the aforementioned financial statements.

Interest of our Group Company in our Company

(a) ***Business interests***

Our Group Company does not have any interest in the promotion or any business interest or other interests in our Company. Further, our Group Company do not hold any Equity Shares in our Company.

(b) ***In the properties acquired or proposed to be acquired by our Company in the past two years preceding the date of the Draft Red Herring Prospectus***

Our Group Company does not have any interest in the properties acquired by our Company in the two years preceding the date of the Draft Red Herring Prospectus, or which are proposed to be acquired by our Company.

(c) ***In transactions for acquisition of land, construction of building and supply of machinery***

Our Group Company does not have any interest in any transactions for the acquisition of land, construction of building or supply of machinery to our Company.

Common Pursuits

There are no common pursuits among our Group Company and our Company.

Related Business Transactions within the Group Company and significance on the financial performance of our Company

See Note 33.8 of *"Annexure 33 - Restated Standalone Summary Statement of Notes to Accounts"* of the Restated Standalone Financial Statements and Note 34.8 of *"Annexure 34 - Restated Consolidated Summary Statement of Notes to Accounts"* of the Restated Consolidated Financial Statements on pages 265 and 343, respectively.

Sale/ Purchase between Group Company and our Company

Our Group Company is not involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

Defunct Group Company

Our Group Company has not become defunct and no application has been made to the Registrar of Companies for striking off the name of our Group Company during the five years preceding the date of filing of the Draft Red Herring Prospectus.

Sick Group Company

Our Group Company does not fall under the definition of sick industrial companies under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1995 or has not been declared insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016. Further no winding up, insolvency or bankruptcy proceedings have been initiated against it.

Losses made by Group Company

Our Group Company incurred losses in the last three Financial Years. Provided below are details of the losses suffered by our Group Company in Fiscal 2017, 2016 and 2015.

(in ₹)

Name of the Group Company	FY 2017	FY 2016	FY 2015
Swalamb Mass Financial Services Limited	(3,450)	(3,450)	(3,420)

See "*Risk Factors – Our Group Company has incurred losses during recent fiscal periods.*" on page 36.

Other confirmations

Our Group Company is not listed or has not failed to list on any recognised stock exchange in India or abroad or has not made any public or rights issue of securities in the preceding three years.

Our Group Company does not have negative net worth in the last three Financial Years.

Our Group Company has not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

Our Group Company has not been identified as wilful defaulters as defined in the SEBI ICDR Regulations.

Our Group Company has not committed any violations of securities laws in the past and no proceeding pertaining to such penalties are pending against it.

RELATED PARTY TRANSACTIONS

For details of the related party disclosures, as per the requirements under Accounting Standard 18 '*Related Party Disclosures*' specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, see Note 33.8 of *"Annexure 33 - Restated Standalone Summary Statement of Notes to Accounts"* of the Restated Standalone Financial Statements and Note 34.8 of *"Annexure 34 - Restated Consolidated Summary Statement of Notes to Accounts"* of the Restated Consolidated Financial Statements on pages 265 and 343, respectively.

SELECTED STATISTICAL INFORMATION

The following financial, statistical and operational information is included for analytical purposes and should be read in conjunction with the Restated Standalone Financial Statements on page 203, Restated Consolidated Financial Statements on page 278 as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 355.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. However, note that these non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other NBFCs, HFCs or financial services companies in India or elsewhere.

MAS FINANCIAL SERVICES LIMITED (STANDALONE)

The following financial and statistical information relates to our Company on a standalone basis and should be read in conjunction with our Restated Standalone Financial Statements on page 203:

Return on Equity and Assets

The following table sets forth selected financial information relating to the return on equity and assets for the Company on a standalone basis for the years/ periods indicated:

(₹ million, except percentages)

Particulars	Fiscal					Three Months ended June 30, 2017
	2013	2014	2015	2016	2017	
Net Profit(1)	268.39	316.76	388.2	500.08	674.17	230.44
Average Total Assets(2)	6,815.62	9,246.00	12,827.09	16,502.18	19,185.65	21,579.41
Average AUM(3)	8,349.69	11,786.39	16,111.02	22,279.58	27,730.64	32,146.54
Average Net Worth(4)	1,455.05	1,653.73	1,915.18	2,182.04	3,032.60	4,053.98
Total Debt(5)	5,988.63	8,551.04	12,131.64	14,854.68	15,051.18	17,089.28
Total Borrowed Funds(6)	10,472.29	13,818.53	19,807.04	24,464.11	27,160.71	28,811.85
Average Borrowed Funds(7)	8,764.25	12,145.41	16,812.79	22,135.57	25,812.41	27,986.28
Return on Average AUM (%)(8)	3.21	2.69	2.41	2.24	2.43	2.87
Return on Average Total Assets (%)(9)	3.94	3.43	3.03	3.03	3.51	4.27
Return on Average Net Worth (%)(10)	20.37	21.75	22.51	24.87	23.63	23.78

 # Return on Average AUM, Return on Average Total Assets and Return on Average Net Worth for the three month period ended June 30, 2017 have been presented on an annualized basis.

1. Net Profit represents profit after tax of the Company on a standalone basis for the relevant year/period.
2. Average Total Assets represents the average of the Company's total assets on a standalone basis as of the last day of the relevant year/ period and the Company's total assets on a standalone basis as of the last day of the immediately preceding year/ period.
3. Average AUM for a year/period represents the average of AUM as of the last day of each quarter on a standalone basis during the relevant year/ period. AUM represents loans and advances to customers, investments in debentures, pass-through securities and assigned or securitized contract balances as of the end of the relevant year/period. The manner in which we have calculated and

presented Average AUM may not be comparable to, and may vary from, the manner in which such information is calculated and presented by other financial services companies.

4. Average Net Worth represents the average of the Company's net worth on a standalone basis as of the last day of the relevant year/ period and the Company's net worth on a standalone basis as of the last day of the immediately preceding year/ period. Net Worth represents the sum of the paid-up share capital and reserves and surplus (including securities premium account compulsorily convertible preference shares, compulsorily convertible debentures and statutory reserve and surplus in statement of profit and loss).

5. Total Debt represents the aggregate of all the Company's borrowings (including, cash credit, non-convertible debentures, commercial papers, security deposits received from customers and term loans and other facilities from banks and financial institutions excluding, assignment or securitization of portfolio to banks and financial institutions) on a standalone basis as of the last day of the relevant year/ period.

6. Total Borrowed Funds represents the aggregate of all the Company's borrowings (including cash credit, non-convertible debentures, commercial papers, security deposits received from customers, term loans and assignment or securitization of portfolio to banks and financial institutions) on a standalone basis as of the last day of the relevant year/ period.

7. Average Borrowed Funds represents the average of the Company's Total Borrowed Funds on a standalone basis as of the last day of the relevant year/ period and the Company's Total Borrowed Funds on a standalone basis as of the last day of the immediately preceding year/ period.

8. Return on Average AUM is calculated as the net profit on a standalone basis for the relevant year/ period as a percentage of Average AUM on a standalone basis in such year/ period.

9. Return on Average Total Assets is calculated as the Net Profit on a standalone basis for the relevant year/ period as a percentage of Average Total Assets on a standalone basis in such year/ period.

10. Return on Average Net Worth is calculated as the aggregate of Net Profit on a standalone basis for the relevant year/ period and interest paid after tax on CCDs as a percentage of Average Net Worth on a standalone basis in such year/ period.

Financial Ratios

The following table sets forth, for the years/periods indicated, certain financial ratios for the Company on a standalone basis:

(₹ million, except percentages)

Particulars	As of / for the Fiscal ended March 31,					As of / for three month period ended June 30, 2017
	2013	2014	2015	2016	2017	
AUM[(1)]	10,122.58	13,909.88	20,052.14	25,649.70	31,561.40	32,731.68
On-Book AUM[(2)]	5,638.92	8,642.40	12,376.75	16,040.28	19,451.87	21,009.11
Off-Book AUM[(3)]	4,483.66	5,267.49	7,675.40	9,609.43	12,109.53	11,722.57
AUM Growth (%)	46.52	37.41	44.16	27.92	23.05	14.83
Average AUM[(4)]	8,349.69	11,786.39	16,111.02	22,279.58	27,730.64	32,146.54
Disbursements[(5)]	10,781.09	14,292.11	20,441.87	29,781.27	33,857.91	8,880.59
Disbursement Growth (%)	79.96	32.57	43.03	45.69	13.69	4.92
Gross Interest and Finance Income[(6)]	1,465.78	2,029.40	2,583.52	3401.49	4,140.42	1,179.23
Net Interest and Finance Income[(7)]	1,233.03	1,620.34	2,054.98	2,635.37	3,147.50	908.64
Other Operating Income[(8)]	146.33	148.95	201.77	242.43	258.81	67.01
Total Operating Income[(9)]	1,612.11	2,178.35	2,785.29	3,643.92	4,399.23	1,246.24
Gross Finance Costs[(10)]	737.87	1,098.24	1,519.00	2,041.36	2,440.58	629.86
Cost of Securitization and Assignment[(11)]	232.75	409.06	528.54	766.12	992.92	270.59

Particulars	As of / for the Fiscal ended March 31,					As of / for three month period ended June 30, 2017
	2013	2014	2015	2016	2017	
Net Finance Costs[12]	546.57	754.15	1,055.43	1,340.38	1,512.63	375.47
Net Interest Income[13]	874.24	1,080.11	1,266.29	1,602.56	1,958.65	616.38
Operating Expense[14]	360.62	399.87	428.57	549.86	603.93	159.71
Cost of Borrowings (%)[15]	8.42	9.04	9.03	9.22	9.46	9.00
Credit Cost[16]	83.95	144.59	193.47	232.69	267.37	90.82
Yield (%)[17]	17.55	17.22	16.04	15.27	14.93	14.67
Spread (%)[18]	9.13	8.18	7.01	6.05	5.47	5.67
Net Interest Margin (%)[19]	10.47	9.16	7.86	7.19	7.06	7.67
Operating Expense / Average AUM (%)	4.32	3.39	2.66	2.47	2.18	1.99
Gross NPA	104.8	151.19	208.13	276.7	345.45	384.26
Gross NPA / AUM (%)	1.04	1.09	1.04	1.08	1.09	1.17
Net NPAs	89.32	122.19	170.94	237.27	299.49	324.10
Net NPAs / AUM (%)	0.88	0.88	0.85	0.93	0.95	0.99

 # Cost of Borrowings, Yield, Spread, Net Interest Margin, Operating Expense / Average AUM, AUM Growth and Disbursement Growth in the three month period ended June 30, 2017 have been presented on an annualized basis.

1. AUM represents loans and advances to customers, investments in debentures, pass-through securities, and assigned or securitized contract balances of the Company on a standalone basis as of the end of the relevant year/period.

2. On-book AUM represents loans and advances to customers, investments in debentures and pass-through securities of the Company on a standalone basis as of the end of the relevant year/ period.

3. Off-book AUM represents assigned or securitized contract balances of the Company on a standalone basis as of the end of the relevant year/ period.

4. Average AUM for a fiscal represents the average of AUM last day of each quarter of the Company on a standalone basis during the relevant year/ period. The manner in which we have calculated and presented Average AUM may not be comparable to, and may vary from, the manner in which such information is calculated and presented by other financial services companies.

5. Disbursements represent the aggregate of sanctioned amounts for disbursement to customers in the relevant year/ period, and include any amounts sanctioned and reflected as an advance in the Company's standalone balance sheet as of the relevant date for which actual disbursement may have occurred subsequent to the relevant date.

6. Gross Interest and Finance Income represents interest income from AUM (On-book and Off-book) of the Company on a standalone basis in the relevant year/ period.

7. Net Interest and Finance Income represents Gross Interest and Finance Income less the Cost of Securitization and Assignment of the Company on a standalone basis in the relevant year/ period.

8. Other Operating Income represents upfront / processing fee relating to loan origination and other charges, interest on fixed deposits placed as collateral, and investments in pass-through securities and debentures of the Company on a standalone basis in the relevant year/ period.

9. Total Operating Income represents the sum of Gross Interest and Finance Income and Other Operating Income of the Company on a standalone basis in the relevant year/ period.

10. Gross Finance Costs represents the interest cost on borrowings, loan processing fees and other borrowing-related costs of the Company on a standalone basis in the relevant year/ period including the Cost of Securitization and Assignment excluding interest cost on CCDs.

11. Cost of Securitization and Assignment represents interest on securitization and assignment transactions.

12. Net Finance Costs represents the Gross Finance Costs less the Cost of Securitization and Assignment of the Company including interest costs on CCDs, on a standalone basis in the relevant year/ period.

13. Net Interest Income represents Total Operating Income less the Gross Finance Costs of the Company on a standalone basis in the relevant year/ period.

14. Operating Expense represents employee benefit expense, other expenses and depreciation and amortization expenses of the Company on a standalone basis in the relevant year/ period.

15. Cost of Borrowings represents the ratio of Gross Finance Costs to the Average Borrowed Funds of the Company on a standalone basis in the relevant year/ period.

16. Credit Cost represents non-performing asset provisions, contingency provisions against standard assets, and write-offs of the Company on a standalone basis in the relevant year/ period.

17. Yield represents the ratio of Gross Interest and Finance Income to Average AUM of the Company on a standalone basis in the relevant year/ period. Note that the manner in which we have calculated and presented Yield taking into account Gross Interest and Finance Income and Average AUM may not be comparable to that presented by other financial services companies.

18. Spread represents the difference between the Yield and the Cost of Borrowings of the Company on a standalone basis in the relevant year/ period.

19. Net Interest Margin represents the ratio of the Net Interest Income to the Average AUM of the Company on a standalone basis in the relevant year/ period. Note that the manner in which we have calculated and presented Net Interest Margin taking into account the Average AUM may not be comparable to that presented by other financial services companies.

AUM according to Product Category

The following table sets forth a breakdown of AUM of the Company on a standalone basis, based on product categories:

Product Category	Assets Under Management											
	As of March 31, 2013		As of March 31, 2014		As of March 31, 2015		As of March 31, 2016		As of March 31, 2017		As of June 30, 2017	
	AUM	Percentage of Total AUM	AUM	Percentage of Total AUM	AUM	Percentage of Total AUM	AUM	Percentage of Total AUM	AUM	Percentage of Total AUM	AUM	Percentage of Total AUM
	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)
Micro-Enterprise Loans												
Micro-Enterprise Loans	6,509.75	64.31	9,480.79	68.16	13,863.36	69.14	17,345.53	67.62	19,848.57	62.89	19,953.21	60.96
Total (A)	**6,509.75**	**64.31**	**9,480.79**	**68.16**	**13,863.36**	**69.14**	**17,345.53**	**67.62**	**19,848.57**	**62.89**	**19,953.21**	**60.96**
Small and Medium Enterprise Loans												
Small and Medium Enterprise Loans	239.50	2.37	753.09	5.41	2149.46	10.72	4,289.64	16.72	7,638.37	24.20	8,362.34	25.55
Total (B)	**239.50**	**2.37**	**753.09**	**5.41**	**2149.46**	**10.72**	**4,289.64**	**16.72**	**7638.37**	**24.20**	**8,362.34**	**25.55**
Two-wheeler Loans												
Two-wheeler Loans	2,272.65	22.45	2,289.17	16.46	2,396.60	11.95	2,575.68	10.05	2,853.86	9.04	3,192.80	9.75
Total (C)	**2,272.65**	**22.45**	**2,289.17**	**16.46**	**2,396.60**	**11.95**	**2,575.68**	**10.05**	**2,853.86**	**9.04**	**3,192.80**	**9.75**
Commercial Vehicle Loans												
Commercial Vehicle Loans	1,100.68	10.87	1,386.83	9.97	1,642.72	8.19	1,438.85	5.61	1,220.60	3.87	1,223.33	3.74
Total (D)	**1,100.68**	**10.87**	**1,386.83**	**9.97**	**1,642.72**	**8.19**	**1,438.85**	**5.61**	**1,220.60**	**3.87**	**1,223.33**	**3.74**
Grand Total [(A) + (B) + (C) + (D)]	**10,122.58**	**100**	**13,909.88**	**100**	**20,052.14**	**100**	**25,649.70**	**100**	**31,561.40**	**100**	**32,731.68**	**100**

Funding Sources

The following table sets forth certain information relating to our funding sources:

Particulars	As of March 31,										As of June 30, 2017	
	2013		2014		2015		2016		2017			
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)
Long Term Borrowings												
Unsecured - Subordinated Redeemable non-convertible debentures	-	-	-	-	200.00	1.65	600.00	4.04	600.00	3.99	600	3.52
Secured Redeemable Non-convertible Debentures	-	-	-	-	-	-	-	-	-	-	-	-
Term loans from Banks / FIs (Secured)	491.66	8.21	632.42	7.4	938.67	7.74	2,440.17	16.43	1430.43	9.50	1,776.38	10.39
Security deposits received from customers	522.13	8.72	1,022.78	11.96	929.24	7.65	1,510.77	10.17	2377.68	15.80	3,045.72	17.82
Total (a)	**1,013.79**	**16.93**	**1,655.20**	**19.36**	**2,067.91**	**17.04**	**4,550.94**	**30.64**	**4408.11**	**29.29**	**5,422.10**	**31.73**
Short Term Borrowings												
Cash Credit and Working capital Demand loans from Banks/FIs	3,530.32	58.95	5,500.93	64.33	7,434.06	61.28	7,411.15	49.89	7,678.97	51.02	9,079.30	53.13
Commercial Paper	-	-	-	-	-	-	-	-	-	-	-	-
Total (b)	**3,530.32**	**58.95**	**5,500.93**	**64.33**	**7,434.06**	**61.28**	**7,411.15**	**49.89**	**7,678.97**	**51.02**	**9,079.30**	**53.13**
Other current liabilities												
Current maturities of Long Term debt	1,444.52	24.12	1,394.91	16.31	2,629.67	21.68	2,892.59	19.47	2,964.10	19.69	2,587.88	15.14
Total	**5,988.63**	**100.00**	**8,551.04**	**100.00**	**12,131.64**	**100.00**	**14,854.68**	**100.00**	**15,051.18**	**100.00**	**17,089.28**	**100.00**

Interest Coverage Ratios

The following table sets forth interest coverage ratios for the Company on a standalone basis for the years/ periods indicated:

(₹ million, except ratios)

Interest Coverage Ratios	Fiscal					Three month period ended June 30, 2017
	2013	2014	2015	2016	2017	
(i) Profit before tax	397.33	478.17	587.81	764.11	1,031.24	352.24
(ii) Non-Cash Expenses[(1)]	90.19	150.29	203.82	241.41	276.98	93.32
(iii) Finance Costs[(2)]	546.57	754.15	1,055.43	1,340.38	1,512.63	375.47
(iv) Total [(i)+(ii)+(iii)]	1,034.09	1,382.61	1,847.06	2,345.9	2,820.85	821.03
(v)Interest Coverage Ratio ((iv)/(iii))	1.89	1.83	1.75	1.75	1.86	2.19

(1) Non-cash expenses includes depreciation and amortization, provision for loan assets/ bad debts written off (net of recoveries) and contingent provisions against standard assets (net) of the end of the relevant year/ period.

(2) Finance Costs represents the interest cost on borrowings, loan processing fees and other borrowing-related costs in the relevant year/ period.

Capital Adequacy

The Company is subject to the capital adequacy ratio requirements prescribed by the RBI. The Company is currently required to maintain a minimum CRAR of 15.00%, based on our total capital to risk-weighted assets. As a part of its governance policy, the Company ordinarily maintain capital adequacy higher than the statutorily prescribed CRAR. As of June 30, 2017 and March 31, 2017, the Company's capital adequacy ratio was 23.80% and 22.96%, respectively. The following table sets out our capital adequacy ratios as of the dates indicated based on the audited financial statements for the respective years / periods:

(₹ million, except percentages)

Particulars	As of March 31,					As of June 30, 2017
	2013	2014	2015	2016	2017	
Tier I Capital	991.76	1,224.07	1,497.87	1,729.63	3,170.01	3,724.24
Tier II Capital	472.80	498.32	708.64	1,147.24	1,136.54	1,062.49
Total Capital	1,464.56	1,722.39	2,206.51	2,876.87	4,306.55	4,786.73
Total Risk Weighted Assets	**6,160.68**	**8,727.27**	**12,166.33**	**15,740.81**	**18,762.11**	**20,109.09**
Capital Adequacy Ratio						
Tier I Capital (as a Percentage of Total Risk Weighted Assets (%))	16.10	14.03	12.32	10.99	16.90	18.52
Tier II Capital (as a Percentage of Total Risk Weighted Assets (%))	7.67	5.71	5.82	7.28	6.06	5.28
Total Capital (as a Percentage of Total Risk Weighted Assets (%))	**23.77**	**19.74**	**18.14**	**18.27**	**22.96**	**23.80**

Classification of Assets

Loans are classified as required by Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, as amended. The following table sets forth certain information relating to the asset classification followed by the Company as of June 30, 2017:

Asset Classification	Period of Overdue
Standard Assets	Not Overdue and Overdue for less than 3 months
Non-Performing Assets (NPA)	
Sub-Standard Assets	Overdue for 3 months and more but less than or equal to 15 months
Doubtful Assets	Overdue for more than 15 months

Asset Classification	Period of Overdue
Loss Assets	Assets which are identified as loss asset by the Company or the internal auditor or the external auditor or by the Reserve Bank of India.

'Overdue' refers to interest and / or principal and / or instalment / insurance premium remaining unpaid from the day it became receivable.

Provisioning and Write-offs

Statutory provisions are required to be made in respect of standard, sub-standard, doubtful and loss assets as per the directions, circulars and notifications issued by the RBI. The Company makes provision on loans as per Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, as amended. The Company has complied with the RBI provisioning norms as of June 30, 2017.

The following table sets forth certain information relating to the classification of the assets on a standalone basis:

(₹ million)

Asset Classification	As of March 31,					As of June 30, 2017
	2013	2014	2015	2016	2017	
Loan Outstanding (gross)						
Standard Assets	10,017.78	13,758.69	19,844.01	25,373.00	31,215.95	32,347.42
Sub-Standard Assets	104.8	151.19	208.13	276.7	345.45	384.26
Doubtful Assets	-	-	-	-	-	-
Total Loans Outstanding (gross)	**10,122.58**	**13,909.88**	**20,052.14**	**25,649.70**	**31,561.40**	**32,731.68**
Provisions						
Standard Assets	13.91	21.24	30.43	47.44	76.74	82.69
Sub-Standard Assets	15.48	29	37.2	39.43	45.96	60.16
Doubtful Assets	-	-	-	-	-	-
Total Provisions	**29.39**	**50.24**	**67.63**	**86.87**	**122.700**	**142.850**
Loan Outstanding (net)						
Standard Assets	10,003.87	13,737.45	19,813.58	25,325.56	31,139.21	32,264.73
Sub-Standard Assets	89.32	122.19	170.93	237.27	299.49	324.1
Doubtful Assets	-	-	-	-	-	-
Total Loans Outstanding (net)	**10,093.19**	**13,859.64**	**19,984.51**	**25,562.83**	**31,438.70**	**32,588.83**
Loss Assets Written Off	68.2	106.21	157.13	201.75	215.20	65.90

Asset Liability Management

The following table sets forth the maturity pattern of certain items of assets and liabilities as of the end of the relevant fiscal year/ period.

(*₹ million*)

Particulars		1 day to 30/31 (1 month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Grand Total
Liabilities										
Borrowings from banks	As of March 31, 2017	183.26	198.82	268.72	557.28	8,711.94	120.00	0.00	0.42	**10,040.44**
	As of March 31, 2016	126.29	68.3	203.6	310.3	7,963.35	1,727.30	274.98	0	**10,674.12**
	As of March 31, 2015	96.65	57.48	57.78	187.5	7,775.35	660.77	100	12.5	**8,948.03**
	As of March 31, 2014	73.53	47.1	47.2	142.3	5,747.43	524.23	0	0	**6,581.79**
	As of March	57.53	73.8	41.6	129.6	3,680.32	416.67	0	0	**4,399.52**

Particulars		1 day to 30/31 (1 month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Grand Total
	31, 2013									
Market borrowings	As of March 31, 2017	354.61	197.17	519.43	684.82	2,503.00	747.93	4.21	0.00	**5,011.17**
	As of March 31, 2016	126.3	108.4	127.1	401.3	868.85	1,883.61	65	600	**4,180.56**
	As of March 31, 2015	191.76	139.62	165.06	403.73	981.31	1,072.63	29.5	200	**3,183.61**
	As of March 31, 2014	57.4	85.1	102.4	296.6	296.77	1,111.08	19.9	0	**1,969.25**
	As of March 31, 2013	48.9	58	61	555.3	268.78	568.03	27.4	1.7	**1,589.11**
Assets										
Advances (net of provisions for non-performing assets))	As of March 31, 2017	2,108.74	963.12	952.81	2,801.67	4,946.35	6,774.95	835.92	22.35	**19,405.91**
	As of March 31, 2016	1,924.13	981.64	950.41	2,729.65	4,615.57	4,503.42	281.62	11.75	**15,998.18**
	As of March 31, 2015	1,441.18	770.84	763.53	2,187.12	3,735.86	3,328.69	109.24	0.41	**12,336.88**
	As of March 31, 2014	873.59	453.15	455.39	1,389.61	2,577.50	2,752.68	109.12	2.35	**8,613.40**
	As of March 31, 2013	461.78	351.9	304.76	873.68	1,656.78	1,892.68	75.09	6.77	**5,623.44**
Investments (net of provision for diminution for value of investments)	As of March 31, 2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07	**0.07**
	As of March 31, 2016	0.00	0.00	0.00	0.00	0.00	2.66	0.00	107.57	**110.23**
	As of March 31, 2015	0.00	0.76	0.00	0.00	0.00	2.66	0.00	107.57	**110.99**
	As of March 31, 2014	0.00	0.00	0.00	0.00	0.00	0.76	0.00	107.57	**108.33**
	As of March 31, 2013	0.00	0.00	0.00	0.00	0.00	0.76	0.00	107.57	**108.33**

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MAS FINANCIAL SERVICES LIMITED (CONSOLIDATED)

The following financial and statistical information relates to our Company on a consolidated basis and should be read in conjunction with our Restated Consolidated Financial Statements on page 278:

Return on Equity and Assets

The following table sets forth selected financial information relating to the return on equity and assets for the Company on a consolidated basis for the years/ periods indicated:

(₹ million, except percentages)

	Fiscal					Three Month period ended June 30, 2017
	2013	2014	2015	2016	2017	
Net Profit(1)	273.11	326.08	399.83	508.21	685.58	234.14
Average Total Assets(2)	7,032.02	9,674.72	13,525.59	17,588.71	20,734.22	23,329.95
Average AUM(3)	8,652.03	12,294.21	16,900.41	23,355.25	29,316.13	33,921.53
Average Net Worth(4)	1,464.49	1,669.12	1,939.57	2,215.16	3,075.07	4,102.79
Total Debt(5)	6,236.32	9,015.21	12,840.90	16,006.98	16,601.82	18,603.32
Total Borrowed Funds(6)	10,719.98	14,282.70	20,516.30	25,616.41	28,745.21	30,358.37
Average Borrowed Funds(7)	8,934.07	12,501.34	17,399.50	23,066.36	27,180.81	29,551.79
Return on Average AUM (%)(8)	3.16	2.65	2.37	2.18	2.34	2.76
Return on Average Total Assets (%)(9)	3.88	3.37	2.96	2.89	3.31	4.01
Return on Average Net Worth (%)(10)	20.56	22.11	22.83	24.87	23.68	23.86

 # Return on Average AUM, Return on Average Total Assets and Return on Average Net Worth for the three month period ended June 30, 2017 have been presented on an annualized basis.

1. Net Profit represents profit after tax of the Company on a consolidated basis for the relevant year/period.

2. Average Total Assets represents the average of the Company's total assets on a consolidated basis as of the last day of the relevant year/ period and the Company's total assets on a consolidated basis as of the last day of the immediately preceding year/ period.

3. Average AUM for a year/period represents the average of AUM at the last day of each quarter on a consolidated basis during the relevant year/ financial period. AUM represents loans and advances to customers, investments in debentures, pass-through securities and assigned or securitized contract balances as of the end of the relevant year/period. The manner in which we have calculated and presented AUM is determined on a quarterly basis and may not be comparable to, and may vary from, the manner in which such information is calculated and presented by other financial services companies.

4. Average Net Worth represents the average of the Company's net worth on a consolidated basis as of the last day of the relevant year/ period and the Company's net worth on a consolidated basis as of the last day of the immediately preceding year/ period. Net Worth, as restated, represents the sum of the paid-up share capital and reserves and surplus, as restated (including securities premium account, compulsorily convertible preference shares, compulsorily convertible debentures and statutory reserve and surplus in statement of profit and loss).

5. Total Debt represents the aggregate of all the Company's borrowings (including, cash credit, non-convertible debentures, commercial papers, security deposits received from customers and term loans and other facilities from banks and financial institutions excluding assignment or securitization of portfolio to banks and financial institutions) on a consolidated basis as of the last day of the relevant year/ period.

6. Total Borrowed Funds represents the aggregate of all the Company's borrowings (including, cash credit, non-convertible debentures, commercial papers, security deposits received from customers, term loans and assignment or securitization of portfolio to banks and financial institutions) on a consolidated basis as of the last day of the relevant year/ period.

7. Average Borrowed Funds represents the average of the Company's Total Borrowed Funds on a consolidated basis as of the last day of the relevant year/ period and the Company's Total Borrowed Funds on a consolidated basis as of the last day of the immediately preceding year/ period.

8. Return on Average AUM is calculated as the net profit of the Company on a consolidated basis for the relevant year/ period as a percentage of Average AUM of the Company on a consolidated basis in such year/ period.

9. Return on Average Total Assets is calculated as the Net Profit of the Company on a consolidated basis for the relevant year/ period as a percentage of Average Total Assets of the Company on a consolidated basis in such year/ period.

10. Return on Average Net Worth is calculated as the aggregate of Net Profit on a consolidated basis for the relevant year/ period and interest paid after tax on CCDs as a percentage of Average Net Worth on a consolidated basis in such year/ period.

Financial Ratios

The following table sets forth, for the years/periods indicated, certain financial ratios of the Company on a consolidated basis:

(₹ million, except percentages)

	As of/ for the Fiscal ended March 31,					As of / Three month period ended June 30, 2017
	2013	2014	2015	2016	2017	
AUM[(1)]	10,531.91	14,563.37	20,995.94	26,998.50	33,325.65	34,517.41
On-Book AUM[(2)]	6,048.26	9,295.88	13,320.54	17,389.07	21,182.26	22,762.36
Off-Book AUM[(3)]	4,483.66	5,267.49	7,675.40	9,609.43	12,143.39	11,755.05
AUM Growth (%)	47.58	38.28	44.17	28.59	23.44	14.30
Average AUM[(4)]	8,652.03	12,294.21	16,900.41	23,355.25	29,316.13	33,921.53
Disbursements[(5)]	11,016.29	14,636.61	20,884.02	30,464.24	34,681.68	8,994.99
Disbursement Growth (%)	79.49	32.86	42.68	45.87	13.84	3.74
Gross Interest and Finance Income[(6)]	1,502.52	2,095.56	2,692.25	3,545.57	4,359.61	1,242.40
Net Interest and Finance Income[(7)]	1,269.77	1,686.50	2,163.71	2,779.45	3,363.77	971.00
Other Operating Income[(8)]	152.72	155.74	210.60	255.06	273.69	69.19
Total Operating Income[(9)]	1,655.24	2,251.30	2,902.85	3,800.63	4,633.30	1,311.59
Gross Finance Costs[(10)]	751.28	1132.37	1,581.00	2,123.99	2,573.30	668.41
Cost of Securitization and Assignment[(11)]	232.75	409.06	528.54	766.12	995.84	271.40
Net Finance Costs[(12)]	559.98	788.28	1,117.43	1,423.01	1,642.43	413.21
Net Interest Income[(13)]	903.96	1,118.93	1,321.85	1,676.64	2,060.00	643.18
Operating Expense[(14)]	380.68	418.12	452.84	597.94	671.95	176.01
Cost of Borrowings (%)[(15)]	8.41	9.06	9.09	9.21	9.47	9.05
Credit Cost[(16)]	84.92	145.64	194.94	235.94	272.24	91.45
Yield (%)[(17)]	17.37	17.05	15.93	15.18	14.87	14.65
Spread (%)[(18)]	8.96	7.99	6.84	5.97	5.40	5.60
Net Interest Margin (%)[(19)]	10.45	9.10	7.82	7.19	7.03	7.58
Operating Expense / Average AUM (%)	4.40	3.40	2.68	2.56	2.29	2.08
Gross NPA	104.80	151.19	208.13	279.06	352.70	392.00
Gross NPA / AUM (%)	1.00	1.04	0.99	1.03	1.06	1.14
Net NPAs	89.32	122.19	170.94	239.28	305.48	330.50
Net NPAs / AUM (%)	0.85	0.84	0.81	0.89	0.92	0.96

 # Cost of Borrowings, Yield, Spread, Net Interest Margin, Operating Expense / Average AUM, AUM Growth and Disbursement Growth in the three month period ended June 30, 2017 have been presented on an annualized basis.

1. AUM represents loans and advances to customers, investments in debentures, pass-through securities, assigned or securitized contract balances, of the Company on a consolidated basis as of the end of the relevant year/period.
2. On-book AUM represents loans and advances to customers, investments in debentures and pass-through securities of the Company on a consolidated basis as of the end of the relevant year/ period.
3. Off-book AUM represents assigned or securitized contract balances of the Company on a consolidated basis as of the end of the relevant year/ period.
4. Average AUM for a year/ period represents the average of AUM as of the last day of each quarter as of the last day of the relevant year/ period and AUM of the Company on a consolidated basis as of the last day of the immediately preceding year/ period.
5. Disbursements represent the aggregate of sanctioned amounts for disbursement to customers in the relevant year/ period, and include any amounts sanctioned and reflected as an advance in the Company's consolidated balance sheet as of the relevant date for which actual disbursement may have occurred subsequent to the relevant date.
6. Gross Interest and Finance Income represents interest income from AUM (On-book and Off-book) of the Company on a consolidated basis in the relevant year/ period.

7. Net Interest and Finance Income represents Gross Interest and Finance Income less the Cost of Securitization and Assignment of the Company on a consolidated basis in the relevant year/ period.

8. Other Operating Income represents upfront / processing fee relating to loan origination and other charges, interest on fixed deposits placed as collateral, and investments in pass-through securities and debentures of the Company on a consolidated basis in the relevant year/ period.

9. Total Operating Income represents the sum of Gross Interest and Finance Income and Other Operating Income of the Company on a consolidated basis in the relevant year/ period.

10. Gross Finance Costs represents the interest cost on borrowings, loan processing fees and other borrowing-related costs of the Company on a consolidated basis including the Cost of Securitization and Assignment but excluding interest cost on CCDs in the relevant year/ period.

11. Cost of Securitization and Assignment represents costs associated with the Off-book AUM of the Company on a consolidated basis in the relevant year/ period.

12. Net Finance Costs represents the Gross Finance Costs less the Cost of Securitization and Assignment including interest cost on CCDs of the Company on a consolidated basis in the relevant year/ period.

13. Net Interest Income represents Total Operating Income less the Gross Finance Costs of the Company on a consolidated basis in the relevant year/ period.

14. Operating Expense represents employee benefit expense, other expenses and depreciation and amortization expenses of the Company on a consolidated basis in the relevant year/ period.

15. Cost of Borrowings represents the ratio of Gross Finance Costs to the Average Borrowed Funds of the Company on a consolidated basis in the relevant year/ period.

16. Credit Cost represents non-performing asset provisions, contingency provisions against standard assets, and write-offs of the Company on a consolidated basis in the relevant year/ period.

17. Yield represents the ratio of Gross Interest and Finance Income to the Average AUM of the Company on a consolidated basis in the relevant year/ period. Note that the manner in which we have calculated and presented Yield taking into account Gross Interest and Finance Income and Average AUM may not be comparable to that presented by other financial services companies.

18. Spread represents the difference between the Yield and the Cost of Borrowings of the Company on a consolidated basis in the relevant year/ period.

19. Net Interest Margin represents the ratio of the Net Interest Income to the Average AUM of the Company on a consolidated basis in the relevant year/ period. Note that the manner in which we have calculated and presented Net Interest Margin taking into account the Average AUM may not be comparable to that presented by other financial services companies.

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AUM according to Product Category

The following table sets forth a breakdown of AUM of the Company on a consolidated basis, based on product categories:

Product Category	Assets Under Management											
	As of March 31, 2013		As of March 31, 2014		As of March 31, 2015		As of March 31, 2016		As of March 31, 2017		As of June 30, 2017	
	AUM	Percentage of Total AUM	AUM	Percentage of Total AUM	AUM	Percentage of Total AUM	AUM	Percentage of Total AUM	AUM	Percentage of Total AUM	AUM	Percentage of Total AUM
	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)
Micro-Enterprise Loans												
Micro-Enterprise Loans	6,509.75	61.81	9,480.80	65.10	13,863.37	66.03	17,345.53	64.24	19,848.57	59.56	19,953.21	57.81
Total (A)	**6,509.75**	**61.81**	**9,480.80**	**65.10**	**13,863.37**	**66.03**	**17,345.53**	64.24	**19,848.57**	**59.56**	**19,953.21**	**57.81**
Small and Medium Enterprise Loans												
Small and Medium Enterprise Loans	239.50	2.27	753.09	5.17	2,149.46	10.24	4,289.64	15.89	7,638.37	22.92	8,362.34	24.23
Total (B)	**239.50**	**2.27**	**753.09**	**5.17**	**2,149.46**	**10.24**	**4,289.64**	15.89	**7,638.37**	**22.92**	**8,362.34**	**24.23**
Two-wheeler Loans												
Two-wheeler Loans	2,272.65	21.58	2,289.17	15.72	2,396.60	11.41	2,575.68	9.54	2,853.86	8.56	3,192.80	9.25
Total (C)	**2,272.65**	**21.58**	**2,289.17**	**15.72**	**2,396.60**	**11.41**	**2,575.68**	9.54	**2,853.86**	**8.56**	**3,192.80**	**9.25**
Commercial Vehicle Loans												
Commercial Vehicle Loans	1,100.68	10.45	1,386.83	9.52	1,642.72	7.82	1,438.85	5.33	1,220.60	3.66	1,223.33	3.54
Total (D)	**1,100.68**	**10.45**	**1,386.83**	**9.52**	**1,642.72**	**7.82**	**1,438.85**	5.33	**1,220.60**	**3.66**	**1,223.33**	**3.54**
Housing Loans#												
Housing loans	409.33	3.89	653.48	4.49	943.79	4.50	1,348.80	5.00	1,764.25	5.29	1,785.73	5.17
Total (E)	**409.33**	**3.89**	**653.48**	**4.49**	**943.79**	**4.50**	**1,348.80**	5.00	**1,764.25**	**5.29**	**1,785.73**	**5.17**
Grand Total [(A) + (B) + (C) + (D) + (E)]	**10,531.91**	**100.00**	**14,563.37**	**100.00**	**20,995.94**	**100.00**	**26,998.50**	**100.00**	**33,325.65**	**100.00**	**34,517.41**	**100.00**

 # Through MRHMFL

Funding Sources

The following table sets forth certain information relating to our funding sources on a consolidated basis:

Particulars	As of March 31,										As of June 30, 2017	
	2013		2014		2015		2016		2017			
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)
Long Term Borrowings												
Unsecured - Subordinated Redeemable non-convertible debentures	-	-	-	-	200	1.56	600	3.74	600	3.61	600	3.23
Secured Redeemable Non-convertible Debentures	-	-	-	-	-	-	-	-	-	-	-	-
Term loans from Banks/FIs (Secured)	716.57	11.49	1,034.59	11.48	1,448.08	11.28	3,348.44	20.92	2,508.91	15.11	2,837.14	15.25
Security deposits received from customers	522.13	8.37	1,022.78	11.34	929.24	7.23	1,518.33	9.49	2,443.04	14.72	3,115.88	16.74
Total (a)	**1,238.70**	**19.86**	**2,057.37**	**22.82**	**2,577.32**	**20.07**	**5,466.77**	**34.15**	**5,551.95**	**33.44**	**6,553.02**	**35.22**
Short Term Borrowings												
Cash Credit and Working capital Demand loans from Banks/FIs	3,530.32	56.61	5,500.93	61.02	7,454.01	58.05	7,411.16	46.30	7,679.89	46.26	9,080.09	48.81
Commercial Paper	-	-	-	-	-	-	-	-	-	-	-	-
Total (b)	**3,530.32**	**56.61**	**5,500.93**	**61.02**	**7,454.01**	**58.05**	**7,411.16**	**46.30**	**7,679.89**	**46.26**	**9,080.09**	**48.81**
Other current liabilities												
Current maturities of Long Term debt	1,467.30	23.53	1,456.91	16.16	2,809.57	21.88	3,129.05	19.55	3,369.98	20.30	2,970.21	15.97
Total	**6,236.32**	**100.00**	**9,015.21**	**100.00**	**12,840.90**	**100.00**	**16,006.98**	**100.00**	**16,601.82**	**100.00**	**18,603.32**	**100.00**

Interest Coverage Ratios

The following table sets forth interest coverage ratios for the Company on a consolidated basis for the years/ periods indicated:

(₹ million, except ratios)

Interest Coverage Ratios	Fiscal					Three month period ended June 30, 2017
	2013	2014	2015	2016	2017	
(i) Profit before tax	405.62	497.17	616.81	785.09	1,060.4	362.67
(ii) Non-Cash Expenses(1)	91.22	151.41	205.39	246.88	286.01	95.03
(iii) Finance Costs(2)	559.98	788.28	1,117.43	1,423.01	1,642.43	413.21
(iv) Total [(i)+(ii)+(iii)]	1,056.82	1,436.86	1,939.63	2,454.98	2,988.84	870.91
(v) Interest Coverage Ratio ((iv)/(iii))	1.89	1.82	1.74	1.73	1.82	2.11

1. Non-cash expenses includes depreciation and amortization, provision for loan assets/ bad debts written off (net of recoveries) and contingent provisions against standard assets (net) of the end of the relevant year/ period.
2. Finance Costs represents the interest cost on borrowings, loan processing fees and other borrowing-related costs in the relevant year/ period.

Asset Liability Management

The following table sets forth the maturity pattern of certain items of assets and liabilities as of the end of the relevant year/ period on a consolidated basis:

(₹ million, except ratios)

Particulars		1 day to 30/31 (1 month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Grand Total
Liabilities										
Borrowings from banks	As of March 31, 2017	206.48	205.94	320.04	648.65	8,930.87	688.61	327.01	183.29	**11,510.89**
	As of March 31, 2016	131.96	79.58	237.82	368.32	8,090.06	2,180.08	561.12	169.38	**11,818.32**
	As of March 31, 2015	116.35	76.94	73.43	243.5	7,864.39	899.62	297.65	85.39	**9,657.29**
	As of March 31, 2014	76.74	54.06	48.27	154.69	5,785.78	680.5	148.22	97.7	**7,045.96**
	As of March 31, 2013	59.32	74.51	42.67	133.92	3,695.20	501.22	84.54	55.83	**4,647.21**
Market borrowings	As of March 31, 2017	357.19	197.17	519.43	688.23	2,513.19	797.75	17.59	0.39	**5,090.94**
	As of March 31, 2016	117.96	108.4	127.1	401.3	870.52	1,898.18	65	600.2	**4,188.66**
	As of March 31, 2015	191.76	139.62	165.06	403.73	981.31	1,072.63	29.5	200	**3,183.61**
	As of March 31, 2014	57.4	85.1	102.4	296.6	296.77	1,111.08	19.9	0	**1,969.25**
	As of March 31, 2013	48.9	58	61	555.3	268.78	568.03	27.4	1.7	**1,589.11**
Assets										
Advances (net of provisions for non-	As of March 31, 2017	2,144.76	997.06	986.19	2,896.66	5,316.28	6,976.55	1,001.89	815.66	**21,135.04**

Particulars		1 day to 30/31 (1 month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Grand Total
performing assets)										
	As of March 31, 2016	1,952.02	1,000.38	971.67	2,813.51	4,756.28	4,768.22	415.82	668.72	**17,346.62**
	As of March 31, 2015	1,476.59	785.49	777.09	2,234.93	3,824.46	3,435.00	210.99	536.13	**13,280.68**
	As of March 31, 2014	883.69	459.07	460.83	1,413.47	2,626.77	2,853.58	181.65	387.82	**9,266.87**
	As of March 31, 2013	467.46	356.23	308.83	887.99	1,688.20	1,950.07	117.81	256.17	**6,032.77**
Investments (net of provision for diminution for value of investments)	As of March 31, 2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07	**0.07**
	As of March 31, 2016	0.00	0.00	0.00	0.00	0.00	2.66	0.00	0.07	**2.73**
	As of March 31, 2015	0.00	0.76	0.00	0.00	0.00	2.66	0.00	0.07	**3.49**
	As of March 31, 2014	0.00	0.00	0.00	0.00	0.00	0.76	0.00	0.07	**0.83**
	As of March 31, 2013	0.00	0.00	0.00	0.00	0.00	0.76	0.00	0.07	**0.83**

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act, 2013. The dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the fiscal year, capital requirements, and surpluses, contractual restrictions, liquidity and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

Our Company does not have a formal dividend policy.

Dividends on Equity Shares

The dividends declared by our Company on the Equity Shares in each of the Fiscal Year 2013, 2014, 2015, 2016 and 2017 as per our Restated Standalone Financial Statements are given below:

Particulars	Fiscal Years				
	2017	2016	2015	2014	2013
Face value per share (in ₹)	10	10	10	10	10
Interim Dividend					
Rate of Dividend (%)	31.25%	62.50%	N.A	N.A	N.A
Dividend per Share (₹)	3.125	6.25	N.A	N.A	N.A
Amount of Dividend (₹. in Million)	125.00	100.00	N.A	N.A	N.A
Corporate Dividend Tax (₹ in Million)	25.45	20.36	N.A	N.A	N.A
Final Dividend					
Rate of Dividend (%)	4.50%	47.50%	35.00%	35.00%	22.50%
Dividend per Share (₹)	0.45	4.75	3.50	3.50	2.25
Amount of Dividend (₹. in Million)	7.20	76.00	56.00	35.00	22.50
Corporate Dividend Tax (₹ in Million)	1.34	15.47	9.52	5.95	3.65

Dividends on Series A CCPS

The dividends declared by our Company on the Series A CCPS in each of the Fiscal Year 2013, 2014, 2015, 2016 and 2017 as per our Restated Standalone Financial Statements are given below:

Particulars	Fiscal Years**				
	2017	2016	2015	2014	2013
Face value per Series A CCPS (in ₹)	10	10	10	N.A	N.A.
Interim Dividend					
Rate of Dividend (%)	0.009%	0.009%	N.A	N.A	N.A.
Dividend per Share (₹)	0.00	0.00	N.A	N.A	N.A.
Amount of Dividend (₹. in Million)	0.02	0.02	N.A	N.A	N.A.
Corporate Dividend Tax (₹ in Million)	0.00	0.00	N.A	N.A	N.A.
Final Dividend					
Rate of Dividend (%)	0.001%	0.01%	0.01%	N.A	N.A.
Dividend per Share (₹)	0.00	0.00	0.00	N.A	N.A.
Amount of Dividend (₹. in Million)	0.00	0.02	0.00*	N.A	N.A.
Corporate Dividend Tax (₹ in Million)	0.00	0.00	0.00	N.A	N.A.

* *On a proportionate basis from February 17, 2014*

** *For details of dividend declared by our Company on Series A CCPS in the three month period ended June 30, 2017, see "Annexure 37: Restated Standalone Summary Statement of Dividend Paid" of the Restated Standalone Financial Statements and "Annexure 37: Restated Consolidated Summary Statement of Dividend Paid" of the Restated Consolidated Financial Statements on pages 274 and 351, respectively.*

Dividends on Series B CCPS

The dividends declared by our Company on the Series B CCPS in each of the Fiscal Year 2013, 2014, 2015, 2016 and 2017 as per our Restated Standalone Financial Statements are given below:

Particulars	**Fiscal Years****				
	2017	**2016**	**2015**	**2014**	**2013**
Face value per Series B CCPS (in ₹)	10	10	10	N.A	N.A.
Interim Dividend					
Rate of Dividend (%)	11.98%	11.98%	N.A	N.A	N.A
Dividend per Share (₹)	1.20	1.20	N.A	N.A	N.A.
Amount of Dividend (₹. in Million)	26.04	26.04	N.A	N.A	N.A
Corporate Dividend Tax (₹ in Million)	5.14	5.30	N.A	N.A	N.A
Final Dividend					
Rate of Dividend (%)	1.33%	13.31%	13.31%	N.A	N.A
Dividend per Share (₹)	0.13	1.33	0.15	N.A	N.A
Amount of Dividend (₹. in Million)	2.90	28.93	3.33*	N.A	N.A
Corporate Dividend Tax (₹ in Million)	0.59	5.89	0.57	N.A	N.A

* *On a proportionate basis from February 17, 2014*

** *For details of dividend declared by our Company on Series B CCPS in the three month period ended June 30, 2017, see "Annexure 37: Restated Standalone Summary Statement of Dividend Paid" of the Restated Standalone Financial Statements and "Annexure 37: Restated Consolidated Summary Statement of Dividend Paid" of the Restated Consolidated Financial Statements on pages 274 and 351, respectively.*

Dividends on Series C CCPS

The dividends declared by our Company on the Series C CCPS in each of the Fiscal Year 2013, 2014, 2015, 2016 and 2017 as per our Restated Standalone Financial Statements are given below:

Particulars	**Fiscal Years**				
	2017	**2016**	**2015**	**2014**	**2013**
Face value per Series C CCPS (in ₹)	100,000	N.A	N.A.	N.A	N.A.
Interim Dividend					
Rate of Dividend (%)	9.75%	N.A	N.A	N.A	N.A
Dividend per Share (₹)	9750.00	N.A	N.A.	N.A	N.A.
Amount of Dividend (₹. in Million)	3.90	N.A	N.A	N.A	N.A
Corporate Dividend Tax (₹ in Million)	0.79	N.A	N.A	N.A	N.A
Final Dividend					
Rate of Dividend (%)	N.A	N.A	N.A	N.A	N.A
Dividend per Share (₹)	N.A	N.A	N.A.	N.A	N.A.
Amount of Dividend (₹. in Million)	N.A	N.A	N.A	N.A	N.A
Corporate Dividend Tax (₹ in Million)	N.A	N.A	N.A	N.A	N.A

Dividends on 7% CCPS

The dividends declared by our Company on the 7% CCPS in each of the Fiscal Year 2013, 2014, 2015, 2016 and 2017 as per our Restated Standalone Financial Statements are given below:

Particulars	**Fiscal Years**				
	2017	**2016**	**2015**	**2014**	**2013**
Face value per 7% CCPS (in ₹)	N.A	N.A	N.A.	10	10
Interim Dividend					

Particulars	Fiscal Years				
Rate of Dividend (%)	N.A	N.A.	N.A.	7.00%	N.A.
Dividend per Share (₹)	N.A	N.A.	N.A.	0.57	N.A.
Amount of Dividend (₹. in Million)	N.A	N.A.	N.A.	24.78*	N.A.
Corporate Dividend Tax (₹ in Million)	N.A	N.A.	N.A.	4.21	N.A.
Final Dividend					
Rate of Dividend (%)	N.A	N.A.	N.A.	7.00%	7.00%
Dividend per Share (₹)	N.A	N.A.	N.A.	0.70	0.70
Amount of Dividend (₹. in Million)	N.A	N.A.	N.A.	30.43	30.43
Corporate Dividend Tax (₹ in Million)	N.A	N.A.	N.A.	5.17	4.94

* *On a proportionate basis till February 17, 2014*

Dividends on 8% cumulative redeemable preference shares

The dividends declared by our Company on the 8% cumulative redeemable preference shares in each of the Fiscal Year 2013, 2014, 2015, 2016 and 2017 as per our Restated Standalone Financial Statements are given below:

Particulars	Fiscal Years				
	2017	**2016**	**2015**	**2014**	**2013**
Face value per preference share (in ₹)	N.A	N.A	N.A.	N.A.	10
Interim Dividend					
Dividend (in ₹)	N.A.	N.A.	N.A.	N.A.	8.00%
Dividend per share (in ₹)	N.A.	N.A.	N.A.	N.A.	0.26
Rate of dividend (%)	N.A.	N.A.	N.A.	N.A.	10.43*
Dividend Tax (%)	N.A.	N.A.	N.A.	N.A.	1.69
Final Dividend					
Dividend (in ₹)	N.A.	N.A.	N.A.	N.A.	8.00%
Dividend per share (in ₹)	N.A.	N.A.	N.A.	N.A.	0.80
Rate of dividend (%)	N.A.	N.A.	N.A.	N.A.	32.00
Dividend Tax (%)	N.A.	N.A.	N.A.	N.A.	5.19

* *On a proportionate basis till July 12, 2012*

The amount paid as dividends in the past is not necessarily indicative of our dividend policy or dividend amounts, if any, in the future. For details in relation to the risk involved, see "*Risk Factors – Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures*" on page 38.

SECTION V – FINANCIAL INFORMATION
FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT ON RESTATED STANDALONE FINANCIAL INFORMATION AS REQUIRED UNDER SECTION 26 OF COMPANIES ACT, 2013, READ WITH RULE 4 OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014

The Board of Directors
MAS Financial Services Limited
6, Ground Floor, Narayan Chambers,
Behind Patang Hotel, Ashram Road
Ahmedabad – 380 009, Gujarat, India.

Dear Sirs,

1. We have examined the attached Restated Standalone Financial Information of MAS Financial Services Limited (the "Company"), which comprise of the Restated Standalone Summary Statement of Assets and Liabilities as at June 30, 2017 and March 31, 2017, 2016, 2015, 2014 and 2013, the Restated Standalone Summary Statement of Profit and Loss and the Restated Standalone Summary Statement of Cash Flows for the quarter ended June 30, 2017 and for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013 respectively, and the Summary of Significant Accounting Policies (collectively, the "Restated Standalone Financial Information") as approved by the Board of Directors of the Company at their meeting held on September 13, 2017 for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer ("IPO") of equity shares, including an offer for sale by certain existing shareholders prepared in terms of the requirements of:

   a. Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules);

   b. the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations"); and

   c. The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (the "ICAI") as amended from time to time (the "Guidance Note").

   The preparation of the Restated Standalone Financial Information is the responsibility of the management of the Company for the purpose set out in paragraph 9 below. The management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The management is also responsible for identifying and ensuring that the Company complies with the Act, the Rules, ICDR Regulations and the Guidance Note. Our responsibility is to examine the Restated Standalone Financial Information and confirm whether such Restated Standalone Financial Information comply with the requirements of the Act, the Rules, ICDR Regulations and the Guidance Note.

2. We have examined such Restated Standalone Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated October 20, 2016 in connection with the proposed offer of equity shares of the Company;

   b) The Guidance Note (Revised) on Reports in Company Prospectuses issued by the ICAI; and

   c) The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), which includes the concepts of test checks and materiality. This Guidance Note requires us to obtain reasonable assurance based on verification of evidence supporting the Restated Standalone Financial Information. This Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

3. These Restated Standalone Financial Information have been compiled by the management from the audited Standalone Financial Statements of the Company as at and for the quarter ended June 30, 2017 and as at and for the years ended March 31, 2017, 2016, 2015, 2014 and 2013 which have been approved by Board of directors at their meetings held on July 29, 2017, May 17, 2017, May 25, 2016, May 27, 2015, May 28, 2014 and May 15, 2013 respectively.

4. Based on our examination in accordance with the requirements of the Act read with the Rules, ICDR Regulations and the Guidance Note, we report that:

a) The Restated Standalone Summary Statement of Assets and Liabilities of the Company as at June 30, 2017, and as at March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure 1 to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure 4 - Standalone Summary Statement of Material Adjustments and regroupings to audited financial statements.

b) The Restated Standalone Summary Statement of Profit and Loss of the Company for the quarter ended June 30, 2017 and for the years ended March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure 2 to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure 4 - Standalone Summary Statement of Material Adjustments and regroupings to audited financial statements .

c) The Restated Standalone Summary Statement of Cash Flow of the Company for the quarter ended June 30, 2017 and for the years ended March 31, 2017, 2016, 2015, 2014 and 2013 examined by us, as set out in Annexure 3 to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure 4 - Standalone Summary Statement of Material Adjustments and regroupings to audited financial statements.

d) Based on the above and according to the information and explanations given to us, we further report that the Restated Standalone Financial Information:

(i) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

(ii) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

(iii) do not contain any extra-ordinary items that need to be disclosed separately and do not contain any qualification requiring adjustments.

5. We have also examined the following Restated Standalone Financial Information of the Company set out in the Annexures, proposed to be included in the offer document, prepared by the management and approved by the Board of Directors on September 13, 2017 for the quarter ended June 30, 2017 and for the year ended March 31, 2017, 2016, 2015, 2014 and 2013.

a) Standalone Summary Statement of Material Adjustments and regroupings to Audited Financial Statements as included in Annexure 4;
b) Summary of Significant Accounting Policies as included in Annexure 5;
c) Restated Standalone Summary Statement of Share Capital as included in Annexure 6;
d) Restated Standalone Summary Statement of Reserves And Surplus as included in Annexure 7;
e) Restated Standalone Summary Statement of Compulsorily Convertible Debentures as included in Annexure 8;
f) Restated Standalone Summary Statement of Deferred Subsidy as included in Annexure 9;
g) Restated Standalone Summary Statement of Long-Term Borrowings as included in Annexure 10;
h) Restated Standalone Summary Statement of Other Long-Term Liabilities as included in Annexure 11;
i) Restated Standalone Summary Statement of Long-Term Provisions as included in Annexure 12;
j) Restated Standalone Summary Statement of Short-Term Borrowings as included in Annexure 13;
k) Restated Standalone Summary Statement of Trade Payables as included in Annexure 14;
l) Restated Standalone Summary Statement of Other Current Liabilities as included in Annexure 15;
m) Restated Standalone Summary Statement of Short-Term Provisions as included in Annexure 16;
n) Restated Standalone Summary Statement of Fixed Assets as included in Annexure 17;
o) Restated Standalone Summary Statement of Non-Current Investments as included in Annexure 18;
p) Restated Standalone Summary Statement of Deferred Tax Assets as included in Annexure 19;
q) Restated Standalone Summary Statement of Long-Term Loans And Advances as included in Annexure 20;
r) Restated Standalone Summary Statement of Other Non-Current Assets as included in Annexure 21;
s) Restated Standalone Summary Statement of Cash And Bank Balances as included in Annexure 22;
t) Restated Standalone Summary Statement of Short-Term Loans And Advances as included in Annexure 23;
u) Restated Standalone Summary Statement of Other Current Assets as included in Annexure 24;
v) Restated Standalone Summary Statement of Revenue From Operations as included in Annexure 25;
w) Restated Standalone Summary Statement of Other Income as included in Annexure 26;

x) Restated Standalone Summary Statement of Employee Benefits Expenses as included in Annexure 27;
y) Restated Standalone Summary Statement of Finance Costs as included in Annexure 28;
z) Restated Standalone Summary Statement of Depreciation And Amortisation as included in Annexure 29;
aa) Restated Standalone Summary Statement of Provisions And Loan Losses as included in Annexure 30;
bb) Restated Standalone Summary Statement of Other Expenses as included in Annexure 31;
cc) Restated Standalone Summary Statement of Earnings Per Share as included in Annexure 32;
dd) Restated Standalone Summary Statement of Notes to Accounts as included in Notes to Accounts contained in Notes 33.1 to 33.14 to Annexure 33;
ee) Standalone Summary Statement of Tax Shelters as included in Annexure 34;
ff) Standalone Summary Statement of Accounting Ratios as included in Annexure 36;
gg) Standalone Summary Statement of Dividend Paid as included in Annexure 37;

In our opinion, the Restated Standalone Financial Information contained in Annexures 1 to 4, 6 to 32, 34, 36 and 37 accompanying this report read with Summary of Significant Accounting Policies and Notes to Accounts as set out in Annexure 5 and 33 respectively, are prepared after making adjustments and regroupings / reclassifications as considered appropriate and have been prepared in accordance with Act read with the Rules, ICDR Regulations and the Guidance Note.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

9. Our report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange and Registrar of Companies, Gujarat in connection with the proposed issue of equity shares by the Company and offer of equity shares of the Company by way of an offer for sale by the selling shareholders. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)

Kartikeya Raval
Partner
(Membership No. 106189)

Place: Ahmedabad
Date: September 13, 2017

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 1: RESTATED STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Millions)

Particulars	Annexure	As at					
		June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
EQUITY AND LIABILITIES							
Shareholders' funds							
Share capital	6	914.63	904.28	594.72	594.72	594.72	534.71
Reserves and surplus	7	2,921.38	2,368.06	1,198.54	976.50	664.82	513.60
		3,836.01	**3,272.34**	**1,793.26**	**1,571.22**	**1,259.54**	**1,048.31**
Compulsorily Convertible Debentures	8	499.80	499.80	499.80	499.80	499.80	499.80
Non-current liabilities							
Deferred subsidy	9	-	-	-	-	0.08	0.22
Long-term borrowings	10	2,376.38	2,030.43	3,040.17	1,138.67	632.42	491.66
Other long-term liabilities	11	3,108.55	2,455.10	1,510.77	929.24	1,022.78	522.13
Long-term provisions	12	36.29	30.64	14.40	8.61	7.18	4.95
		5,521.22	**4,516.17**	**4,565.34**	**2,076.52**	**1,662.46**	**1,018.96**
Current liabilities							
Short-term borrowings	13	9,079.30	7,678.97	7,411.15	7,434.06	5,500.93	3,530.32
Trade payables							
- Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-
- Total outstanding dues to creditors other than micro enterprises and small enterprises	14	32.09	25.59	45.77	13.86	19.99	20.92
Other current liabilities	15	3,738.59	4,122.94	3,725.72	3,205.75	1,768.49	1,556.42
Short-term provisions	16	207.02	128.98	85.47	76.64	65.11	40.95
		13,057.00	**11,956.48**	**11,268.11**	**10,730.31**	**7,354.52**	**5,148.61**
TOTAL		**22,914.03**	**20,244.79**	**18,126.51**	**14,877.85**	**10,776.32**	**7,715.68**
ASSETS							
Non-current assets							
Fixed assets							
Tangible assets	17	98.05	70.31	63.73	44.19	57.19	59.68
Intangible assets	17	2.26	1.32	-	-	0.61	0.93
Capital work-in-progress		4.14	-	-	0.99	-	-
		104.45	**71.63**	**63.73**	**45.18**	**57.80**	**60.61**
Non-current investments	18	107.57	107.57	110.23	110.99	108.33	108.33
Deferred tax assets (net)	19	49.23	42.23	30.09	22.58	11.41	4.39
Long-term loans and advances	20	9,093.12	7,679.72	4,803.08	3,445.57	2,870.43	1,980.30
Other non-current assets	21	90.20	91.34	76.65	101.75	90.87	111.86
		9,444.57	**7,992.49**	**5,083.78**	**3,726.07**	**3,138.84**	**2,265.49**
Current assets							
Cash and bank balances	22	1,453.00	366.75	1,753.79	2,173.29	1,847.30	1,748.96
Short-term loans and advances	23	11,808.98	11,678.73	11,099.05	8,835.74	5,705.69	3,625.79
Other current assets	24	207.48	206.82	189.89	142.75	84.49	75.44
		13,469.46	**12,252.30**	**13,042.73**	**11,151.78**	**7,637.48**	**5,450.19**
TOTAL		**22,914.03**	**20,244.79**	**18,126.51**	**14,877.85**	**10,776.32**	**7,715.68**

The above statement should be read with the notes to restated standalone summary statement of assets and liabilities, statement of profit and loss and statement of cash flows as appearing in Annexures 4 and 5.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 2: RESTATED STANDALONE SUMMARY STATEMENT OF PROFIT AND LOSS

(Rs. in Millions)

Particulars	Annexure	For the quarter ended June 30, 2017	For the year ended				
			March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
INCOME							
Revenue from operations	25	975.65	3,406.31	2,877.80	2,256.75	1,769.29	1,379.36
Other income	26	2.59	8.86	9.24	8.53	7.49	9.11
Total Revenue (I)		**978.24**	**3,415.17**	**2,887.04**	**2,265.28**	**1,776.78**	**1,388.47**
EXPENSES							
Employee benefits expense	27	78.39	262.41	223.74	159.90	136.52	123.11
Finance costs	28	375.47	1,512.63	1,340.38	1,055.43	754.15	546.57
Depreciation and amortisation expense	29	2.50	9.61	8.72	10.35	5.70	6.24
Provisions and loan losses	30	90.82	267.37	232.69	193.47	144.59	83.95
Other expenses	31	78.82	331.91	317.40	258.32	257.65	231.27
Total expenses (II)		**626.00**	**2,383.93**	**2,122.93**	**1,677.47**	**1,298.61**	**991.14**
Profit before tax (III) = (I) - (II)		**352.24**	**1,031.24**	**764.11**	**587.81**	**478.17**	**397.33**
Tax expense / (benefit):							
Current tax		128.80	369.21	271.54	207.12	168.43	132.01
Deferred tax		(7.00)	(12.14)	(7.51)	(7.51)	(7.02)	(3.07)
Net tax expense (IV)		**121.80**	**357.07**	**264.03**	**199.61**	**161.41**	**128.94**
Profit after tax (as restated) (V) = (III) - (IV)		**230.44**	**674.17**	**500.08**	**388.20**	**316.76**	**268.39**
Earnings per equity share (of Rs. 10/- each)	32						
Basic (Rs.)		5.04	15.86	11.63	8.83	7.10	5.52
Diluted (Rs.)		4.75	15.08	11.63	8.83	7.10	5.52

The above statement should be read with the notes to restated standalone summary statement of assets and liabilities, statement of profit and loss and statement of cash flows as appearing in Annexures 4 and 5.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 3: RESTATED STANDALONE SUMMARY STATEMENT OF CASH FLOW

(Rs. in Millions)

Particulars	**For the quarter ended June 30, 2017**	**For the year ended**				
		March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Cash Flow from Operating Activities						
Net Profit Before Tax	**352.24**	**1,031.24**	**764.11**	**587.81**	**478.17**	**397.33**
Adjustments for :						
Depreciation and Amortisation	2.50	9.61	8.72	10.35	5.70	6.24
Finance Costs charged to Restated Standalone Summary Statement of Profit and Loss	375.47	1,512.63	1,340.38	1,055.43	754.15	546.57
Provision for Non-Performing Assets	14.20	6.53	2.23	8.19	13.52	6.60
Contingent Provision against Standard Assets	5.96	29.29	17.02	9.19	7.32	3.46
Loss Assets Written Off	65.90	215.20	201.75	157.13	106.21	68.20
Loss on Sale of Fixed Assets	0.04	0.12	0.61	-	-	0.05
Loss on Sale of Repossessed Assets	4.76	16.35	11.69	18.96	17.54	5.69
Depreciation Recouped from Deferred Subsidy	-	-	-	(0.08)	(0.14)	(0.14)
Interest Income	(975.65)	(3,406.31)	(2,877.80)	(2,256.75)	(1,769.29)	(1,379.36)
Interest Income from Investments and Deposits	(1.75)	(6.76)	(6.83)	(6.90)	(6.58)	(8.36)
Income distribution on Pass Through Certificates held as non-current investments	-	(0.90)	-	-	-	-
Dividend Income	(0.54)	(0.00)	(1.18)	(0.48)	(0.02)	(0.01)
Profit on Redemption of Investment	-	-	(0.03)	-	-	-
Operating loss before working capital changes	**(156.87)**	**(593.00)**	**(539.33)**	**(417.15)**	**(393.42)**	**(353.73)**
Changes in Working Capital:						
Adjustments for (increase)/decrease in operating assets:						
Loans and Advances	(1,625.69)	(3,608.39)	(3,823.86)	(3,861.12)	(3,075.07)	(1,472.44)
Deposits given as Collateral	-	-	63.85	28.81	82.44	69.27
Other Current Assets	(4.05)	(20.25)	(10.41)	(24.38)	(18.92)	(0.85)
Adjustments for increase/(decrease) in operating liabilities:						
Trade Payables	6.50	(20.18)	31.91	(6.13)	(0.93)	5.44
Security Deposits from Borrowers	76.68	889.51	347.02	693.24	663.50	469.09
Advance from Borrowers	2.07	66.31	-	-	-	-
Other Current Liabilities	(24.79)	328.48	257.05	202.50	261.68	(55.06)
Short Term Provisions	0.91	0.81	1.15	1.19	1.06	0.33
Cash Generated from / (used in) operations	**(1,725.24)**	**(2,956.71)**	**(3,672.62)**	**(3,383.04)**	**(2,479.66)**	**(1,337.95)**
Finance Costs	(346.91)	(1,403.13)	(1,307.27)	(1,033.32)	(725.34)	(518.13)
Income Tax Paid (Net)	(66.16)	(364.29)	(277.47)	(214.72)	(164.95)	(122.31)
Interest Income Received	975.27	3,382.48	2,830.94	2,228.81	1,758.40	1,347.77
Net cash flow from/ (used in) operating activities (A)	**(1,163.04)**	**(1,341.65)**	**(2,426.42)**	**(2,402.27)**	**(1,611.55)**	**(630.62)**
Cash flows from investing activities						
Capital expenditure on fixed assets, including capital advances	(19.25)	(38.61)	(29.68)	(7.69)	(4.04)	(6.48)
Proceeds from sale of Fixed Assets	0.01	0.14	2.70	-	-	0.02
Bank balances not considered as Cash and Cash Equivalents						
- Fixed Deposits Matured	-	7.50	51.50	1.63	8.69	90.71
- Fixed Deposits Placed	-	(13.62)	(56.30)	(10.06)	(2.43)	(57.57)
Interest Income from Investments and Deposits	0.14	3.06	15.00	0.81	1.81	16.60
Income distribution on Pass Through Certificates held as non-current investments	-	0.90	-	-	-	-
Purchase of Long Term Investments	-	-	-	(2.66)	-	-
Proceeds from redemption of Long Term Investments	-	2.66	0.79	-	-	-
Dividend Income	0.54	0.00	0.64	0.48	0.02	0.01

Particulars	For the quarter ended June 30, 2017	For the year ended				
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Net cash flow from/ (used in) investing activities (B)	**(18.56)**	**(37.97)**	**(15.35)**	**(17.49)**	**4.05**	**43.29**
Cash flows from financing activities						
Proceeds from Issue of Shares	350.00	1,000.00	-	-	-	0.15
Shares Issue Expenses	(13.12)	(60.27)	-	-	-	-
Proceeds from Issue of Non-Convertible Debentures	-	-	400.00	200.00	-	-
Proceeds from Issue of Compulsorily Convertible Debentures	-	-	-	-	-	649.74
Proceeds from Issue of Compulsorily Convertible Cumulative Preference Shares	-	40.00	-	-	-	-
Redemption of Preference Shares	-	-	-	-	-	(621.32)
Redemption of Non-Convertible Debentures	-	-	-	-	(360.00)	-
Proceeds from Long Term Borrowings	950.00	950.00	3,263.14	1,333.74	900.00	650.00
Proceeds from Issue of Commercial Papers	-	734.20	-	-	-	-
Redemption of Commercial Papers	-	(750.00)	-	-	-	-
Repayment of Long Term Borrowings	(416.16)	(1,990.03)	(1,301.15)	(630.14)	(639.51)	(761.67)
Proceeds / (Repayment) of Short Term Borrowings (net)	1,400.33	267.82	(22.91)	1,933.13	1,970.61	1,258.96
Dividends paid including Dividend Distribution Tax	(3.65)	(198.38)	(278.04)	(69.41)	(105.54)	(110.83)
Net cash flow from/ (used in) in financing activities (C)	**2,267.40**	**(6.66)**	**2,061.04**	**2,767.32**	**1,765.56**	**1,065.03**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	1,085.80	(1,386.28)	(380.73)	347.56	158.06	477.70
Cash and cash equivalents at the beginning of the year/quarter	358.57	1,744.85	2,125.58	1,778.02	1,619.96	1,142.26
Cash and cash equivalents at the end of the year/quarter	**1,444.37**	**358.57**	**1,744.85**	**2,125.58**	**1,778.02**	**1,619.96**
Components of cash and cash equivalents						
Cash on Hand	0.32	1.28	3.91	3.95	3.18	0.67
Balances with banks	1,444.05	357.29	1,740.94	2,121.63	1,774.84	1,619.29
Total cash and cash equivalents (Refer Annexure 22)	**1,444.37**	**358.57**	**1,744.85**	**2,125.58**	**1,778.02**	**1,619.96**

The above restated cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements specified under Section 133 of the Companies Act, 2013.

The above statement should be read with the notes to restated standalone summary statement of assets and liabilities, statement of profit and loss and statement of cash flows as appearing in Annexures 4 and 5.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 4: STANDALONE SUMMARY STATEMENT OF MATERIAL ADJUSTMENTS AND REGROUPINGS TO AUDITED FINANCIAL STATEMENTS

ANNEXURE 4 (A): SUMMARY STATEMENT OF MATERIAL ADJUSTMENTS TO AUDITED FINANCIAL STATEMENTS

(Rs. in Millions)

Particulars		Note	For the quarter ended June 30, 2017	For the year ended				
				March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
A.	**Net Profit after tax (as per audited accounts) (A)**		**230.44**	**673.72**	**533.90**	**389.96**	**310.58**	**259.05**
B.	**Restatement Adjustments**							
	- Interest Income	I	-	-	(52.02)	6.19	2.77	14.35
	- Interest Expense	II	-	0.52	(0.52)	-	-	-
	- Contingent Provision against Standard Assets	III	-	-	0.13	(0.02)	(0.00)*	(0.03)
	Total effect of adjustments before tax (B)		**-**	**0.52**	**(52.41)**	**6.17**	**2.77**	**14.32**
C.	**Tax adjustments**							
	- Current Tax impact of adjustments	IV	-	0.21	(18.72)	2.19	0.47	4.67
	- Tax pertaining to earlier years	V	-	(0.14)	0.09	5.75	(3.88)	0.33
	- Deferred Tax impact of adjustments	VI	-	-	0.04	(0.01)	(0.00)#	(0.02)
	Total of tax adjustments (C)		**-**	**0.07**	**(18.59)**	**7.93**	**(3.41)**	**4.98**
D.	**Net increase/(decrease) in profit after tax (B) - (C)**		**-**	**0.45**	**(33.82)**	**(1.76)**	**6.18**	**9.34**
E.	**Net Profit after tax as restated before adjusting minority interest (E) = (A + D)**		**230.44**	**674.17**	**500.08**	**388.20**	**316.76**	**268.39**

* Contingent Provision against Standard Assets of Rs. 2,018/-.
# Deferred Tax impact of adjustments of Rs. 686/-.

The above statement should be read with the notes to restated standalone summary statement of assets and liabilities, statement of profit and loss and statement of cash flows as appearing in Annexures 4 and 5.

Notes to Material Adjustments

I) Interest Income: From FY 2015-16 the Company has started recognizing interest income accrued on all retail loans for the period from the date of the last installment upto the end of the year, for more appropriate presentation of the financial statements. In order to maintain uniformity, such unrecognized accrued interest income for earlier years has been adjusted to the corresponding years.

II) Interest Expense: Interest on Income tax for FY 15-16 was accounted for on payment during the year ended on March 31, 2017 which has been adjusted against the income of FY 15-16 to which it relates.

III) Contingent Provisions against standard assets: Consequent to the accrued interest income being adjusted to the respective years, the contingent provision against standard assets in respect of the same has also been calculated and adjusted in the corresponding years.

IV) Tax impact of adjustments: Tax has been computed on adjustments as detailed above and has been adjusted in the Restated Standalone Summary Statement of Profit and Loss for the year ended March 31, 2017 and March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and the balance brought forward in the Restated Standalone Summary Statement of Profit and Loss as at April 01, 2012.

V) Tax pertaining to earlier years: The Statement of Profit and Loss for certain financial years/quarter includes amounts paid/ provided for or refunded/ written back, in respect of shortfall/ excess current tax arising upon filing of tax returns, assessments etc. which have now been adjusted in the respective years to which they relate.

VI) Deferred Tax: Deferred tax has been computed on adjustment given in Contingent Provision against Standard Assets as mentioned above and has been adjusted the Restated Standalone Summary Statement of Profit and Loss for the year ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and the balance brought forward in the Restated Standalone Summary Statement of Profit and Loss as at April 01, 2012.

VII) Dividend including Dividend Tax: From FY 2016-17, dividends are provided in the period when approved by the members in an annual general meeting. Earlier, based on then prevalent accounting standard the Company used to provide dividends on equity and preference shares when recommended by the Board of Directors after the end of the reporting period but before the financial statements were approved by members. In order to maintain uniformity, the dividend for all the periods are provided in the periods when approved by the members in an annual general meeting.

ANNEXURE 4 (B): SUMMARY OF MATERIAL REGROUPINGS

VIII) Material regroupings: Appropriate adjustments have been made in the restated standalone summary statement of Assets and Liabilities, restated standalone summary statement of Profit and Loss and restated standalone summary statement of cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the classifications, presentation and disclosures as per the audited financial statements of the Company as at and for the quarter ended June 30, 2017 prepared in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (as amended).

ANNEXURE 4 (C): OPENING RESERVE RECONCILIATION

Particulars	(Rs. in Millions)
Net surplus in Statement of Profit and Loss as at April 1, 2012 as per audited financial statements	**64.26**
Adjustments:	
A. Interest Income	28.72
B. Contingent Provision against Standard Assets	(0.09)
C. Tax Impact on above adjustment	(6.11)
D. Tax pertaining to earlier years	0.02
E. Proposed Dividend (including tax thereon) on Equity shares and Preference shares of FY 2011-12 approved by Board of Directors in their meeting held on May 30, 2012.	98.71
Net surplus in the Restated Standalone Summary Statement of Profit and Loss as at April 1, 2012.	**185.51**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 5: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 CORPORATE INFORMATION

MAS Financial Services Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013 (erstwhile Companies Act, 1956) or the "Act". It is registered as a Non-Banking Finance Company (NBFC) with Reserve Bank of India. The Company is engaged in the business of providing Micro Enterprise Loans, SME Loans, Two Wheeler Loans, Commercial Vehicle Loans, Agri Based Loans and loans to Micro Financial Institutions (MFIs) and NBFCs.

5.2 SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION

The standalone financial statements of MAS Financial Services Limited ("the Company") have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013. The standalone financial statements have been prepared on accrual basis under the historical cost convention. Further, the Company follows the prudential norms for income recognition and provisioning for Non-performing Assets as prescribed by the Reserve Bank of India for Non-Banking Financial Companies. Loans to customers outstanding at the close of the quarter / year are stated net of amounts written off. The Company assesses all receivables for their recovery and accordingly provisions for non-performing assets are enhanced as considered necessary, based on past experience emerging trends and estimates. The accounting policies adopted in the preparation of the standalone financial statements are consistent with those adopted in the preparation of the financial statements for the quarter ended June 30, 2017.

The Restated Standalone Summary Statement of Assets and Liabilities as at June 2017, March 31, 2017, 2016, 2015, 2014 and 2013 and Restated Standalone Summary Statements of Profit and Loss and Cash Flows for the quarter ended June 30, 2017, and years ended March 31, 2017, 2016, 2015, 2014 and 2013 and the Summary of Standalone Significant Accounting Policies (hereinafter collectively referred to as "Restated Standalone Financial Information") relate to the Company and have been prepared specifically for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), Registrar of Companies, Gujarat and relevant stock exchange/s in connection with its proposed Initial Public Offering and Offer For Sale. These Restated Standalone Financial Information has been prepared based upon standalone financial statements of the Company for the respective period as mentioned above to comply in all material respects with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "Regulations") and Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules).

B. USE OF ESTIMATES

The preparation of the Restated Standalone Financial Information in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the standalone financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize.

C. FIXED ASSETS

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

D. DEPRECIATION AND AMORTISATION

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

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

For the period prior to April 1, 2014, depreciation was provided on straight-line method as per the rates and in the manner prescribed under Schedule XIV to the Act.

E. IMPAIRMENT OF ASSETS

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

F. INVESTMENTS

Long term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

G. GOVERNMENT GRANTS

Subsidies related to depreciable fixed assets are treated as deferred income which is recognised in the Restated Standalone Summary Statement of Profit and Loss over the periods and in the proportion in which depreciation on those assets is charged. The deferred income balance is separately disclosed in the standalone financial statements as “Deferred Subsidy”.

H. REVENUE RECOGNITION

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

Income from Loans

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

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

Income from Assignment of receivables

(i) At Premium Structure

In case of assignment of receivables “at premium”, the assets are de-recognised since all the rights, title, future receivable principal and interest thereof are assigned to the purchaser. The interest spread arising on assignment is recognised upfront.

From FY 2012-13 the Company has not entered into assignment transactions under “at premium structure".

(ii) At Par Structure

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

I. OTHER INCOME

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

J. REPOSSESSED ASSETS

The value of repossessed assets is arrived at by deducting the estimated loss on realisation. The estimation of loss on realisation is done based on past track record of loss on sale of such assets.

K. EMPLOYEE BENEFITS

Defined contribution plans

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

Defined benefit plans

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

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period, when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

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

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

L. BORROWING COSTS

Borrowing Costs include interest and amortisation of other ancillary costs incurred in connection with borrowings. Costs incurred in connection with borrowing of funds are charged to the Restated Standalone Summary Statement of Profit and Loss over the tenure of the loan.

Certain Share Issue Expenses are being adjusted against the Securities Premium Account.

M. EARNINGS PER SHARE

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

N. TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Restated Standalone Summary Statement of Profit and Loss.

O. CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

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

P. CASH FLOW STATEMENT

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

Q. LEASES

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

R. PROVISIONS AND CONTINGENCIES

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the annexure. Contingent assets are not recognised in the Restated Standalone Financial Information.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 6: RESTATED STANDALONE SUMMARY STATEMENT OF SHARE CAPITAL

(Rs. in Millions)

Particulars	As at June 30, 2017	As at March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Authorised:						
Equity Shares of Rs. 10/- each						
- Number of shares	64,000,000	64,000,000	21,500,000	21,500,000	21,500,000	15,500,000
- Rs. in Millions	640.00	640.00	215.00	215.00	215.00	155.00
Cumulative Redeemable Non-Convertible Preference Shares of Rs. 100/- each						
- Number of shares	-	-	650,000	650,000	650,000	650,000
- Rs. in Millions	-	-	65.00	65.00	65.00	65.00
8% Cumulative Redeemable Preference Shares of Rs.10/- each						
- Number of shares	-	-	40,000,000	40,000,000	40,000,000	40,000,000
- Rs. in Millions	-	-	400.00	400.00	400.00	400.00
7% Compulsorily Convertible Cumulative Preference Shares of Rs.10/- each						
- Number of shares	-	-	-	-	-	44,000,000
- Rs. in Millions	-	-	-	-	-	440.00
0.01% Compulsorily Convertible Cumulative Preference Shares of Rs.10/- each						
- Number of shares	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	-
- Rs. in Millions	220.00	220.00	220.00	220.00	220.00	-
13.31% Compulsorily Convertible Cumulative Preference Shares of Rs.10/- each						
- Number of shares	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	-
- Rs. in Millions	220.00	220.00	220.00	220.00	220.00	-
9.75% Compulsorily Convertible Cumulative Preference Shares of Rs.100,000/- each						
- Number of shares	400	400	-	-	-	-
- Rs. in Millions	40.00	40.00	-	-	-	-
Total authorised share capital	**1,120.00**	**1,120.00**	**1,120.00**	**1,120.00**	**1,120.00**	**1,060.00**
Issued, Subscribed and Fully Paid-Up:						
Equity Shares of Rs.10/- each						
- Number of shares	43,990,735	42,956,182	16,000,125	16,000,125	16,000,125	10,000,125
- Rs. in Millions	439.91	429.56	160.00	160.00	160.00	100.00
7% Compulsorily Convertible Cumulative Preference Shares of Rs.10/- each						
- Number of shares	-	-	-	-	-	43,471,090
- Rs. in Millions	-	-	-	-	-	434.71
0.01% Compulsorily Convertible Cumulative Preference Shares of Rs.10/- each						
- Number of shares	21,735,545	21,735,545	21,735,545	21,735,545	21,735,545	-
- Rs. in Millions	217.36	217.36	217.36	217.36	217.36	-
13.31% Compulsorily Convertible Cumulative Preference Shares of Rs.10/- each						
- Number of shares	21,735,545	21,735,545	21,735,545	21,735,545	21,735,545	-
- Rs. in Millions	217.36	217.36	217.36	217.36	217.36	-

Particulars	As at June 30, 2017	As at March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
9.75% Compulsorily Convertible Cumulative Preference Shares of Rs.100,000/- each						
- Number of shares	400	400	-	-	-	-
- Rs. in Millions	40.00	40.00	-	-	-	-
Total issued, subscribed and fully paid-up share capital	**914.63**	**904.28**	**594.72**	**594.72**	**594.72**	**534.71**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year/quarter

Equity Shares

Particulars	As at June 30, 2017		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013	
	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions
Outstanding at the beginning of the year/ quarter	42,956,182	429.56	16,000,125	160.00	16,000,125	160.00	16,000,125	160.00	10,000,125	100.00	10,000,000	100.00
Add: Issued during the year/ quarter	1,034,553	10.35	2,955,869	29.56	-	-	-	-	-	-	125	0.00
Add: Bonus shares issued during the year/ quarter	-	-	24,000,188	240.00	-	-	-	-	6,000,000	60.00	-	-
Outstanding at the end of the year/ quarter	**43,990,735**	**439.91**	**42,956,182**	**429.56**	**16,000,125**	**160.00**	**16,000,125**	**160.00**	**16,000,125**	**160.00**	**10,000,125**	**100.00**

Preference Shares

Particulars	As at June 30, 2017		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013	
	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions
8% Cumulative Redeemable Preference Shares												
Outstanding at the beginning of the year/ quarter	-	-	-	-	-	-	-	-	-	-	40,000,000	400.00
Less: Redeemed during the year/ quarter	-	-	-	-	-	-	-	-	-	-	40,000,000	400.00
Outstanding at the end of the year/ quarter	-	-	-	-	-	-	-	-	-	-	-	-
7% Compulsorily Convertible Cumulative Preference Shares												
Outstanding at the beginning of the year/ quarter			-	-	-	-	-	-	43,471,090	434.71	43,471,090	434.71
Less: Re-classified during the year/ quarter			-	-	-	-	-	-	43,471,090	434.71	-	-
Outstanding at the end of the year/ quarter	-	-	-	-	-	-	-	-	-	-	**43,471,090**	**434.71**

Particulars	As at June 30, 2017		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013	
	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions
13.31% Compulsorily Convertible Cumulative Preference Shares												
Outstanding at the beginning of the year/ quarter	21,735,545	217.36	21,735,545	217.36	21,735,545	217.36	21,735,545	217.36	-	-	-	-
Add: Re-classified during the year/ quarter	-	-	-	-	-	-	-	-	21,735,545	217.36	-	-
Outstanding at the end of the year/ quarter	**21,735,545**	**217.36**	**21,735,545**	**217.36**	**21,735,545**	**217.36**	**21,735,545**	**217.36**	**21,735,545**	**217.36**	**-**	**-**
0.01% Compulsorily Convertible Cumulative Preference Shares												
Outstanding at the beginning of the year/ quarter	21,735,545	217.36	21,735,545	217.36	21,735,545	217.36	21,735,545	217.36	-	-	-	-
Add: Re-classified during the year/ quarter	-	-	-	-	-	-	-	-	21,735,545	217.36	-	-
Outstanding at the end of the year/ quarter	**21,735,545**	**217.36**	**21,735,545**	**217.36**	**21,735,545**	**217.36**	**21,735,545**	**217.36**	**21,735,545**	**217.36**	**-**	**-**
9.75% Compulsorily Convertible Cumulative Preference Shares												
Outstanding at the beginning of the year/ quarter	400	40.00	-	-	-	-	-	-	-	-	-	-
Add: Issued during the year/ quarter	-	-	400	40.00	-	-	-	-	-	-	-	-
Outstanding at the end of the year/ quarter	**400**	**40.00**	**400**	**40.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

On March 30, 2017, the Company has entered into the Private Placement offer letter ("Offer Document") with the M/s. Motilal Oswal Financial Services Limited and M/s. Motilal Oswal Securities Limited.

As per the Offer Document, the Company has allotted 2,955,869 and 1,034,553 equity shares of Rs. 10 each at a price of Rs. 338.31 per share (Inclusive of a premium of Rs. 328.31 per equity share) on preferential allotment basis on March 30, 2017 and April 19, 2017 respectively. The Company has raised total of Rs. 1,350 millions towards private placement offer letter as of date.

During the FY 2016-17, the Company has reclassified its authorised share capital which has been approved by the Board of Directors at their meeting held on October 26, 2016 and by the shareholders at the Extraordinary General Meeting held on November 9, 2016.

Details of the reclassified authorised share capital are as under:

Class of Shares	No. of Shares Before Reclassification	No. of shares After Reclassification
Equity Shares (Face value of Rs. 10 each)	21,500,000	64,000,000
Cumulative Redeemable Non-Convertible Preference Shares (Face value of Rs. 100 each)	650,000	-
9.75% Compulsorily Convertible Cumulative Preference Shares (Face value of Rs. 1,00,000 each)	4,000	400

(c) Terms/ rights attached to Preference Share

Cumulative Redeemable Preference Shares

The Company had entered into an Investment and Shareholders Agreement ("the Agreement") with India Advantage Fund – VII (Mezzanine Fund I) ("the Investor") pursuant to which the Investor had subscribed to and had been allotted 40,000,000 8% Cumulative Redeemable Preference Shares (CRPS) of the face value of Rs. 10 each for cash at par. The CRPS carried cumulative dividend @ 8% p.a. The shares were redeemable in one instalment at the end of four years from the "Second Closing Date", as defined in the Agreement, i.e. on June 15, 2012 at face value plus a redemption premium which was to be calculated based on the IRR to be provided to the Investor on its investment as per the terms of the Agreement as amended by the First Amendment dated February 7, 2012 to the Agreement.

The holder of the preference share capital had, in respect of such capital, a right to vote only on resolutions placed before the company which directly affected the rights attached to his preference shares.

The Agreement, as amended by the First Amendment to the Agreement, provided for early redemption of the CRPS under circumstances as specified in the Agreement.

In the event of liquidation of the Company before redemption of the CRPS the holder of the CRPS had priority over equity shareholders and future preference shareholders, but in pari passu with the existing preference shareholders, in the payment of an amount that would give the CRPS holder an IRR as specified in the Agreement as amended by the First Amendment to the Agreement. The CRPS were redeemed during the F.Y. 2012-13.

Compulsorily Convertible Cumulative Preference Shares

The Company had entered into Share Subscription and Shareholders Agreement ("the Agreement") with Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N. V.(FMO) ("the Investor") pursuant to which, the investor had subscribed to and had been allotted 43,471,090 Cumulative Compulsorily Convertible Preference Shares (CCCPS) of the face value of Rs. 10 each at par.

The CCCPS carried a right to be paid a fixed cumulative preferential dividend at the rate of 7% per annum free of income tax till the Financial Year ending on March 31, 2014. After this date, under the circumstances specified in the Agreement, the rate of dividend was to be increased as provided for in the Agreement. In the event of the Company not having sufficient profits to distribute dividends to all the preference shareholders to meet the dividend obligations in full, the dividend was to be distributed to FMO after ICICI Venture and in priority over all other preference shareholders.

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

As per the Agreement as amended by the First Amendment dated October 19, 2011 to the Agreement, the CCCPS were compulsorily convertible into equity shares at any time within 20 years from date of allotment at a conversion price to be determined based on the time of conversion and IRR to be provided to the Investor on its investment as per the terms of the Agreement.

As per the Agreement, FMOs Shares were to become immediately due upon liquidation, dissolution, winding up or insolvency of the Company and the ranking of settlement of such payables was to be in line with prevailing Indian legislation at such time, provided, however that as between FMO and other preference shareholders, ICICI Venture would rank in priority over FMO which in turn would rank in priority over all other preference shareholders.

Compulsorily Convertible Cumulative Preference Shares (CCCPS)

(i) In FY 2008-09, the Company had allotted 43,471,090 CCCPS of the face value of Rs. 10 each at par. These CCCPS carried a right to be paid fixed cumulative preferential dividend at the rate of 7% per annum free of income-tax. During FY 2013-14, pursuant to the agreement between the Company, its promoters and the investors, ("the Agreement") the terms attached to the aforesaid CCCPS were revised and the same are described under paras (a) and (b) below:

(a) 21,735,545 CCCPS of the face value of Rs. 10 each carry a right from February 17, 2014 to be paid a fixed cumulative preferential dividend at the rate of 0.01% per annum. These CCCPS were automatically and fully convertible into equity shares, at a conversion price to be determined as per the terms of the Agreement, upon the expiry of a period of 13 years from the date of final issuance of these CCCPs i.e. from October 13, 2008. Subsequent to execution of the agreement, on March 23, 2017, the Company has revised conversion terms of the original agreement through "Amendment and Termination Agreement to the Shareholders' Agreement dated January 29, 2014" pursuant to which these CCCPS are converted into equity shares at a price determined as per the agreement at least 2 (two) days prior to the filing of the Red Herring Prospectus ("RHP") with the Securities and Exchange Board of India ("SEBI") for its final confirmation. (Refer Annexure 33.11 for conversion).

(b) 21,735,545 CCCPS of the face value of Rs. 10 each carry a right from February 17, 2014 to be paid a fixed cumulative preferential dividend at the rate of 13.31% per annum. These CCCPS were automatically and fully convertible into equity shares, at a conversion price to be determined as per the terms of the Agreement, upon the expiry of a period of 7 years from the effective date i.e. from February 17, 2014. Subsequent to execution of agreement, on March 23, 2017, the Company has revised conversion terms of the original agreement through "Amendment and Termination Agreement to the Shareholders' Agreement dated January 29, 2014" pursuant to which these CCCPS are converted into equity shares at a price determined as per the agreement at least 2 (two) days prior to the filing of the Red Herring Prospectus ("RHP") with the Securities and Exchange Board of India ("SEBI") for its final confirmation. (Refer Annexure 33.11 for conversion).

(ii) 400 CCCPS of the face value of Rs. 100,000/- each carry a right from May 13, 2016 to be paid fixed cumulative preferential dividend at the rate of 9.75 % per annum. These CCCPS are automatically and fully convertible into equity shares, at a conversion price of Rs.1,685 (Rupees one thousand six hundred and eighty five only) per Equity Share at the end of 10 years, provided however that, the price of these Equity Shares shall be subject to the terms and conditions of their issue and the valuation of the Company at the time of conversion of such CCCPS. Under the terms and conditions of issue the Company has right to convert the CCCPS into equity shares during in their tenure from the 5th till the 10th year from the issue date. As per the terms and conditions of the issue the investors have a Put option to convert the CCCPS into equity shares. Further in the event the Company purposes to go for an IPO any time during the tenor of the CCCPS then the CCCPS shall be mandatorily and automatically converted into equity shares at a price to be determined as per the terms and conditions of the issue of the CCCPS. (Refer Annexure 33.11 for conversion).

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

(d) Details of shareholders holding more than 5% shares in the Company

(i) Equity shares

Name of the shareholder	As at June 30, 2017		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Kamlesh C. Gandhi	6,242,818	14.19%	6,242,818	14.53%	2,497,127	15.61%	2,497,127	15.61%	2,497,127	15.61%	1,560,712	15.61%
Shweta Kamlesh Gandhi	16,338,450	37.14%	16,338,450	38.04%	6,535,380	40.85%	6,535,380	40.85%	6,535,380	40.85%	4,084,632	40.85%
Mukesh C. Gandhi (HUF)	-	-	-	-	3,620,193	22.63%	3,620,193	22.63%	3,620,193	22.63%	2,262,631	22.63%
Mukesh C. Gandhi	16,110,450	36.62%	16,110,450	37.50%	2,823,987	17.65%	2,823,987	17.65%	2,823,987	17.65%	1,765,000	17.65%
M/s. Motilal Oswal Financial Services Limited	2,364,695	5.38%	2,364,695	5.51%	-	-	-	-	-	-	-	-

(ii) Preference Shares

Name of the shareholder	As at June 30, 2017		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Compulsorily Convertible Cumulative Preference Shares												
Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V	-	-	-	-	-	-	-	-	-	-	43,471,090	100.00%
0.01% Compulsorily Convertible Cumulative Preference Shares												
Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V	21,735,545	100.00%	21,735,545	100.00%	21,735,545	100.00%	21,735,545	100.00%	21,735,545	100.00%	-	-
13.31% Compulsorily Convertible Cumulative Preference Shares												
Sarva Capital LLC (Formerly Known as Lok Capital II LLC)	21,735,545	100.00%	21,735,545	100.00%	21,735,545	100.00%	21,735,545	100.00%	21,735,545	100.00%	-	-
9.75% Compulsorily Convertible Cumulative Preference Shares												
Viraj Amar Patel	200	50.00%	125	31.25%	-	-	-	-	-	-	-	-
G N G Investment Limited	25	6.25%	25	6.25%	-	-	-	-	-	-	-	-
Pranav Natwarlal Shah	-	-	25	6.25%	-	-	-	-	-	-	-	-
Minesh Shah	-	-	25	6.25%	-	-	-	-	-	-	-	-

Name of the shareholder	As at June 30, 2017		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Reena Mehta	-	-	25	6.25%	-	-	-	-	-	-	-	-
Asha Dineshchandra Gawarvala	-	-	50	12.50%	-	-	-	-	-	-	-	-
Sutaria Devendrakumar S	25	6.25%	25	6.25%	-	-	-	-	-	-	-	-
Capitalsquare Advisors Private Limited	25	6.25%	25	6.25%	-	-	-	-	-	-	-	-
Pravin Ratilal Share & Stock Brokers Limited	106	26.50%	-	-	-	-	-	-	-	-	-	-

(e) Details of bonus shares issued

(i) 6,000,000 Equity Shares of Rs. 10 each fully paid-up were allotted as bonus shares by capitalisation of Capital Redemption Reserve during FY 2013-14

(ii) 24,000,188 Equity Share of Rs. 10 each fully paid-up were allotted as bonus shares by capitalisation of free reserves during FY 2016-17

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 7: RESTATED STANDALONE SUMMARY STATEMENT OF RESERVES AND SURPLUS

(Rs. in Millions)

Particulars		**As at**					
		June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
I.	**Statutory Reserve u/s 45- IC of RBI Act, 1934 #**						
	Opening Balance	584.79	450.05	343.27	265.28	203.16	151.35
	Add: Transfer during the year	- *	134.74	106.78	77.99	62.12	51.81
	Closing Balance	**584.79**	**584.79**	**450.05**	**343.27**	**265.28**	**203.16**
II. Securities Premium							
	Opening Balance	963.67	29.94	29.94	29.94	29.94	-
	Add: Additions during the year	339.65	970.44	-	-	-	150.09
	Less: Premium on Redemption of Cumulative Redeemable Preference Shares	-	-	-	-	-	120.15
	Less: Utilised for Initial Public Offer expenses (Refer Annexure 33.10)	13.12	36.71	-	-	-	-
	Closing Balance	**1,290.20**	**963.67**	**29.94**	**29.94**	**29.94**	**29.94**
III General Reserve							
	Opening Balance	-	126.36	126.36	87.36	56.32	30.41
	Add: Additions during the year	-	-	-	39.00	31.04	25.91
	Less: Utilised for issue of bonus shares	-	126.36	-	-	-	-
	Closing Balance	**-**	**-**	**126.36**	**126.36**	**87.36**	**56.32**
IV Capital Redemption Reserve							
	Opening Balance	-	-	-	-	60.00	60.00
	Less: Utilised for issue of bonus shares	-	-	-	-	60.00	-
	Closing Balance	**-**	**-**	**-**	**-**	**-**	**60.00**
V. Surplus/ (Deficit) in the Restated Standalone Summary Statement of Profit and Loss							
	Opening Balance	819.60	592.19	476.93	282.24	164.18	185.51
	Less: Depreciation adjustment as per schedule II of the Act on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer Annexure 17)	-	-	-	7.10	-	-
	Less: Utilised for issue of bonus shares	-	113.64	-	-	-	-
	Add: Profit for the year/quarter	230.44	674.17	500.08	388.20	316.76	268.39
		1,050.04	**1,152.72**	**977.01**	**663.34**	**480.94**	**453.90**
	Less: Appropriations						
	Transfer to Reserve u/s 45-IC of RBI Act,1934	-	134.74	106.78	77.99	62.12	51.81
	Transfer to General Reserve	-	-	-	39.00	31.04	25.91
	Premium on Redemption of Cumulative Redeemable Preference Shares	-	-	-	-	-	101.17
	Dividend on Preference Shares	2.90	2.90	28.95	3.33	30.43	62.43
	Dividend on Equity Shares	-	7.20	76.00	56.00	35.00	22.50
	Interim Dividend on Preference Shares	-	29.96	26.06	-	24.78	10.43
	Interim Dividend on Equity Shares	-	125.00	100.00	-	-	-
	Dividend distribution tax on preference dividend	0.75	6.53	11.20	0.57	9.38	11.82
	Dividend distribution tax on equity dividend	-	26.79	35.83	9.52	5.95	3.65
	Total Appropriations	**3.65**	**333.12**	**384.82**	**186.41**	**198.70**	**289.72**
	Net Surplus in Restated Standalone Summary Statement of Profit and Loss	**1,046.39**	**819.60**	**592.19**	**476.93**	**282.24**	**164.18**
	Total reserves and surplus (I+II+III+IV+V)	**2,921.38**	**2,368.06**	**1,198.54**	**976.50**	**664.82**	**513.60**

Transfer of 20% of the profit after tax to the statutory reserves in accordance with the provisions of section 45-IC of the Reserve Bank of India Act, 1934 is of the profit after tax before restatement adjustment.

*As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at the rate of 20% of the Profit after Tax of the Company every year. For Financial Year 2017-18 transfer to statutory reserve will be made at the year end.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 8: RESTATED STANDALONE SUMMARY STATEMENT OF COMPULSORILY CONVERTIBLE DEBENTURES

(Rs. in Millions)

Particulars	**As at**					
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Unsecured						
Compulsorily Convertible Debentures^	499.80	499.80	499.80	499.80	499.80	499.80
	499.80	**499.80**	**499.80**	**499.80**	**499.80**	**499.80**

^ The Company had issued 4,998 number of Compulsorily Convertible Debentures (CCDs) of nominal value aggregating to Rs. 499.80 millions during financial year 2012-13 each having face value of Rs.100,000 at a premium of Rs. 30,000 per CCD.

Significant terms of the same as under:

(a) The CCDs carry interest at the rate of 13% p.a. for 72 months from the date of investment and thereafter if the CCD's remain unconverted, the rate of interest will be 19.50% p.a. or maximum permissible interest payable under applicable law whichever is less.

(b) The CCDs shall be fully and mandatorily convertible into equity shares on a date which shall be either March 31, 2020 or such other date as may be solely decided by the investor, provided that such date shall not extend beyond 19 years from July 27, 2012. Subsequent to execution of the agreement, on March 23, 2017 the Company has revised conversion terms of the original agreement through “Second Amendment Agreement to the Subscription Agreement dated June 13, 2012” pursuant to which the CCDs are converted into such number of Equity Shares which would entitle the yield on the CCDs to be equivalent to at least the Required Return as defined in the said agreement, at least 2 (two) days prior to filing of the Red Herring Prospectus (“RHP”) with the Registrar of Companies, Gujarat (Ahmedabad) (“ROC”).

(c) Each CCD will convert into such number of equity shares so as to give the investor the required return, without the investor being required to pay any amount for such conversion. The agreement provides that the price at which the conversion will take place will be in compliance with the FDI regulations.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 9: RESTATED STANDALONE SUMMARY STATEMENT OF DEFERRED SUBSIDY

(Rs. in Millions)

Particulars	As at					
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Deferred Subsidy						
Opening Balance	-	-	-	0.08	0.22	0.36
Less : Recouped during the year	-	-	-	0.08	0.14	0.14
Closing Balance	**-**	**-**	**-**	**-**	**0.08**	**0.22**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 10: RESTATED STANDALONE SUMMARY STATEMENT OF LONG-TERM BORROWINGS

(Rs. in Millions)

Particulars	**As at**					
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Term loans^						
(i) Term loans from banks	1,404.19	1,152.97	2,002.31	765.89	524.09	416.66
(ii) Term loans from others	372.19	277.46	437.86	172.78	108.33	75.00
Total secured borrowings (A)	**1,776.38**	**1,430.43**	**2,440.17**	**938.67**	**632.42**	**491.66**
Unsecured						
Redeemable Non - Convertible Debentures^						
400 14.00% Redeemable, Non-Convertible Debentures of Rs. 1 million each	400.00	400.00	400.00	-	-	-
200 13.50% Redeemable, Non-Convertible Debentures of Rs. 1 million each	200.00	200.00	200.00	200.00	-	-
Total unsecured borrowings (B)	**600.00**	**600.00**	**600.00**	**200.00**	**-**	**-**
Total Long-term borrowings (A) + (B)	**2,376.38**	**2,030.43**	**3,040.17**	**1,138.67**	**632.42**	**491.66**

^Details of terms of redemption/repayment and security provided in respect of long-term borrowings as at June 30, 2017

Particulars	**Amount Non-Current (Rs. in Millions)**	**Amount Current (Rs. in Millions)**	**Terms of Redemption/ Repayment**	**Security**
Term Loans from Banks				
Term Loan - 1	-	83.33	Repayable in 6 half yearly installments from December 30, 2015. Rate of interest: Base Rate + Spread Maturity Period: 1 year Remaining no. of installments: 2	Secured by exclusive charge on specific standard assets portfolio of receivables of the Company
Term Loan - 2	100.00	50.00	Repayable in 20 Quarterly installments from September 30, 2015. Rate of interest: Base Rate + Spread Maturity Period: 3 years Remaining no. of installments: 12	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi, Mr. Mukesh Gandhi and Mrs. Shweta Gandhi
Term Loan - 3	60.00	30.00	Repayable in 20 Quarterly installments from September 30, 2015. Rate of interest: Base Rate + Spread Maturity Period: 3 years Remaining no. of installments: 12	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi, Mr. Mukesh Gandhi and Mrs. Shweta Gandhi
Term Loan - 4	240.00	85.22	Repayable in 20 Quarterly installments from September 30, 2016. Rate of interest: One Year MCLR + Spread Maturity Period: 4 years Remaining no. of installments: 16	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi, Mr. Mukesh Gandhi and Mrs. Shweta Gandhi
Term Loan - 5	-	85.67	Repayable in 36 monthly installments from February 7, 2015. Rate of interest: Base Rate + Spread Maturity Period: <1 year Remaining no. of installments: 7	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed
Term Loan - 6	110.92	175.58	Repayable in 36 monthly installments from February 7, 2016. Rate of interest: Base Rate + Spread Maturity Period: 1-2 years Remaining no. of installments: 19	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed

Particulars	Amount Non-Current (Rs. in Millions)	Amount Current (Rs. in Millions)	Terms of Redemption/ Repayment	Security
Term Loan - 7	320.47	161.97	Repayable in 36 monthly installments from May 7, 2017. Rate of interest: One Year MCLR + Spread Maturity Period: 2-3 years Remaining no. of installments: 33	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed
Term Loan - 8	-	25.00	Repayable in 36 monthly installments from April 30, 2015. Rate of interest: Base Rate + Spread Maturity Period: < 1 Year Remaining no. of installments: 9	Secured by a charge on all the present and future book debts, Out standings, Money receivables, Claims and Bills, which are due and owing or which may any time during the continuance of the security become due and owing to the Company in the course of its business. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi
Term Loan - 9	4.17	50.00	Repayable in 36 monthly installments from August 31, 2015. Rate of interest: Base Rate + Spread Maturity Period: 1-2 years Remaining no. of installments: 13	Exclusive hypothecation charge on specific present and future receivables in respect of assets financed/ to be financed by bank. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi
Term Loan - 10	13.89	83.33	Repayable in 36 monthly installments from September 14, 2015. Rate of interest: Base Rate + Spread Maturity Period: 1-2 years Remaining no. of installments: 14	Exclusive hypothecation charge on specific present and future receivables in respect of assets financed/ to be financed by bank. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi
Term Loan - 11	50.00	66.67	Repayable in 36 monthly installments from April 30, 2016. Rate of interest: Base Rate + Spread Maturity Period: 1-2 years Remaining no. of installments: 21	Exclusive hypothecation charge on specific present and future receivables in respect of assets financed/ to be financed by bank. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi
Term Loan - 12	8.97	36.36	Repayable in 11 Quarterly installments from March 31, 2016. Rate of interest: Base Rate + Spread Maturity Period: 1-2 years Remaining no. of installments: 5	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi, Mr. Mukesh Gandhi
Term Loan - 13	9.01	36.36	Repayable in 11 Quarterly installments from June 30, 2016. Rate of interest: Base Rate + Spread Maturity Period: 1-2 years Remaining no. of installments: 5	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi, Mr. Mukesh Gandhi
Term Loan - 14	14.87	60.00	Repayable in 11 Quarterly installments from September 30, 2016. Rate of interest: Base Rate + Spread Maturity Period: 1-2 years Remaining no. of installments: 5	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi, Mr. Mukesh Gandhi
Term Loan - 15	59.00	116.40	Repayable in 12 Quarterly installments from March 30, 2016. Rate of interest: Base Rate + Spread Maturity Period: 1-2 years Remaining no. of installments: 6	Secured by exclusive charge on receivables of the Company created out of the loan availed
Term Loan - 16	412.50	150.00	Repayable in 16 Quarterly installments from June 30, 2017. Rate of interest: One Year MCLR + Spread Maturity Period: 3-4 years Remaining no. of installments: 15	Secured by Hypothecation of portfolio of the Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mr. Mukesh Gandhi and Mrs. Shweta Gandhi

Particulars	Amount Non-Current (Rs. in Millions)	Amount Current (Rs. in Millions)	Terms of Redemption/ Repayment	Security
Vehicle Loan - 17	0.35	4.22	Repayable in 36 monthly installments from August 10, 2015. Rate of interest: Fixed Remaining no. of installments:13	Secured by hypothecation of the vehicle financed.
Vehicle Loan - 18	0.04	0.56	Repayable in 36 monthly installments from August 15, 2015. Rate of interest: Fixed Remaining no. of installments:13	Secured by hypothecation of the vehicle financed.
Total Term Loans from Banks	**1,404.19**	**1,300.67**		
Term Loans from Others				
Term Loans from Financial Institution - 1	-	11.11	Repayable in 36 monthly installments from November 15, 2014. Rate of interest: LTLR - Spread Maturity Period: <1 year Remaining no. of installments: 4	Secured by hypothecation of book debts created out of the loan availed
Term Loans from Financial Institution - 2	-	25.02	Repayable in 36 monthly installments from April 15, 2015. Rate of interest: LTLR - Spread Maturity Period: <1 year Remaining no. of installments: 9	Secured by hypothecation of book debts created out of the loan availed
Term Loans from Financial Institution - 3	-	7.51	Repayable in 36 monthly installments from April 15, 2015. Rate of interest: LTLR - Spread Maturity Period: <1 year Remaining no. of installments: 9	Secured by hypothecation of book debts created out of the loan availed
Term Loans from Financial Institution - 4	25.04	33.33	Repayable in 36 monthly installments from April 15, 2016. Rate of interest: LTLR - Spread Maturity Period: 1-2 years Remaining no. of installments: 21	Secured by hypothecation of book debts created out of the loan availed
Term Loans from Financial Institution - 5	12.52	16.67	Repayable in 36 monthly installments from April 15, 2016. Rate of interest: LTLR - Spread Maturity Period: 1-2 years Remaining no. of installments: 21	Secured by hypothecation of book debts created out of the loan availed
Term Loans from Financial Institution - 6	61.00	84.00	Repayable in 36 monthly installments from April 10, 2016. Rate of interest: PLR - Spread Maturity Period: 1-2 years Remaining no. of installments: 21	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi
Term Loans from Financial Institution - 7	40.91	54.55	Repayable in 11 quarterly installments from September 30, 2016. Rate of interest: Base Rate - Spread Maturity Period: 1-2 years Remaining no. of installments: 7	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed
Term Loans from Financial Institution - 8	72.72	72.72	Repayable in 11 quarterly installments from December 31, 2016. Rate of interest: Base Rate - Spread Maturity Period: 2-3 years Remaining no. of installments: 8	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed
Term Loans from Financial Institution - 9	160.00	40.00	Repayable in 10 quarterly installments from March 31, 2018. Rate of interest: 9.60% p.a. Maturity Period: 3 years Remaining no. of installments: 10	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed
Total Term Loans from Others	**372.19**	**344.91**		

Particulars	Amount Non-Current (Rs. in Millions)	Amount Current (Rs. in Millions)	Terms of Redemption/ Repayment	Security
Debentures				
400, 14.00% Unsecured, Redeemable, Non-Convertible Debentures of Rs. 1 million each	400.00	-	Coupon Rate: 14.00% p.a. Coupon Payment frequency: Quarterly and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenure Tenure : 7 years	N.A.
200, 13.50% Unsecured, Redeemable, Non-Convertible Debentures of Rs. 1 million each	200.00	-	Coupon Rate: 13.50% p.a. Coupon Payment frequency: Annually and on Maturity Principal Payment frequency: Bullet Payment at the end of the tenure Tenure : 6 years & 6 months	N.A.
Total Debentures	**600.00**	**-**		

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 11: RESTATED STANDALONE SUMMARY STATEMENT OF OTHER LONG-TERM LIABILITIES

(Rs. in Millions)

Particulars	As at					
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Security deposits	2,913.86	2,293.07	1,467.00	899.96	996.46	510.12
Interest accrued but not due on security deposits	131.86	84.61	43.77	29.28	26.32	12.01
Advances received against loan agreements *	62.83	77.42	-	-	-	-
	3,108.55	**2,455.10**	**1,510.77**	**929.24**	**1,022.78**	**522.13**

* Advances received against loan agreements are repayable/ adjusted over the period of the contract.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 12: RESTATED STANDALONE SUMMARY STATEMENT OF LONG-TERM PROVISIONS

(Rs. in Millions)

Particulars	As at					
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Contingent Provision against Standard Assets	36.29	30.64	14.40	8.61	7.18	4.95
	36.29	**30.64**	**14.40**	**8.61**	**7.18**	**4.95**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 13: RESTATED STANDALONE SUMMARY STATEMENT OF SHORT-TERM BORROWINGS

(Rs. in Millions)

Particulars	As at					
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Secured*						
(i) Cash Credit and Overdrafts facilities from banks repayable on demand	2,139.30	888.97	3,261.15	3,384.25	2,550.93	772.82
(ii) Short Term loan from Banks	6,840.00	6,790.00	4,150.00	4,049.81	2,950.00	2,720.00
(iii) Short Term loan from Others	100.00	-	-	-	-	37.50
	9,079.30	**7,678.97**	**7,411.15**	**7,434.06**	**5,500.93**	**3,530.32**

Details of security provided in respect of short-term borrowings as at June 30, 2017:

* Cash Credits/Overdrafts/Short Term Loans from Banks are secured by hypothecation of movable assets of the Company and goods covered under HP Agreements/ Loan cum Hypothecation Agreements and relative book debts, receivables, loans and advances and entire portfolio outstanding (except specific portfolio generated from various term loans sanctioned by various banks/FIs on an exclusive basis) and equitable mortgage/negative lien by deposit of title deeds on some of the Company's immovable properties, as collateral security. The loans are also guaranteed by Mr. Kamlesh Chimanlal Gandhi, Mr. Mukesh Chimanlal Gandhi and Mrs. Shweta Kamlesh Gandhi.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 14: RESTATED STANDALONE SUMMARY STATEMENT OF TRADE PAYABLES

(Rs. in Millions)

Particulars	**As at**					
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Trade payables						
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	32.09	25.59	45.77	13.86	19.99	20.92
	32.09	**25.59**	**45.77**	**13.86**	**19.99**	**20.92**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 15: RESTATED STANDALONE SUMMARY STATEMENT OF OTHER CURRENT LIABILITIES

(Rs. in Millions)

Particulars	**As at**					
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Current maturities of long-term borrowings (Refer Annexure - 10 for details of term of redemption/ repayment and security provided)						
230 Series I - 13.50 % Secured Redeemable Non-Convertible Debentures of Rs. 1 million each	-	-	-	-	-	230.00
130 Series II - 13.20 % Secured Redeemable Non-Convertible Debentures of Rs.1 million each	-	-	-	-	-	130.00
Term loans from Banks	1,300.67	1,133.65	1,203.07	709.17	530.14	460.41
Term loans from Others	344.91	324.04	284.91	318.34	100.00	50.00
Current maturities of long-term borrowings (A)	**1,645.58**	**1,457.69**	**1,487.98**	**1,027.51**	**630.14**	**870.41**
Interest accrued but not due						
On borrowings	104.33	74.42	57.59	38.91	26.63	29.63
On others	64.26	114.17	84.31	80.52	45.15	28.65
Interest accrued but not due (B)	**168.59**	**188.59**	**141.90**	**119.43**	**71.78**	**58.28**
Other payables						
Statutory remittances (Contributions to PF and ESIC, Service Tax, etc.)	13.42	32.84	24.70	17.70	12.27	15.03
Dues to the assignees towards collections from assigned receivables	1,116.46	1,121.83	799.03	558.34	360.98	96.25
Security deposits	773.71	1,317.82	1,262.71	1,482.73	692.99	515.83
Bank overdraft as per book	-	-	2.46	-	-	-
Advances received against loan agreements *	20.83	4.17	6.94	0.04	0.33	0.62
Other payables (C)	**1,924.42**	**2,476.66**	**2,095.84**	**2,058.81**	**1,066.57**	**627.73**
Total Other Current Liabilities (A) + (B) + (C)	**3,738.59**	**4,122.94**	**3,725.72**	**3,205.75**	**1,768.49**	**1,556.42**

** Advances received against loan agreements are repayable/ adjusted over the period of the contract.*

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 16: RESTATED STANDALONE SUMMARY STATEMENT OF SHORT-TERM PROVISIONS

(Rs. in Millions)

Particulars	As at					
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Provision for Employee Benefits:						
Compensated Absences	6.55	6.24	5.43	4.28	3.09	2.03
Provision for Gratuity	0.60	-	-	-	-	-
	7.15	**6.24**	**5.43**	**4.28**	**3.09**	**2.03**
Other provisions:						
Provision for Tax (net of Advance Tax)	93.31	30.68	7.57	13.34	18.96	14.48
Provision for Non-Performing Assets	60.16	45.96	39.43	37.20	29.00	15.48
Contingent Provision against Standard Assets	46.40	46.10	33.04	21.82	14.06	8.96
	199.87	**122.74**	**80.04**	**72.36**	**62.02**	**38.92**
	207.02	**128.98**	**85.47**	**76.64**	**65.11**	**40.95**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 17: RESTATED STANDALONE SUMMARY STATEMENT OF FIXED ASSETS

For the Quarter ended June 30, 2017

(Rs. in Millions)

Nature of Assets	Gross Block (At Cost)				Depreciation					Net Block
	As at April 1, 2017	Additions	Deductions	As at June 30, 2017	As at April 1, 2017	Depreciation	Transition adjustment recorded against Surplus balance in Restated Standalone Summary Statement of Profit and Loss	Deductions	As at June 30, 2017	As at June 30, 2017
Tangible assets										
Office Buildings	35.81	23.16	-	58.97	5.22	0.21	-	-	5.43	53.54
Furniture & Fixtures	31.11	3.79	-	34.90	20.92	0.54	-	-	21.46	13.44
Vehicles	19.03	-	-	19.03	5.39	0.53	-	-	5.92	13.11
Office Equipments	69.13	3.20	1.01	71.32	53.24	1.08	-	0.96	53.36	17.96
Total	**155.08**	**30.15**	**1.01**	**184.22**	**84.77**	**2.36**	**-**	**0.96**	**86.17**	**98.05**
Intangible assets										
Software	3.00	1.08	-	4.08	1.68	0.14	-	-	1.82	2.26
Total	**3.00**	**1.08**	**-**	**4.08**	**1.68**	**0.14**	**-**	**-**	**1.82**	**2.26**
Grand Total	**158.08**	**31.23**	**1.01**	**188.30**	**86.45**	**2.50**	**-**	**0.96**	**87.99**	**100.31**

Year ended March 31, 2017

(Rs. in Millions)

Nature of Assets	Gross Block (At Cost)				Depreciation					Net Block
	As at April 1, 2016	Additions	Deductions	As at March 31, 2017	As at April 1, 2016	Depreciation	Transition adjustment recorded against Surplus balance in Restated Standalone Summary Statement of Profit and Loss	Deductions	As at March 31, 2017	As at March 31, 2017
Tangible assets										
Office Buildings	33.51	2.30	-	35.81	4.67	0.55	-	-	5.22	30.59
Furniture & Fixtures	29.30	3.80	1.99	31.11	20.63	2.10	-	1.81	20.92	10.19
Vehicles	19.48	-	0.45	19.03	3.60	2.22	-	0.43	5.39	13.64
Office Equipments	60.03	10.27	1.17	69.13	49.69	4.66	-	1.11	53.24	15.89
Total	**142.32**	**16.37**	**3.61**	**155.08**	**78.59**	**9.53**	**-**	**3.35**	**84.77**	**70.31**
Intangible assets										
Software	1.60	1.40	-	3.00	1.60	0.08	-	-	1.68	1.32
Total	**1.60**	**1.40**	**-**	**3.00**	**1.60**	**0.08**	**-**	**-**	**1.68**	**1.32**
Grand Total	**143.92**	**17.77**	**3.61**	**158.08**	**80.19**	**9.61**	**-**	**3.35**	**86.45**	**71.63**

Year ended March 31, 2016

(Rs. in Millions)

Nature of Assets	Gross Block (At Cost)				Depreciation					Net Block
	As at April 1, 2015	Additions	Deductions	As at March 31, 2016	As at April 1, 2015	Depreciation	Transition adjustment recorded against Surplus balance in Restated Standalone Summary Statement of Profit and Loss	Deductions	As at March 31, 2016	As at March 31, 2016
Tangible assets										
Office Buildings	22.98	10.76	0.23	33.51	4.23	0.49	-	0.05	4.67	28.84
Furniture & Fixtures	27.69	1.61	-	29.30	17.96	2.67	-	-	20.63	8.67
Vehicles	11.23	16.07	7.82	19.48	6.31	1.98	-	4.69	3.60	15.88
Office Equipments	56.91	3.13	0.01	60.03	46.12	3.58	-	0.01	49.69	10.34
Total	**118.81**	**31.57**	**8.06**	**142.32**	**74.62**	**8.72**	**-**	**4.75**	**78.59**	**63.73**
Intangible assets										
Software	1.60	-	-	1.60	1.60	-	-	-	1.60	-
Total	**1.60**	**-**	**-**	**1.60**	**1.60**	**-**	**-**	**-**	**1.60**	**-**
Grand Total	**120.41**	**31.57**	**8.06**	**143.92**	**76.22**	**8.72**	**-**	**4.75**	**80.19**	**63.73**

Year ended March 31, 2015

(Rs. in Millions)

Nature of Assets	Gross Block (At Cost)				Depreciation					Net Block
	As at April 1, 2014	Additions	Deductions	As at March 31, 2015	As at April 1, 2014	Depreciation	Transition adjustment recorded against Surplus balance in Restated Standalone Summary Statement of Profit and Loss *	Deductions	As at March 31, 2015	As at March 31, 2015
Tangible assets										
Office Buildings	22.98	-	-	22.98	3.86	0.37	-	-	4.23	18.75
Furniture & Fixtures	26.67	1.02	-	27.69	13.40	4.01	0.55	-	17.96	9.73
Vehicles	11.23	-	-	11.23	4.42	1.62	0.27	-	6.31	4.92
Office Equipments	50.43	6.48	-	56.91	32.44	3.74	9.94	-	46.12	10.79
Total	**111.31**	**7.50**	**-**	**118.81**	**54.12**	**9.74**	**10.76**	**-**	**74.62**	**44.19**
Intangible assets										
Software	1.60	-	-	1.60	0.99	0.61	-	-	1.60	-
Total	**1.60**	**-**	**-**	**1.60**	**0.99**	**0.61**	**-**	**-**	**1.60**	**-**
Grand Total	**112.91**	**7.50**	**-**	**120.41**	**55.11**	**10.35**	**10.76**	**-**	**76.22**	**44.19**

***** During FY 2014-15, pursuant to the notification of Schedule II to the Act with effect from April 1, 2014, the Company had adopted the useful lives of fixed assets as specified in Schedule II of the Act, w.e.f. April 1, 2014. Accordingly, the unamortised carrying value of the assets as on that date is being depreciated over their revised remaining useful lives. Pursuant to the transition provisions prescribed in Schedule II to the Act, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on April 1, 2014, and has adjusted an amount of Rs. 7.10 million (net of deferred tax) against the opening balance of Surplus in the Restated Standalone Summary Statement of Profit and Loss under Reserves and Surplus.

Year ended March 31, 2014

(Rs. in Millions)

Nature of Assets	Gross Block (At Cost)				Depreciation					Net Block
	As at April 1, 2013	Additions	Deductions	As at March 31, 2014	As at April 1, 2013	Depreciation	Transition adjustment recorded against Surplus balance in Restated Standalone Summary Statement of Profit and Loss	Deductions	As at March 31, 2014	As at March 31, 2014
Tangible assets										
Office Buildings	22.98	-	-	22.98	3.49	0.37	-	-	3.86	19.12
Furniture & Fixtures	26.33	0.34	-	26.67	11.87	1.53	-	-	13.40	13.27
Vehicles	10.51	0.72	-	11.23	3.41	1.01	-	-	4.42	6.81
Office Equipments	48.60	1.83	-	50.43	29.97	2.47	-	-	32.44	17.99
Total	**108.42**	**2.89**	**-**	**111.31**	**48.74**	**5.38**	**-**	**-**	**54.12**	**57.19**
Intangible assets										
Software	1.60	-	-	1.60	0.67	0.32	-	-	0.99	0.61
Total	**1.60**	**-**	**-**	**1.60**	**0.67**	**0.32**	**-**	**-**	**0.99**	**0.61**
Grand Total	**110.02**	**2.89**	**-**	**112.91**	**49.41**	**5.70**	**-**	**-**	**55.11**	**57.80**

Year ended March 31, 2013

(Rs. in Millions)

Nature of Assets	Gross Block (At Cost)				Depreciation					Net Block
	As at April 1, 2012	Additions	Deductions	As at March 31, 2013	As at April 1, 2012	Depreciation	Transition adjustment recorded against Surplus balance in Restated Standalone Summary Statement of Profit and Loss	Deductions	As at March 31, 2013	As at March 31, 2013
Tangible assets										
Office Buildings	22.98	-	-	22.98	3.12	0.37	-	-	3.49	19.49
Furniture & Fixtures	23.62	2.71	-	26.33	9.90	1.97	-	-	11.87	14.46
Vehicles	11.85	-	1.34	10.51	3.75	1.00	-	1.34	3.41	7.10
Office Equipments	47.52	2.71	1.63	48.60	28.95	2.58	-	1.56	29.97	18.63
Total	**105.97**	**5.42**	**2.97**	**108.42**	**45.72**	**5.92**	**-**	**2.90**	**48.74**	**59.68**
Intangible assets										
Software	1.25	0.35	-	1.60	0.35	0.32	-	-	0.67	0.93
Total	**1.25**	**0.35**	**-**	**1.60**	**0.35**	**0.32**	**-**	**-**	**0.67**	**0.93**
Grand Total	**107.22**	**5.77**	**2.97**	**110.02**	**46.07**	**6.24**	**-**	**2.90**	**49.41**	**60.61**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 18: RESTATED STANDALONE SUMMARY STATEMENT OF NON-CURRENT INVESTMENTS

(Rs. in Millions)

Particulars		Face value per share/Bond (In Rs.)	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Trade Investment								
Unquoted equity instruments								
Investment in subsidiary (at cost)								
MAS Rural Housing & Mortgage Finance Limited								
- Cost of Investment			107.50	107.50	107.50	107.50	107.50	107.50
- Number of equity shares		**10**	10,750,000	10,750,000	10,750,000	10,750,000	10,750,000	10,750,000
			107.50	**107.50**	**107.50**	**107.50**	**107.50**	**107.50**
Other than Trade Investment								
Quoted equity instruments (at cost)								
Apple Finance Limited								
- Cost of Investment	(Refer Note No. a.1)		0.00	0.00	0.00	0.00	0.00	0.00
- Number of equity shares		**10**	100	100	100	100	100	100
Athena Finance Limited								
- Cost of Investment	(Refer Note No. a.2)		0.00	0.00	0.00	0.00	0.00	0.00
- Number of equity shares		**10**	1	1	1	1	1	1
Cholamandalam Finance Limited								
- Cost of Investment	(Refer Note No. a.3)		0.00	0.00	0.00	0.00	0.00	0.00
- Number of equity shares		**10**	1	1	1	1	1	1
Dena Bank								
- Cost of Investment			0.09	0.09	0.09	0.09	0.09	0.09
- Number of equity shares		**10**	3,209	3,209	3,209	3,209	3,209	3,209
First Leasing Finance Limited								
- Cost of Investment	(Refer Note No. a.4)		0.00	0.00	0.00	0.00	0.00	0.00
- Number of equity shares		**10**	1	1	1	1	1	1
Gujarat Lease Financing Limited								
- Cost of Investment	(Refer Note No. a.5)		0.00	0.00	0.00	0.00	0.00	0.00
- Number of equity shares		**10**	125	125	125	125	125	125
HDFC Bank Limited								
- Cost of Investment	(Refer Note No. a.6)		0.00	0.00	0.00	0.00	0.00	0.00
- Number of equity shares		**2**	15	15	15	15	15	15
ICICI Bank Limited								
- Cost of Investment	(Refer Note No. a.7)		0.00	0.00	0.00	0.00	0.00	0.00
- Number of equity shares		**2**	15	15	15	15 *	3	3

Particulars		Face value per share/Bond (In Rs.)	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
IndusInd Bank Limited								
- Cost of Investment	(Refer Note No. a.8)		0.00	0.00	0.00	0.00	0.00	0.00
- Number of equity shares		**10**	102	102	102	102	102	102
Kotak Mahindra Bank Limited								
- Cost of Investment	(Refer Note No. a.9)		0.00	0.00	0.00	0.00	0.00	0.00
- Number of equity shares		**5**	500	500	500	250	250	250
Reliance Capital Limited								
- Cost of Investment	(Refer Note No. a.10)		0.00	0.00	0.00	0.00	0.00	0.00
- Number of equity shares		**10**	1	1	1	1	1	1
HDFC Limited								
- Cost of Investment			-	-	-	-	-	-
- Number of equity shares		**2**	5	5	5	5	5	5
			0.11	**0.11**	**0.11**	**0.11**	**0.11**	**0.11**
Less : Provision for diminution			0.05	0.05	0.05	0.05	0.05	0.05
			0.06	**0.06**	**0.06**	**0.06**	**0.06**	**0.06**
In Government Securities (Quoted) :								
11.5% GOI BOND 2015		**795,000**	-	-	-	0.76	0.76	0.76
Unquoted equity instruments								
Cosmos Co-operative Bank Limited								
- Cost of Investment			0.01	0.01	0.01	0.01	0.01	0.01
- Number of equity shares		**25**	277	277	277	277	277	277
Investment in pass through certificates (PTCs)								
Arkaios Multi Micro Finance Pool Trust 2015 Series A2								
- Cost of Investment			-	-	2.66	2.66	-	-
- Number of PTCs		-	-	-	10	10	-	-
Total Non-Current Investments			**107.57**	**107.57**	**110.23**	**110.99**	**108.33**	**108.33**
Aggregate Value of Quoted Investments								
Cost			0.11	0.11	0.11	0.87	0.87	0.87
Market Value			0.78	0.74	0.56	1.41	1.26	1.30
Aggregate Value of Unquoted Investments			107.51	107.51	107.51	107.51	107.51	107.51

* The number of shares of ICICI bank have increased from 3 to 15 due to split in the face value of the share from Rs. 10 to Rs. 2.

(Amount in Rs.)

Particulars	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
a.1 - Apple Finance Limited	2,150	2,150	2,150	2,150	2,150	2,150
a.2 - Athena Finance Limited	7	7	7	7	7	7
a.3 - Cholamandalam Finance Limited	52	52	52	52	52	52
a.4 - First Leasing Finance Limited	23	23	23	23	23	23
a.5 - Gujarat Lease Financing Limited	4,875	4,875	4,875	4,875	4,875	4,875
a.6 - HDFC Bank Limited	2,904	2,904	2,904	2,904	2,904	2,904
a.7 - ICICI Bank Limited	4,560	4,560	4,560	4,560	4,560	4,560
a.8 - IndusInd Bank Limited	4,590	4,590	4,590	4,590	4,590	4,590
a.9 - Kotak Mahindra Bank Limited	1,950	1,950	1,950	1,950	1,950	1,950
a.10 - Reliance Capital Limited	77	77	77	77	77	77
	21,188	21,188	21,188	21,188	21,188	21,188

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 19: RESTATED STANDALONE SUMMARY STATEMENT OF DEFERRED TAX ASSETS

(Rs. in Millions)

Particulars	**As at**					
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Tax effect of items constituting Deferred Tax Liability						
On difference between book balance and tax balance of fixed assets	(2.69)	(2.40)	(1.86)	(1.85)	(6.72)	(6.45)
	(2.69)	**(2.40)**	**(1.86)**	**(1.85)**	**(6.72)**	**(6.45)**
Tax effect of items constituting Deferred Tax Assets						
Provision for non-performing assets	20.82	15.91	13.65	12.64	9.86	5.26
Contingent Provision for Standard Assets	28.62	26.56	16.42	10.34	7.22	4.73
Provision for Gratuity	0.21	-	-	-	-	-
Provision for Compensated Absences	2.27	2.16	1.88	1.45	1.05	0.69
Expenses eligible for deduction under section 35D of the Income-tax Act, 1961	-	-	-	-	-	0.16
Total Deferred Tax Assets	**51.92**	**44.63**	**31.95**	**24.43**	**18.13**	**10.84**
Net Deferred Tax Assets	**49.23**	**42.23**	**30.09**	**22.58**	**11.41**	**4.39**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 20: RESTATED STANDALONE SUMMARY STATEMENT OF LONG-TERM LOANS AND ADVANCES

(Rs. in Millions)

Particulars	As at					
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
(A) Loans to Customers						
(i) Secured ^						
Loans	7,178.50	5,960.66	3,406.69	2,569.60	2,011.30	1,178.72
Retained Interest on securitisation/assignment	262.82	257.37	143.99	165.78	60.43	40.74
	7,441.32	**6,218.03**	**3,550.68**	**2,735.38**	**2,071.73**	**1,219.46**
(ii) Unsecured						
Loans	1,607.42	1,406.91	1,234.45	685.72	773.59	747.09
Retained Interest on securitisation/assignment	13.68	8.28	11.65	17.24	18.84	7.99
	1,621.10	**1,415.19**	**1,246.10**	**702.96**	**792.43**	**755.08**
Total Loans to Customers (A)	**9,062.42**	**7,633.22**	**4,796.78**	**3,438.34**	**2,864.16**	**1,974.54**
Of the above:						
Considered Good	9,062.42	7,633.22	4,796.78	3,438.34	2,864.16	1,974.54
	9,062.42	**7,633.22**	**4,796.78**	**3,438.34**	**2,864.16**	**1,974.54**
(B) Other Loans and Advances						
Unsecured, considered good						
Security deposits	5.10	4.78	4.13	3.80	4.02	4.49
Capital Advances	5.27	21.39	0.55	1.45	2.25	1.10
Advance Tax and TDS (Net of provisions)	20.33	20.33	1.62	1.98	-	-
Portfolio Collateral against assets assigned	-	-	-	-	-	0.17
Total Other Loans and Advances (B)	**30.70**	**46.50**	**6.30**	**7.23**	**6.27**	**5.76**
Total Loans and Advances (A) + (B)	**9,093.12**	**7,679.72**	**4,803.08**	**3,445.57**	**2,870.43**	**1,980.30**

^ Secured exposures are exposures secured wholly or partly by hypothecation of assets and/or undertaking to create a security

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 21: RESTATED STANDALONE SUMMARY STATEMENT OF OTHER NON-CURRENT ASSETS

(Rs. in Millions)

Particulars	**As at**					
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Fixed Deposit:						
Deposits with Banks given as security against borrowings and other commitments	74.83	76.28	65.66	66.86	59.93	57.53
Deposits with Banks given as collateral against assets securitised/assigned	-	-	-	15.79	23.05	47.57
Unamortised Borrowing Costs	5.67	6.51	7.41	3.10	-	-
Interest Accrued on Deposits	9.70	8.55	3.58	16.00	7.89	6.76
	90.20	**91.34**	**76.65**	**101.75**	**90.87**	**111.86**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 22: RESTATED STANDALONE SUMMARY STATEMENT OF CASH AND BANK BALANCES

(Rs. in Millions)

Particulars	As at					
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Cash and cash equivalents						
Cash on hand	0.32	1.28	3.91	3.95	3.18	0.67
Balances with banks:						
– In Current / Cash Credit Accounts	1,444.05	357.29	1,740.94	2,121.63	1,774.84	1,619.29
Total Cash and Cash Equivalents (A)	**1,444.37**	**358.57**	**1,744.85**	**2,125.58**	**1,778.02**	**1,619.96**
Other bank balances						
In Current Accounts *	3.63	4.63	0.89	0.95	0.14	0.55
Fixed Deposit:						
Deposits with Banks given as security against borrowings and other commitments	5.00	3.55	8.05	2.05	0.55	9.21
Deposits with Banks given as collateral against assets securitised/assigned	-	-	-	44.71	68.59	119.24
Total Other Bank Balances (B)	**8.63**	**8.18**	**8.94**	**47.71**	**69.28**	**129.00**
Total Cash and Bank balances (A) + (B)	**1,453.00**	**366.75**	**1,753.79**	**2,173.29**	**1,847.30**	**1,748.96**

* Balance with Banks in earmarked account i.e. "Collection and Payout Account".

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 23: RESTATED STANDALONE SUMMARY STATEMENT OF SHORT-TERM LOANS AND ADVANCES

(Rs. in Millions)

Particulars	As at					
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
(A) Loans to Customers						
(i) Secured ^						
Loans	7,295.72	6,459.89	5,385.30	4,716.95	3,202.61	2,196.63
Retained Interest on securitisation/assignment	829.07	795.62	537.64	335.28	220.62	101.23
Installments and other dues from borrowers	166.09	140.40	118.54	87.99	135.16	157.92
(ii) Unsecured						
Loans	2,771.41	3,466.66	4,271.72	3,086.22	1,816.06	966.75
Retained Interest on securitisation/assignment	125.52	100.28	65.57	86.04	56.46	35.44
Installments and other dues from borrowers	178.92	189.76	208.85	193.31	78.36	71.63
Total Loans to Customers (A)	**11,366.73**	**11,152.61**	**10,587.62**	**8,505.79**	**5,509.27**	**3,529.60**
Of the above:						
Considered Good	11,306.84	11,106.95	10,548.19	8,468.59	5,480.27	3,514.12
Considered Doubtful - Non Performing Assets	59.89	45.66	39.43	37.20	29.00	15.48
	11,366.73	**11,152.61**	**10,587.62**	**8,505.79**	**5,509.27**	**3,529.60**
(B) Loans and Advances to Related Party						
Unsecured, considered good						
Intercorporate deposit given to Subsidary Company	-	-	-	-	-	2.00
Total Loans and Advances to Related Party (B)	**-**	**-**	**-**	**-**	**-**	**2.00**
(C) Other Loans and Advances						
Unsecured						
Advance Funding						
Considered Good	403.48	489.91	501.19	324.80	191.76	68.45
Considered Doubtful - Non Performing Assets	0.28	0.30	-	-	-	-
	403.76	490.21	501.19	324.80	191.76	68.45
Security deposits (considered good)	-	-	-	-	-	15.00
Advances to employees (considered good)	1.55	1.49	1.16	1.17	1.09	1.14
Prepaid expenses (considered good)	35.41	32.60	0.67	0.68	0.73	0.88
Advances recoverable in cash or in kind (considered good)	1.53	1.17	5.38	0.37	0.15	3.10
Balance with Gratuity Fund	-	0.65	3.03	2.93	2.69	2.68
Portfolio Collateral against assets assigned (considered good)	-	-	-	-	-	2.94
Total Other Loans and Advances (C)	**442.25**	**526.12**	**511.43**	**329.95**	**196.42**	**94.19**
Total Loans and Advances (A) + (B) + (C)	**11,808.98**	**11,678.73**	**11,099.05**	**8,835.74**	**5,705.69**	**3,625.79**
Percentage of loans against gold to total assets	0.0000%	0.0001%	0.0004%	0.0013%	0.03%	0.19%

^ Secured exposures are exposures secured wholly or partly by hypothecation of assets and/or undertaking to create a security

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 24: RESTATED STANDALONE SUMMARY STATEMENT OF OTHER CURRENT ASSETS

(Rs. in Millions)

Particulars	As at					
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Unamortised Borrowing Costs	19.20	19.67	25.46	25.40	-	-
Dividend Income Receivable From Subsidiary Company	-	-	0.54	-	-	-
Interest accrued						
- on Investments	-	-	-	0.03	0.03	0.03
- on Loans and Advances	176.22	175.84	152.01	105.15	77.21	66.32
- on Deposits	1.62	1.16	2.43	1.50	1.19	4.82
Re-possessed Assets (net of provisions)	10.44	10.15	9.45	10.67	6.06	4.14
Other Income Receivable	-	-	-	-	-	0.13
	207.48	**206.82**	**189.89**	**142.75**	**84.49**	**75.44**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 25: RESTATED STANDALONE SUMMARY STATEMENT OF REVENUE FROM OPERATIONS

(Rs. in Millions)

Particulars	For the quarter ended	For the year ended				
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Income from Financing Activity						
- Interest	908.64	3,147.50	2,635.37	2,054.98	1,620.34	1,233.03
Other Operating Revenue						
- Service Charges, Stamp & Document Charges etc.	66.95	258.50	239.97	196.06	140.05	129.00
- Interest on deposits placed as collateral towards assets assigned / securitised	-	-	2.11	5.28	8.29	16.62
Income from Non-Financing Activity	0.06	0.31	0.35	0.43	0.61	0.71
	975.65	**3,406.31**	**2,877.80**	**2,256.75**	**1,769.29**	**1,379.36**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 26: RESTATED STANDALONE SUMMARY STATEMENT OF OTHER INCOME

(Rs. in Millions)

Particulars	For the quarter ended	For the year ended				
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Interest Income:						
- On Investments - Non-Current, Non-Trade, Quoted (Govt. Securities)	-	-	0.01	0.09	0.09	0.09
- On Bank Deposits	1.75	6.76	6.82	6.81	6.10	7.08
- On Other Deposits	-	-	-	-	0.39	1.19
Dividend Income:						
- Subsidiary	0.54	-	1.18	0.48	-	-
- Others	-	^ 0.00	* 0.00	# 0.00	0.02	0.01
Profit on Redemption of Long Term Investment	-	-	0.03	-	-	-
Income distribution on Pass Through Certificates held as non-current investments	-	0.90	-	-	-	-
Other Non-Operating Income:						
- Rent	0.30	1.20	1.20	1.07	0.75	0.60
- Miscellaneous Income	-	-	-	0.08	0.14	0.14
	2.59	**8.86**	**9.24**	**8.53**	**7.49**	**9.11**

^ Dividend Income from others of Rs. 1,028/-.
* Dividend Income from others of Rs. 3,794/-.
# Dividend Income from others of Rs. 3,925/-.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 27: RESTATED STANDALONE SUMMARY STATEMENT OF EMPLOYEE BENEFIT EXPENSE

(Rs. in Millions)

Particulars	For the quarter ended	For the year ended				
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Salaries, Bonus and Allowances	74.14	245.26	210.10	151.20	127.73	114.01
Contributions to Provident & Other Funds	3.28	12.13	7.49	4.89	5.07	5.82
Staff Welfare Expenses	0.97	5.02	6.15	3.81	3.72	3.28
	78.39	**262.41**	**223.74**	**159.90**	**136.52**	**123.11**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 28: RESTATED STANDALONE SUMMARY STATEMENT OF FINANCE COSTS

(Rs. in Millions)

Particulars	For the quarter ended	For the year ended				
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Interest on						
- Bank Borrowings	238.32	958.71	844.28	740.41	474.55	308.08
- Debentures	36.89	147.97	135.72	66.01	80.69	89.24
- Others	81.27	318.47	241.10	184.91	116.69	77.23
Discount on Commercial Papers	-	17.68	53.77	23.48	25.02	20.33
Other Borrowing Costs	18.99	69.80	65.51	40.62	57.20	51.69
	375.47	**1,512.63**	**1,340.38**	**1,055.43**	**754.15**	**546.57**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 29: RESTATED STANDALONE SUMMARY STATEMENT OF DEPRECIATION AND AMORTISATION

(Rs. in Millions)

Particulars	For the quarter ended	For the year ended				
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Depreciation on tangible assets	2.36	9.53	8.72	9.74	5.38	5.92
Amortisation of intangible assets	0.14	0.08	-	0.61	0.32	0.32
	2.50	**9.61**	**8.72**	**10.35**	**5.70**	**6.24**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 30: RESTATED STANDALONE SUMMARY STATEMENT OF PROVISIONS AND LOAN LOSSES

(Rs. in Millions)

Particulars	For the quarter ended	For the year ended				
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Loss Assets Written Off	65.90	215.20	201.75	157.13	106.21	68.20
Loss on Sale of Repossessed Assets (Net)	4.76	16.35	11.69	18.96	17.54	5.69
Provision for Non-Performing Assets	14.20	6.53	2.23	8.19	13.52	6.60
Contingent Provision against Standard Assets	5.96	29.29	17.02	9.19	7.32	3.46
	90.82	**267.37**	**232.69**	**193.47**	**144.59**	**83.95**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 31: RESTATED STANDALONE SUMMARY STATEMENT OF OTHER EXPENSES

(Rs. in Millions)

Particulars	For the quarter ended	For the year ended				
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Rent (Refer Annexure 33.5)	4.13	14.74	13.42	13.08	13.46	12.69
Rates & Taxes	0.88	2.70	2.67	2.49	1.17	2.61
Stationery & Printing	1.67	7.42	9.71	7.70	7.14	7.32
Telephone	1.94	7.75	7.11	7.32	6.61	6.76
Electricity	1.57	5.49	4.91	5.64	5.01	4.19
Postage & Courier	1.40	6.83	7.06	5.54	6.45	4.47
Insurance	2.27	9.47	9.17	7.86	7.20	7.37
Conveyance	4.28	23.36	20.38	16.53	16.90	15.11
Travelling	6.19	23.14	24.14	17.13	12.87	12.11
Repair and maintenance - Building	1.16	1.47	2.89	0.65	1.81	0.66
Repair and maintenance - Others	2.44	9.01	7.91	7.17	6.45	4.58
Professional Fees	8.32	28.20	32.79	14.26	10.48	9.24
Director's Sitting Fees	0.12	0.44	0.30	0.30	0.29	0.42
Auditor's remuneration						
-Statutory Audit Fees	0.33	1.78	1.58	1.24	1.42	1.02
-Other Services	0.57	0.50	0.40	0.31	0.31	0.23
Legal Expenses	1.87	17.71	16.75	16.81	19.48	8.18
Bank Charges	1.99	10.27	15.12	12.61	11.32	14.13
Commission	21.61	87.77	73.23	64.28	59.84	62.50
Advertisement Expenses	4.38	22.21	11.63	11.72	13.32	14.84
Sales Promotion Expenses	0.95	6.74	10.05	6.00	6.61	2.52
Donation	-	-	-	-	0.15	0.11
Loss on Sale of Fixed Assets	0.04	0.12	0.61	-	-	0.05
Recovery Contract Charges	7.74	31.42	33.98	29.68	39.35	32.77
Corporate Social Responsibility Expenditure	-	0.29	-	-	-	-
Miscellaneous Expenses	2.97	13.08	11.59	10.00	10.01	7.39
	78.82	**331.91**	**317.40**	**258.32**	**257.65**	**231.27**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 32: RESTATED STANDALONE SUMMARY STATEMENT OF EARNING PER SHARE

(Rs. in Millions)

Particulars	**For the quarter ended June 30, 2017**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**	**For the year ended March 31, 2015**	**For the year ended March 31, 2014**	**For the year ended March 31, 2013**
(A) Basic						
Computation of Restated Net Profit						
Restated Net Profit after tax	230.44	674.17	500.08	388.20	316.76	268.39
Less: Preference dividend including tax thereon	9.89	39.54	34.85	34.85	32.88	47.49
Restated Net Profit for the year/ quarter attributable to Equity Shareholders	**220.55**	**634.63**	**465.23**	**353.35**	**283.88**	**220.90**
Computation of Weighted Average Number of Shares	**Nos.**	**Nos.**	**Nos.**	**Nos.**	**Nos.**	**Nos.**
Weighted average number of Equity Shares of Rs. 10 each used for calculation of basic Earnings per Share (Refer Note 1 below)	43,786,098	40,016,510	40,000,313	40,000,313	40,000,313	40,000,272
Basic Earnings per Share of face value of Rs. 10 each (in Rs.)	5.04	15.86	11.63	8.83	7.10	5.52
	(Refer note 3 below)					
(B) Diluted (Refer Note 2 below)						
Computation of Restated Net Profit						
Restated Net Profit attributable to Equity Shareholder's as above	220.55	634.63	465.23	353.35	283.88	220.90
Add: Dividend on Compulsorily Convertible Cumulative Preference Shares including tax and Interest Expense on Compulsorily Convertible Debentures net of tax	10.63	42.51	-	-	-	-
Restated Net Profit attributable to Equity Shareholder's (on dilution)	**231.18**	**677.14**	**465.23**	**353.35**	**283.88**	**220.90**
Computation of Weighted Average Number of Shares	**Nos.**	**Nos.**	**Nos.**	**Nos.**	**Nos.**	**Nos.**
Weighted average number of Equity Shares as above (Refer note 1 below)	43,786,098	40,016,510	40,000,313	40,000,313	40,000,313	40,000,272
Add: Effect of Compulsorily Convertible Cumulative Preference Shares and Compulsorily Convertible Debentures which are dilutive	4,890,451	4,890,451	-	-	-	-
Weighted average number of Equity Shares for Diluted Earnings per Share	48,676,549	44,906,961	40,000,313	40,000,313	40,000,313	40,000,272
Diluted Earnings per Share of face value of Rs. 10 each (in Rs.)	4.75	15.08	11.63	8.83	7.10	5.52
	(Refer note 3 below)					

1. Earnings per share calculations are made in accordance with Accounting Standard 20 "Earnings Per Share". As per the requirements of AS 20 "Earnings Per Share", the weighted average number of equity shares considered for calculation of Basic and Diluted Earnings per Share includes the bonus shares issued and the Basic and Diluted Earnings per Share for all comparative periods has been presented giving the effect to the issue of bonus shares as stated below:

a. The Company has issued 6,000,000 equity shares as bonus shares in the ratio of 3:5 (3 bonus shares for every 5 equity shares held). These equity shares have been allotted on January 28, 2014.

b. The Company has issued 24,000,188 equity shares as bonus shares in the ratio of 3:2 (3 bonus shares for every 2 equity shares held). These equity shares have been allotted on November 18, 2016.

2. The Preference shares and Debentures are convertible (either compulsorily or optionally) as per the method and period specified in the respective agreements, as amended from time to time. For the year ended March 31, 2017 and quarter ended June 30, 2017, the Company has determined the dilutive effect for earnings per shares based upon the maximum number of equity shares likely to be issued to the potential equity shareholder. In the earlier period, the same was not ascertainable.

3. Earnings per share for the quarter ended June 30, 2017 is not annualised.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 33: RESTATED STANDALONE SUMMARY STATEMENT OF NOTES TO ACCOUNTS

33.1 Contingent Liabilities and Commitments (to the extent not provided for)

(Rs. in Millions)

Particulars	**As at**					
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Contingent Liabilities						
I) In respect of disputed Income-tax matters :	2.85	2.85	2.82	-	-	-
Future cash outflows in respect of the above matters are determinable only on receipt of judgements/ decision pending at various forums/ authorities.						
II) Guarantees given on behalf of subsidiary Company :						
a) To banks						
Amount of guarantees	700.00	700.00	700.00	700.00	600.00	100.00
Amount of loans outstanding	260.18	285.74	388.01	479.02	427.14	77.68
b) To National Housing Bank (NHB)						
Amount of guarantee	120.00	120.00	120.00	120.00	70.00	20.00
Amount of loan outstanding	86.45	89.29	100.66	60.97	37.02	20.00
Commitments						
Estimated amount of contracts remaining to be executed on capital account and not provided for:						
a) Tangible Assets	5.00	11.48	1.06	0.70	1.98	0.90
b) Intangible Assets	0.90	0.90	0.70	-	-	-

33.2 The Company had entered into an Investment and Shareholders Agreement (“the Agreement”) with India Advantage Fund – VII (Mezzanine Fund I) (“the Investor”) in F.Y. 2008-09 pursuant to which the Investor had subscribed to and had been allotted 40 million 8% Cumulative Redeemable Preference Shares (CRPS) of the face value of Rs. 10 each for cash at par. The shares were redeemable in one instalment on June 15, 2012 at face value plus a redemption premium which was to be calculated based on the IRR as per the terms of the agreement (including its amendment thereof). As per the terms of the agreement (including amendment thereof), upon occurrence or non-occurrence of certain events, the investor had a right to convert, at its option, the CRPS into fully paid-up equity shares of the Company at a rate to be determined based on fair value of the equity shares to be calculated in the manner as stated in the agreement.

During F.Y. 2012-13, the Company has redeemed the aforesaid CRPS of nominal value of Rs. 400 million at a premium of Rs. 221.32 million. The CRPS have been redeemed out of proceeds of a fresh issue of 499.80 million Compulsorily Convertible Debentures (CCDs) aggregating to Rs. 649.74 million (including premium of Rs. 149.94 million) made by the Company during the that year. The redemption premium on CRPS of Rs. 221.32 million (Rs. 120.15 million from Security Premium and Rs. 101.17 million from Surplus in Restated Standalone Summary Statement of Profit and Loss) has been provided in the Financial Statements for the F.Y. 2012-13.

Based on an legal opinion taken by the Company, the CCDs have been considered to be in the nature of “Equity” and in view thereof, no amount has been transferred to “Capital Redemption Reserve Account” as the fresh issue of CCDs has been considered as “fresh issue of shares” as envisaged under the provisions of section 80 of the erstwhile Companies Act, 1956.

33.3 As per the Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential norms (Reserve Bank) Directions, 2015 the overdue period stipulated in sub-clauses (a) to (f) of clause (xix) to paragraph 2 is ‘‘five months or more’ for the financial year ending March 31, 2016 and ‘four months or more’ for the financial year ending March 31, 2017’. However the Company has done early adoption of the ‘four months or more’ criteria for the financial year ending March 31, 2016 and is compliant with the requirement for the financial year ending March 31, 2017.

As per the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 the contingent provision on standard assets is required to be made @ '0.35% of the balance of standard assets' as stipulated in paragraph 14 under Chapter V – Prudential Regulations of Section II : Prudential Issues for the financial year ending March 31, 2017 and ‘@ 0.40% of the balance of standard assets' for the financial year ending March 31, 2018. However the Company has done early adoption of the ‘0.40%’ criteria for the financial year ending March 31, 2017 and is compliant with the requirement for the financial year ending March 31, 2018 as prescribed in the RBI Directions.

33.4 The company sells loans through securitization and direct assignment transactions.
The information of securitization /direct assignment by the company as originator as required by RBI Circular DNBS. PD. No. 301/3.10.01/2012-13 dated August 21, 2012 is as under:

(a) For Securitization Transaction

(Rs. in Millions)

Sr. No.	Particulars	As at June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	No of SPVs sponsored by the company for securitization transactions	Nil	Nil	Nil	3	3	1
2	Total amount of securitised assets as per books of the SPVs sponsored by the company	Nil	Nil	Nil	261.49	419.58	623.02
3	Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet						
	a) Off-balance sheet exposures						
	• First loss	Nil	Nil	Nil	Nil	Nil	Nil
	• Others	Nil	Nil	Nil	Nil	Nil	Nil
	b) On-balance sheet exposures						
	• First loss	Nil	Nil	Nil	60.51	67.64	36.74
	• Others	Nil	Nil	Nil	114.76	50.95	24.92
4	Amount of exposures to securitization transactions other than MRR						
	a) Off-balance sheet exposures						
	i) Exposure to own securitizations						
	• First loss	Nil	Nil	Nil	Nil	Nil	Nil
	• Others	Nil	Nil	Nil	Nil	Nil	Nil
	ii) Exposure to third party securitizations						
	• First loss	Nil	Nil	Nil	Nil	Nil	Nil
	• Others	Nil	Nil	Nil	Nil	Nil	Nil
	b) On-balance sheet exposures						
	i) Exposure to own securitizations						
	• First loss	Nil	Nil	Nil	Nil	Nil	Nil
	• Others	Nil	Nil	Nil	Nil	Nil	Nil
	ii) Exposure to third party securitizations						
	• First loss	Nil	Nil	Nil	Nil	Nil	Nil
	• Others	Nil	Nil	Nil	Nil	Nil	Nil

(b) For Assignment Transaction

(Rs. in Millions)

Sr. No.	Particulars	As at June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	No of SPVs sponsored by the company for assignment transactions	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2	Total amount of assigned assets as per books of the company (excluding accrued interest)	12,676.93	13,053.89	10,274.85	8,011.43	5,233.11	3,925.08
3	Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet						
	a) Off-balance sheet exposures						

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	• First loss	Nil	Nil	Nil	Nil	Nil	Nil
	• Others	Nil	Nil	Nil	Nil	Nil	Nil
	b) On-balance sheet exposures						
	• First loss	Nil	Nil	Nil	Nil	Nil	Nil
	• Others	1,231.07	1,161.55	758.86	489.58	305.40	160.48
4	Amount of exposures to assignment transactions other than MRR						
	a) Off-balance sheet exposures						
	i) Exposure to own assignments						
	• First loss	Nil	Nil	Nil	Nil	Nil	Nil
	• Others	Nil	Nil	Nil	Nil	Nil	Nil
	ii) Exposure to third party assignments						
	• First loss	Nil	Nil	Nil	Nil	Nil	Nil
	• Others	Nil	Nil	Nil	Nil	Nil	Nil
	b) On-balance sheet exposures						
	i) Exposure to own assignments						
	• First loss	Nil	Nil	Nil	Nil	23.99	130.07
	• Others	Nil	Nil	Nil	Nil	Nil	Nil
	ii) Exposure to third party assignments						
	• First loss	Nil	Nil	Nil	Nil	Nil	Nil
	• Others	Nil	Nil	Nil	Nil	Nil	Nil
	Dues to assignees towards collections from assigned receivables	1,116.46	1,121.83	799.03	558.34	360.98	96.25

33.5 (a) The Company has entered into leave and license agreements for taking office premises along with furniture and fixtures as applicable and godown premises on rental basis for various periods. The specified disclosure in respect of these agreements is given below:

(Rs. in Millions)

Particulars	For the quarter ended June 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
Lease payments recognised in the Restated Standalone Summary Statement of Profit and Loss	4.13	14.74	13.42	13.08	13.46	12.69

Note:-

i. The Company has given refundable, interest free security deposits under certain agreements.

ii. Certain agreements contain a provision for their renewal.

(b) The Company has let out portions of office premises along with furnitures & fixtures and other amenities on operating lease to its subsidiary MAS Rural Housing & Mortgage Finance Limited. Lease rental income recognised in the Restated Standalone Summary Statement of Profit and Loss is as follows:

(Rs. in Millions)

Particulars	For the quarter ended June 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
Lease rental income recognised in the Restated Standalone Summary Statement of Profit and Loss	0.30	1.20	1.20	1.07	0.75	0.60

33.6 Employee Benefits

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

(Rs. in Millions)

	Particulars	**As at/ For the quarter ended June 30, 2017**	**As at/ For the year ended March 31, 2017**	**As at/ For the year ended March 31, 2016**	**As at/ For the year ended March 31, 2015**	**As at/ For the year ended March 31, 2014**	**As at/ For the year ended March 31, 2013**
A	**Net liability /(assets) recognised in the Balance Sheet**						
	Present value of funded obligation	13.16	11.73	7.22	5.59	5.51	4.80
	Fair value of plan assets	12.56	12.38	10.25	8.52	8.20	7.48
	Net liability/(assets)	**0.60**	**(0.65)**	**(3.03)**	**(2.93)**	**(2.69)**	**(2.68)**
B	**Expense recognised in the Restated Standalone Summary Statement of Profit and Loss for the year/period**						
	Current service cost	0.62	1.62	1.19	0.74	0.68	0.63
	Interest on obligation	0.21	0.57	0.42	0.48	0.39	0.33
	Expected return on plan assets	(0.23)	(0.77)	(0.76)	(0.76)	(0.69)	(0.58)
	Net actuarial losses /(gains)	0.65	2.63	0.19	(0.48)	(0.27)	0.13
	Past Service Liability	-	-	-	(0.27)	-	-
	Total expense included in restated employee benefit expense (Refer Annexure 27)	**1.25**	**4.05**	**1.04**	**(0.29)**	**0.11**	**0.51**
	Actual return on Plan assets	0.19	0.68	0.81	0.74	0.70	0.58
C	**Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:**						
	Opening defined benefit obligation	11.73	7.22	5.59	5.51	4.80	3.96
	Transfer in/(out) obligation	-	-	(0.09)	-	-	-
	Service Cost	0.62	1.62	1.19	0.74	0.68	0.63
	Interest Cost	0.21	0.57	0.42	0.48	0.39	0.33
	Actuarial losses /(gains)	0.60	2.53	0.24	(0.49)	(0.27)	0.13
	Past Service Liability	-	-	-	(0.27)	-	-
	Benefits paid	-	(0.21)	(0.13)	(0.38)	(0.09)	(0.25)
	Closing defined benefit obligation	**13.16**	**11.73**	**7.22**	**5.59**	**5.51**	**4.80**
D	**Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof:**						
	Opening balance of fair value of plan assets	12.38	10.25	8.52	8.20	7.48	5.78
	Transfer in/(out) plan assets	-	-	(0.12)	-	-	-
	Adjustment	-	-	-	-	-	(0.02)
	Expense deducted from the fund	-	-	(0.16)	(0.13)	-	-
	Expected return	0.23	0.77	0.77	0.76	0.69	0.58
	Actuarial gains / (losses)	(0.05)	(0.10)	0.05	(0.01)	-	* (0.00)
	Contributions by Employer	-	1.67	1.32	0.08	0.12	1.39
	Benefits paid	-	(0.21)	(0.13)	(0.38)	(0.09)	(0.25)
	Closing balance of fair value of plan assets	**12.56**	**12.38**	**10.25**	**8.52**	**8.20**	**7.48**

	Particulars	As at/ For the quarter ended June 30, 2017	As at/ For the year ended March 31, 2017	As at/ For the year ended March 31, 2016	As at/ For the year ended March 31, 2015	As at/ For the year ended March 31, 2014	As at/ For the year ended March 31, 2013
E	**Major categories of plan assets as a percentage of total plan assets:**						
	Qualifying insurance policy with LIC	100%	100%	100%	100%	100%	100%
	(Break-up of plan assets not available)						
F	**Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):**						
	Discount rate (Refer note 1(b) below)	6.90%	7.40%	8.10%	7.80%	9.00%	8.30%
	Expected return on plan assets	6.90%	7.40%	8.10%	8.70%	9.15%	9.15%
	Annual increase in salary costs (Refer note 1(a) below)	7.00%	7.00%	5.50%	5.00%	5.00%	5.00%
	* Actuarial gains / (losses) of Rs. 2,509/-.						

Notes:

1 (a) The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

(b) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

(c) Overall expected rate of return on assets taken is the rate declared by LIC.

(Rs. in Millions)

2	**Defined Contribution Plans**	**For the quarter ended June 30, 2017**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**	**For the year ended March 31, 2015**	**For the year ended March 31, 2014**	**For the year ended March 31, 2013**
	Amount recognised as an expense and included in Annexure 27 of Restated Standalone Summary Statement of Profit and Loss						
	Provident Fund	1.48	5.63	4.76	3.68	3.18	3.20
	E.S.I.C	0.41	0.79	0.56	0.67	1.23	1.48
	Total	1.89	6.42	5.32	4.35	4.41	4.68

(Rs. in Millions)

3	**Experience Adjustments:**	**As at June 30, 2017**	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**	**As at March 31, 2014**	**As at March 31, 2013**
	Present value of the defined benefit obligation	13.16	11.73	7.22	5.59	5.51	4.80
	Fair value of the plan assets	12.56	12.38	10.25	8.52	8.20	7.48
	Deficit/(Surplus) in the plan	0.60	(0.65)	(3.03)	(2.93)	(2.69)	(2.68)
	Experience (gain) / loss adjustments on plan liabilities	0.60	2.53	0.23	(0.50)	(0.26)	0.02
	Experience (gain) / loss adjustments on plan assets	0.04	0.09	(0.04)	0.02	(0.01)	-

33.7 Segment Reporting

The Company is engaged primarily in the business of Financing and all its operations are in India only. Accordingly, there are no separate reportable segments as per Accounting Standard 17 - “Segment Reporting” specified under Section 133 of the Companies Act, 2013.

33.8 Related Party Disclosures

List of related parties and relationships:

Sr. No.	Nature of Relationship	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
1	Subsidiary Company	MAS Rural Housing & Mortgage Finance Limited	MAS Rural Housing & Mortgage Finance Limited	MAS Rural Housing & Mortgage Finance Limited	MAS Rural Housing & Mortgage Finance Limited	MAS Rural Housing & Mortgage Finance Limited	MAS Rural Housing & Mortgage Finance Limited
2	Key Management Personnel.	Mr. Kamlesh C. Gandhi (Chairman & Managing Director)	Mr. Kamlesh C. Gandhi (Chairman & Managing Director)	Mr. Kamlesh C. Gandhi (Chairman & Managing Director)	Mr. Kamlesh C. Gandhi (Chairman & Managing Director)	Mr. Kamlesh C. Gandhi (Chairman & Managing Director)	Mr. Kamlesh C. Gandhi (Chairman & Managing Director)
		Mr. Mukesh C. Gandhi (Whole Time Director & Chief Finance Officer)	Mr. Mukesh C. Gandhi (Whole Time Director & Chief Finance Officer)	Mr. Mukesh C. Gandhi (Whole Time Director & Chief Finance Officer)	Mr. Mukesh C. Gandhi (Whole Time Director & Chief Finance Officer)	Mr. Mukesh C. Gandhi (Whole Time Director & Chief Finance Officer)	Mr. Mukesh C. Gandhi (Whole Time Director & Chief Finance Officer)
		Mrs. Darshana S. Pandya (Director & Chief Operating Officer)	Mrs. Darshana S. Pandya (Director & Chief Operating Officer) (w.e.f. September 23, 2016)	-	-	-	-
3	Entities under common control	-	MAS Realties Limited (upto March 17,2017)	MAS Realties Limited	MAS Realties Limited	MAS Realties Limited	MAS Realties Limited
		-	Sarjan Developers Private Limited (upto March 17,2017)	Sarjan Developers Private Limited	Sarjan Developers Private Limited	Sarjan Developers Private Limited	Sarjan Developers Private Limited
		Swalamb Mass Financial Services Limited	Swalamb Mass Financial Services Limited	Swalamb Mass Financial Services Limited	Swalamb Mass Financial Services Limited	Swalamb Mass Financial Services Limited	Swalamb Mass Financial Services Limited
		Anamaya Capital LLP	Anamaya Capital LLP	Anamaya Capital LLP	-	-	-
		-	Acquarian Information Technology Private Limited (upto March 08,2017)	Acquarian Information Technology Private Limited	Acquarian Information Technology Private Limited	Acquarian Information Technology Private Limited	Acquarian Information Technology Private Limited
		-	Mukesh C. Gandhi (HUF) (upto December 17,2016)	Mukesh C. Gandhi (HUF)	Mukesh C. Gandhi (HUF)	Mukesh C. Gandhi (HUF)	Mukesh C. Gandhi (HUF)
		Kamlesh C. Gandhi (HUF)	Kamlesh C. Gandhi (HUF)	Kamlesh C. Gandhi (HUF)	Kamlesh C. Gandhi (HUF)	Kamlesh C. Gandhi (HUF)	Kamlesh C. Gandhi (HUF)
		Prarthna Marketing Private Limited	Prarthna Marketing Private Limited	Prarthna Marketing Private Limited	Prarthna Marketing Private Limited	Prarthna Marketing Private Limited	Prarthna Marketing Private Limited
4	Relatives of Key Management Personnel	-	-	-	-	-	Mrs. Mona M. Gandhi (upto May 11, 2012)
		Mrs. Shweta K. Gandhi	Mrs. Shweta K. Gandhi	Mrs. Shweta K. Gandhi	Mrs. Shweta K. Gandhi	Mrs. Shweta K. Gandhi	Mrs. Shweta K. Gandhi
		Mrs. Urmilaben C. Gandhi	Mrs. Urmilaben C. Gandhi	Mrs. Urmilaben C. Gandhi	Mrs. Urmilaben C. Gandhi	Mrs. Urmilaben C. Gandhi	Mrs. Urmilaben C. Gandhi

		Mr. Saumil D. Pandya	Mr. Saumil D. Pandya (w.e.f. September 23, 2016)	-	-	-	-
		Mr. Dhwanil K. Gandhi	Mr. Dhwanil K. Gandhi	Mr. Dhwanil K. Gandhi	Mr. Dhwanil K. Gandhi	Mr. Dhwanil K. Gandhi	Mr. Dhwanil K. Gandhi

Related party transactions:

(Rs. in Millions)

Sr. No.	**Nature of transactions**	**For the quarter ended June 30, 2017**	**For the year ended**				
			March 31, 2017	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
1	**Interest Income:**						
	MAS Rural Housing & Mortgage Finance Limited	-	-	-	-	0.86	2.90
2	**Rent income:**						
	MAS Rural Housing & Mortgage Finance Limited	0.30	1.20	1.20	1.07	0.75	0.60
3	**Recovery Contract charges received:**						
	MAS Rural Housing & Mortgage Finance Limited	0.06	0.24	0.26	-	-	-
4	**Inter-Corporate Deposit given to:**						
	MAS Rural Housing & Mortgage Finance Limited	-	-	-	-	71.00	122.00
5	**Inter-Corporate Deposit repaid by:**						
	MAS Rural Housing & Mortgage Finance Limited	-	-	-	-	73.00	120.00
6	**Expenditure reimbursed by:**						
	MAS Rural Housing & Mortgage Finance Limited	0.51	11.68	11.33	10.54	7.59	2.51
7	**Remittances of Collection Received on behalf of :**						
	MAS Rural Housing & Mortgage Finance Limited	0.74	0.52	0.75	0.02	0.10	0.07
8	**Subscription to Compulsorily Convertible**						
	Cumulative Preference Shares:						
	Mr. Kamlesh C. Gandhi	-	2.50	-	-	-	-
	Mr. Mukesh C. Gandhi	-	2.50	-	-	-	-

Sr. No.	Nature of transactions	For the quarter ended	For the year ended				
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
9	**Remuneration paid:**						
	Mr. Kamlesh C. Gandhi	14.86	41.54	31.77	21.74	15.92	12.06
	Mr. Mukesh C. Gandhi	14.86	41.47	31.60	21.58	15.80	11.98
	Mrs. Darshana S. Pandya	0.43	0.81	-	-	-	-
	Mr. Saumil D. Pandya	0.57	1.26	-	-	-	-
	Mr. Dhwanil K. Gandhi	0.24	0.88	0.58	0.43	0.30	0.30
10	**Dividend received:**						
	MAS Rural Housing & Mortgage Finance Limited	0.54	-	1.18	0.48	-	-
11	**Guarantees given:**						
	MAS Rural Housing & Mortgage Finance Limited	-	-	-	150.00	550.00	20.00
12	**Dividend Paid:**						
	Mr. Mukesh C. Gandhi	-	51.86	31.06	9.88	6.18	-
	Mrs. Mona M. Gandhi	-	-	-	-	-	3.97
	Mr. Kamlesh C. Gandhi	-	20.88	27.47	8.74	5.46	3.51
	Mr. Mukesh C. Gandhi (HUF)	-	1.63	39.82	12.67	7.92	5.09
	Mrs. Shweta K. Gandhi	-	54.00	71.89	22.87	14.30	9.19
	Mrs. Urmilaben C. Gandhi ^	-	0.00	0.00	0.00	0.00	0.00
	Prarthna Marketing Private Limited	-	4.32	5.74	1.83	1.14	0.73
	Mrs. Darshana S. Pandya	-	* 0.00	-	-	-	-
	Mr. Saumil D. Pandya	-	# 0.00	-	-	-	-
13	**Loan granted:**						
	Mrs. Darshana S. Pandya	-	0.58	-	-	-	-
		As at June 30, 2017	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**	**As at March 31, 2014**	**As at March 31, 2013**
14	**Balance outstanding at the end of the year/ quarter:**						
	Guarantees given to MAS Rural Housing & Mortgage Finance Limited	820.00	820.00	820.00	820.00	670.00	120.00
	However the outstanding amount of loans against which guarantees have been given	346.63	375.03	488.67	539.99	464.16	97.68
	Investment in MAS Rural Housing & Mortgage Finance Limited	107.50	107.50	107.50	107.50	107.50	107.50

Sr. No.	Nature of transactions	For the quarter ended	For the year ended				
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	Dividend receivable from MAS Rural Housing & Mortgage Finance Limited	-	-	0.54	-	-	-
	Inter Corporate Deposit MAS Rural Housing & Mortgage Finance Limited	-	-	-	-	-	2.00
	Loan granted Mrs. Darshana S. Pandya	0.14	0.25	-	-	-	-
15	**Bonus Payable:**						
	Mr. Kamlesh C. Gandhi	0.77	2.40	1.94	1.32	0.96	0.65
	Mr. Mukesh C. Gandhi	0.77	2.40	1.94	1.32	0.96	0.65
	Mrs. Darshana S. Pandya	0.02	0.07	-	-	-	-
	Mr. Saumil D. Pandya	0.02	0.09	-	-	-	-
	Mr. Dhwanil K. Gandhi	0.01	0.02	0.02	0.01	0.01	0.01

* Dividend Paid: Mrs. Darshana S. Pandya of Rs. 2,953/-.
# Dividend Paid: Mr. Saumil D. Pandya of Rs. 2,953/-.
^ Dividend Paid: Mrs. Urmilaben C. Gandhi of Rs. 171/- during FY 2016-17, Rs. 4,169/- during FY 2015-16, Rs. 1,327/- during FY 2014-15, Rs. 830/- during FY 2013-14 and Rs. 533/- during FY 2012-13.

33.9 As at June 30, 2017, March 31, 2017, 2016, 2015, 2014 and 2013, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

33.10 The Company has incurred Rs. 68.56 millions (inclusive of non-cenvatable portion of service tax) during FY 2016-17 and Rs. 11.49 millions (inclusive of non-cenvatable portion of service tax) during quarter ended June 30, 2017 for the private placement of equity shares, proposed IPO and OFS.

Out of the above expenses incurred, the Company has adjusted Rs. 36.71 millions during FY 2016-17 and Rs. 13.12 millions during the quarter ended June 30, 2017 against securities premium account to the extent of funds raised and remaining expenses pertaining to IPO and OFS such as legal counsel, payment to auditors and stamp duty expenses has been shown as prepaid expenses, which would be recovered as per mutually agreed terms from the selling shareholders and balance would be further adjusted against securities premium accounts on completion of the IPO. Out of total amount of expenditure adjusted in securities premium, the Company has incurred directly idnetified expenditure of Rs. 29.63 millions during FY 2016-17 and Rs. 10.37 millions during the quarter ended June 30, 2017 pertaining to the private placement of equity shares.

33.11 Subsequent to June 30, 2017, the Company has approved the conversion of the certain compulsorily convertible instruments into equity shares as per agreements, amended from time to time, on September 12, 2017 in the following manner:

(a) 0.01% Compulsorily Convertible Cumulative Preference Shares are being converted into 1,739,865 Equity Shares having face value of Rs. 10/- each at a premium of Rs. 114.93 per share;

(b) 13.31% Compulsorily Convertible Cumulative Preference Shares are being converted into 1,280,723 Equity Shares having face value of Rs. 10/- each at a premium of Rs. 159.71 per share; and

(c) 9.75% Compulsorily Convertible Cumulative Preference Shares are being converted into 87,716 Equity Shares having face value of Rs. 10/- each at a premium of Rs. 446 per share.

33.12 The Board of Directors has declared an interim dividend in their meeting held on September 12, 2017 to the tune of Rs. 1.31 millions on 400 fully paid up 9.75% Compulsorily Convertible Cumulative Preference Shares of Rs. 100,000 each to be paid to those shareholders whose names appears on the register of members as on September 12, 2017 ("Record Date").

33.13 Capital Adequacy Ratio

Sr. No.	Particulars	For the quarter ended June 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
A	CRAR (%)	23.80%	22.96%	18.27%	18.14%	19.74%	23.77%
B	CRAR - Tier I capital (%)	18.52%	16.90%	10.99%	12.32%	14.03%	16.10%
C	CRAR - Tier II capital (%)	5.28%	6.06%	7.28%	5.82%	5.71%	7.67%

Prepaid expenses and Unamortised borrowing costs are adjusted from Owned Fund to determine CRAR based upon communications received from RBI from time to time.

33.14 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

a) Loans and advances, excluding advance funding but including off-balance sheet exposures to any single party in excess of 15 per cent of owned fund of the non-banking financial company:

Particulars	Quarter ended June 30, 2017	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
MAS Rural Housing and Mortgage Finance Limited - Corporate Guarantee	346.63	375.03	488.67	539.99	464.16	97.68

b) Loans and advances to (excluding advance funding but including debentures/bonds and off-balance sheet exposures) and investment in the shares of single party in excess of 25 per cent of the owned fund of the non-banking financial company:

Particulars	Quarter ended June 30, 2017	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
MAS Rural Housing and Mortgage Finance Limited - Investment in Equity Shares	107.50	107.50	107.50	107.50	107.50	107.50
MAS Rural Housing and Mortgage Finance Limited - Corporate Guarantee	346.63	375.03	488.67	539.99	464.16	97.68

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 34: STANDALONE SUMMARY STATEMENT OF TAX SHELTERS

(Rs. in Millions)

Particulars		For the quarter ended June 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
Profit before taxes, as restated	**A**	**352.24**	**1,031.24**	**764.11**	**587.81**	**478.17**	**397.33**
Applicable tax rate	**B**	34.608%	34.608%	34.608%	33.990%	33.990%	32.445%
Tax Expense at applicable rate (A * B)	**C**	**121.90**	**356.89**	**264.44**	**199.80**	**162.53**	**128.91**
Adjustments							
Permanent Differences							
Donation disallowed		-	-	-	0.00	0.08	0.05
Disallowance u/s 14A of the Income Tax Act. 1961		-	-	1.18	-	0.73	1.80
Others		(0.24)	2.83	(0.52)	(0.61)	(4.55)	(2.02)
Total Permanent Differences	**D**	**(0.24)**	**2.83**	**0.66**	**(0.61)**	**(3.74)**	**(0.17)**
Timing Differences							
Difference between book depreciation and tax depreciation		(0.89)	(1.66)	(0.54)	3.57	(0.80)	(1.14)
Provision for non-performing assets		14.20	6.53	2.23	8.19	13.52	6.60
Provision for compensated absences and gratuity		0.91	0.81	1.15	1.19	1.06	0.33
Contingent provision for standard assets		5.96	29.29	17.02	9.19	7.32	3.46
Disallowance u/s 43B of the Income Tax Act. 1961		-	(2.19)	-	-	-	-
Expenses eligible for deduction under section 35D of the Income-tax Act, 1961		-	-	-	-	-	0.48
Total Timing Differences	**E**	**20.18**	**32.78**	**19.86**	**22.14**	**21.10**	**9.73**
Net Adjustment (D+E)	**F**	**19.94**	**35.61**	**20.52**	**21.53**	**17.36**	**9.56**
Tax thereon (F * B)	**G**	6.90	12.32	7.10	7.32	5.90	3.10
Tax Liability (C+G)	**I**	128.80	369.21	271.54	207.12	168.43	132.01
Current Tax Provision for the Year (I)	**L**	128.80	369.21	271.54	207.12	168.43	132.01
Net Current Tax Expense as per Restated Standalone Summary Statement of Profit and Loss		**128.80**	**369.21**	**271.54**	**207.12**	**168.43**	**132.01**

Notes:

(i) The permanent/ timing difference for the quarter ended June 30, 2017, have been derived on the basis of provisional computation of total income prepared by the Company in line with the final return of income filed for the assessment year 2016-17 and are subject to any change that may be considered at the time of filing of final return of income for the assessment year 2017-18.

(ii) Tax expense and tax liability for the quarter ended June 30, 2017 have been computed considering annual income tax rate expected for the assessment year 2018-19 in accordance with the Accounting Standard 25 "Interim Financial Reporting.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 35: STANDALONE SUMMARY STATEMENT OF CAPITALISATION

(Rs. in Millions)

Sr. No.	Particulars	Pre-issue as at June 30, 2017	Post- issue
	Borrowings		
I	Short-term borrowings	9,079.30	**[•]**
II	Long-term borrowings	2,376.38	**[•]**
III	Current Maturities of long-term borrowings	1,645.58	**[•]**
IV	Compulsorily Convertible Debentures	499.80	**[•]**
V	**Total Borrowings (I + II + III + IV)**	**13,601.06**	**[•]**
	Shareholders' Funds		
VI	Share Capital	914.63	**[•]**
VII	Reserves and Surplus	2,921.38	**[•]**
VIII	**Total Shareholders' Funds (VI+ VII)**	**3,836.01**	**[•]**
IX	**Total Borrowings / Shareholders' Funds (V/ VIII) (in number of times)**	**3.55**	**[•]**

Notes:

1 The pre-issue financial information given in the above table is on the basis of restated standalone financial information of the Company as at and for the quarter ended June 30, 2017.

2 Post issue numbers indicated as **[•]** can be determined only on the conclusion of book building process.

3 Subsequent to June 30, 2017, the Company has approved the conversion of the certain compulsorily convertible instruments into equity shares as per agreements, amended from time to time, on September 12, 2017 in the following manner:

(a) 0.01% Compulsorily Convertible Cumulative Preference Shares are being converted into 1,739,865 Equity Shares having face value of Rs. 10/- each at a premium of Rs. 114.93 per share;

(b) 13.31% Compulsorily Convertible Cumulative Preference Shares are being converted into 1,280,723 Equity Shares having face value of Rs. 10/- each at a premium of Rs. 159.71 per share; and

(c) 9.75% Compulsorily Convertible Cumulative Preference Shares are being converted into 87,716 Equity Shares having face value of Rs. 10/- each at a premium of Rs. 446 per share.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 36: STANDALONE SUMMARY STATEMENT OF ACCOUNTING RATIOS

Sr. No.	Particulars	For the quarter ended June 30, 2017	For the year ended March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
A.	Net Profit after tax as restated (Rs. in Million)	230.44	674.17	500.08	388.20	316.76	268.39
B.	Less: Preference dividend and tax thereon (Rs. in Million)	9.89	39.54	34.85	34.85	32.88	47.49
C.	Net Profit after tax as restated - attributable to equity shareholders (Rs. in Million)	220.55	634.63	465.23	353.35	283.88	220.90
D.	Add: Dividend on Compulsorily Convertible Cumulative Preference Shares including tax and Interest Expense on Compulsorily Convertible Debentures net of tax (for calculation of diluted profit)	10.63	42.51	-	-	-	-
E.	Net Profit after tax as restated - attributable to equity shareholders (Rs. in Million) (on dilution)	231.18	677.14	465.23	353.35	283.88	220.90
F.	Net Worth (Rs. in Million)	3,836.01	3,272.34	1,793.26	1,571.22	1,259.54	1,048.31
G.	Less: Preference Share Capital (Rs. in Million)	474.72	474.72	434.72	434.72	434.72	434.71
H.	Net asset value (excluding Preference Share Capital) (Rs. in Million)	3,361.29	2,797.62	1,358.54	1,136.50	824.82	613.60
I.	Total number of equity shares outstanding at the end of the year / quarter - (in numbers)	43,990,735	42,956,182	16,000,125	16,000,125	16,000,125	10,000,125
J.	Weighted average number of equity shares outstanding during the year / quarter (in numbers) (before giving effect to issue of bonus shares)	43,786,098	40,016,510	16,000,125	16,000,125	16,000,125	10,000,084
K.	Adjustment for Bonus shares issued (Refer Note 4 below)	-	-	24,000,188	24,000,188	24,000,188	30,000,188
L.	Total number of equity shares outstanding at the end of the year / quarter - (in numbers) (after giving effect to issue of bonus shares) (I+K)	43,990,735	42,956,182	40,000,313	40,000,313	40,000,313	40,000,313
M.	Weighted average number of equity shares outstanding during the year / quarter (in numbers) (after giving effect to issue of bonus shares) for Earnings per Share (J+K)	43,786,098	40,016,510	40,000,313	40,000,313	40,000,313	40,000,272
N.	Add: Effect of Compulsorily Convertible Cumulative Preference Shares and Compulsorily Convertible Debentures which are dilutive (Refer Note 5 below)	4,890,451	4,890,451	-	-	-	-
O.	Weighted average number of equity shares outstanding during the year / quarter (in numbers) (after giving effect to issue of bonus shares) for Diluted Earnings per Share (M+N)	48,676,549	44,906,961	40,000,313	40,000,313	40,000,313	40,000,272
P.	Face value of equity share (in Rs.)	10	10	10	10	10	10
	Accounting Ratios						
Q.	Basic Earnings per share (In Rs.) **(C/M)**	5.04*	15.86	11.63	8.83	7.10	5.52
R.	Diluted Earnings per share (In Rs.) **(E/O)** (Refer Note 5 below)	4.75*	15.08	11.63	8.83	7.10	5.52
S.	Return on Net Worth (In %) **(A/F)**	6.01%*	20.60%	27.89%	24.71%	25.15%	25.60%
T.	Net asset value per equity share (In Rs.) (without giving effect to issue of bonus shares) **(H/I)**	76.41	65.13	84.91	71.03	51.55	61.36
U.	Net asset value per equity share (In Rs.) (after giving effect to issue of bonus shares) **(H/L)**	76.41	65.13	33.96	28.41	20.62	15.34

* Not Annualised

Notes:

1 The ratios have been computed as below:

1.1 **Basic Earnings per Share (Rs.)**

$$\frac{\text{Restated Net profit after tax attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year / period}}$$

1.2 **Diluted Earnings per Share (Rs.) (Refer Note 5 below)**

$$\frac{\text{Restated Net profit after tax attributable to equity shareholders + Dividend and Interest saving (net of tax) relating to dilutive potential equity shares}}{\text{Weighted average number of equity shares considered for deriving basic earnings per share + Weighted average number of potentially dilutive equity shares}}$$

1.3 **Return on net worth (%)**

$$\frac{\text{Net profit after tax as restated}}{\text{Net worth excluding revaluation reserve at the end of the year / period as restated}}$$

1.4 **Net asset value per equity share (Rs.)**

$$\frac{\text{Net asset value excluding revaluation reserve and preference share capital at the end of the year / period}}{\text{Number of equity shares outstanding at the end of the year / period}}$$

2 Net worth for ratios mentioned above is as arrived as mentioned below:

Net worth, as restated = Equity share capital + Preference share capital + Reserves and surplus (including Securities Premium, Statutory Reserve, General Reserve and Surplus in Restated Standalone Summary Statement of Profit and Loss).
All the above are based on Financial Information, as restated.

3 Net profit, as appearing in the Restated Standalone Summary Statement of Profit and Loss, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the Standalone restated financial statements of the Company.

4 Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings Per Share" notified under section 133 of the Act, read together with rules thereunder. The Company has issued 6,000,000 equity shares as bonus shares in the ratio of 3:5 (3 bonus shares for every 5 equity shares held) pursuant to a resolution passed by the Board of Directors at their meeting held on December 30, 2013 and resolution passed by the Shareholders of the Company at the Extraordinary General Meeting held on January 28, 2014, by utilising balance Rs. 60.00 million from Capital Redemption Reserve. These equity shares have been allotted on January 28, 2014. Further, the Company has issued 24,000,188 equity shares as bonus shares in the ratio of 3:2 (3 bonus shares for every 2 equity shares held) pursuant to a resolution passed by the Board of Directors at their meeting held on October 26, 2016 and resolution passed by the Shareholders of the Company at the Extraordinary General Meeting held on November 9, 2016, by utilising balance of Rs. 126.36 million from General Reserve and Rs. 113.64 million from Surplus in Restated Standalone Summary Statement of Profit and Loss. These equity shares have been allotted on November 18, 2016. As per the requirements of AS 20 Earnings Per Share, the weighted average number of equity shares and the calculation of basic and diluted earnings per share have been adjusted to reflect the changes in the number of shares pursuant to the issue of bonus shares, for all the periods presented.

5 The Preference shares and Debentures are convertible (either compulsorily or optionally) as per the method and period specified in the respective agreements. For the year ended March 31, 2017 and quarter ended June 30, 2017, the Company has determined the dilutive effect for earnings per shares based upon the maximum number of equity shares likely to be issued to the potential equity shareholder. In the earlier period, the same was not ascertainable.

6 The Company does not have any revaluation reserves or extra-ordinary items.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 37: RESTATED STANDALONE SUMMARY STATEMENT OF DIVIDEND PAID

(Rs. in Millions)

Sr. No.	Particulars	For the quarter ended June 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
	Class of Shares						
A	**Equity Shares**						
	Number of Shares	43,990,735	40,000,313 *	16,000,125	16,000,125	16,000,125	10,000,125
	Face Value (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
	Amount (Rs. in Million)	439.91	400.00	160.00	160.00	160.00	100.00
	Interim Dividend						
	Rate of Dividend (%)	-	31.25%	62.50%	-	-	-
	Dividend per Share (Rs.)	-	3.125	6.25	-	-	-
	Amount of Dividend (Rs. in Million)	-	125.00	100.00	-	-	-
	Corporate Dividend Tax (Rs. in Million)	-	25.45	20.36	-	-	-
	Final Dividend						
	Rate of Dividend (%)	-	4.50%	47.50%	35.00%	35.00%	22.50%
	Dividend per Share (Rs.)	-	0.45	4.75	3.50	3.50	2.25
	Amount of Dividend (Rs. in Million)	-	7.20	76.00	56.00	35.00	22.50
	Corporate Dividend Tax (Rs. in Million)	-	1.34	15.47	9.52	5.95	3.65
B	**Preference Shares**						
1	**8% Cumulative Redeemable Preference Shares**						
	Number of Shares	-	-	-	-	-	40,000,000
	Face Value (Rs.)	-	-	-	-	-	10.00
	Amount (Rs. in Million)	-	-	-	-	-	400.00
	Interim Dividend						
	Rate of Dividend (%)	-	-	-	-	-	8.00%
	Dividend per Share (Rs.) (pro-rata upto the date of redemption)	-	-	-	-	-	0.26
	Amount of Dividend (Rs. in Million)	-	-	-	-	-	10.43
	Corporate Dividend Tax (Rs. in Million)	-	-	-	-	-	1.69
	Final Dividend						
	Rate of Dividend (%)	-	-	-	-	-	8.00%

Sr. No.	Particulars	For the quarter ended June 30, 2017	For the year ended March 31, 2017		For the year ended March 31, 2016		For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
	Dividend per Share (Rs.)	-	-		-		-	-	0.80
	Amount of Dividend (Rs. in Million)	-	-		-		-	-	32.00
	Corporate Dividend Tax (Rs. in Million)	-	-		-		-	-	5.19
2	**7% Compulsorily Convertible Cumulative Preference Shares**								
	Number of Shares	-	-		-		-	43,471,090	43,471,090
	Face Value (Rs.)	-	-		-		-	10.00	10.00
	Amount (Rs. in Million)	-	-		-		-	434.71	434.71
	Interim Dividend								
	Rate of Dividend (%)	-	-		-		-	7.00%	-
	Dividend per Share (Rs.) (pro-rata upto the date of reclassification)	-	-		-		-	0.57	-
	Amount of Dividend (Rs. in Million)	-	-		-		-	24.78	-
	Corporate Dividend Tax (Rs. in Million)	-	-		-		-	4.21	-
	Final Dividend								
	Rate of Dividend (%)	-	-		-		-	7.00%	7.00%
	Dividend per Share (Rs.)	-	-		-		-	0.70	0.70
	Amount of Dividend (Rs. in Million)	-	-		-		-	30.43	30.43
	Corporate Dividend Tax (Rs. in Million)	-	-		-		-	5.17	4.94
3	**0.01% Compulsorily Convertible Cumulative Preference Shares**								
	Number of Shares	21,735,545	21,735,545		21,735,545		21,735,545	21,735,545	-
	Face Value (Rs.)	10.00	10.00		10.00		10.00	10.00	-
	Amount (Rs. in Million)	217.36	217.36		217.36		217.36	217.36	-
	Interim Dividend								
	Rate of Dividend (%) (@ 90% of the coupon rate)	-	0.009%		0.009%		-	-	-
	Dividend per Share (Rs.)	-	0.00	a.4	0.00	a.6	-	-	-
	Amount of Dividend (Rs. in Million)	-	0.02		0.02		-	-	-
	Corporate Dividend Tax (Rs. in Million)	-	0.00	a.5	0.00	a.7	-	-	-
	Final Dividend								

Sr. No.	Particulars	For the quarter ended June 30, 2017		For the year ended March 31, 2017		For the year ended March 31, 2016		For the year ended March 31, 2015		For the year ended March 31, 2014		For the year ended March 31, 2013	
	Rate of Dividend (%) (@ 10% of the coupon rate)	0.001%		0.001%		0.01%		0.01%		-		-	
	Dividend per Share (Rs.)	0.00	a.1	0.00	a.8	0.00	a.11	0.00	a.13	-		-	
	Amount of Dividend (Rs. in Million)	0.00	a.2	0.00	a.9	0.02		0.00	a.14	-		-	
	Corporate Dividend Tax (Rs. in Million)	0.00	a.3	0.00	a.10	0.00	a.12	0.00	a.15	-		-	
4	**13.31% Compulsorily Convertible Cumulative Preference Shares**												
	Number of Shares	21,735,545		21,735,545		21,735,545		21,735,545		21,735,545		-	
	Face Value (Rs.)	10.00		10.00		10.00		10.00		10.00		-	
	Amount (Rs. in Million)	217.36		217.36		217.36		217.36		217.36		-	
	Interim Dividend												
	Rate of Dividend (%) (@ 90% of the coupon rate)	-		11.98%		11.98%		-		-		-	
	Dividend per Share (Rs.)	-		1.20		1.20		-		-		-	
	Amount of Dividend (Rs. in Million)	-		26.04		26.04		-		-		-	
	Corporate Dividend Tax (Rs. in Million)	-		5.14		5.30		-		-		-	
	Final Dividend												
	Rate of Dividend (%) (@ 10% of the coupon rate)	1.33%		1.33%		13.31%		13.31%					
	Dividend per Share (Rs.)	0.13		0.13		1.33		0.15		-		-	
	Amount of Dividend (Rs. in Million)	2.89		2.90		28.93		3.33		-		-	
	Corporate Dividend Tax (Rs. in Million)	0.75		0.59		5.89		0.57		-		-	
5	**9.75% Compulsorily Convertible Cumulative Preference Shares**												
	Number of Shares	400		400		-		-		-			
	Face Value (Rs.)	100,000		100,000		-		-		-		-	
	Amount (Rs. in Million)	40.00		40.00		-		-		-		-	
	Interim Dividend												
	Rate of Dividend (%)	-		9.75%		-		-		-		-	
	Dividend per Share (Rs.)	-		9,750.00		-		-		-		-	
	Amount of Dividend (Rs. in Million)	-		3.90		-		-		-		-	
	Corporate Dividend Tax (Rs. in Million)	-		0.79		-		-		-		-	

*	It does not include 2,955,869 equity shares issued on March 30, 2017, as the interim dividend of Rs. 3.125 per equity share was declared by Board of Directors in their meeting held on March 8, 2017 on shares outstanding on that date.
a.1	In F.Y. 2017-18 final dividend per share of Rs. 0.0001/- (net of Corporate Dividend Tax (CDT)) is paid on 0.01% Compulsorily Convertible Cumulative Preference Shares.
a.2	In F.Y. 2017-18 final dividend of Rs. 2,174/- (net of CDT) is declared on 0.01% Compulsorily Convertible Cumulative Preference Shares.
a.3	In F.Y. 2017-18 corporate dividend tax of Rs. 443/- is paid for final dividend declared on 0.01% Compulsorily Convertible Cumulative Preference Shares.
a.4	In F.Y. 2016-17 interim dividend per share of Rs. 0.0009/- (net of Corporate Dividend Tax (CDT)) is paid on 0.01% Compulsorily Convertible Cumulative Preference Shares.
a.5	In F.Y. 2016-17 corporate dividend tax of Rs. 3,984/- is paid for interim dividend paid on 0.01% Compulsorily Convertible Cumulative Preference Shares.
a.6	In F.Y. 2015-16 interim dividend per share of Rs. 0.0009/- (net of Corporate Dividend Tax (CDT)) is paid on 0.01% Compulsorily Convertible Cumulative Preference Shares.
a.7	In F.Y. 2015-16 corporate dividend tax of Rs. 3,985/- is paid for interim dividend paid on 0.01% Compulsorily Convertible Cumulative Preference Shares.
a.8	In F.Y. 2015-16 final dividend per share of Rs. 0.0001/- (net of CDT) is declared on 0.01% Compulsorily Convertible Cumulative Preference Shares.
a.9	In F.Y. 2015-16 final dividend of Rs. 2,176/- (net of CDT) is declared on 0.01% Compulsorily Convertible Cumulative Preference Shares.
a.10	In F.Y. 2015-16 corporate dividend tax of Rs. 441/- is paid for final dividend declared on 0.01% Compulsorily Convertible Cumulative Preference Shares.
a.11	In F.Y. 2014-15 final dividend per share of Rs. 0.001/- (net of CDT) is declared on 0.01% Compulsorily Convertible Cumulative Preference Shares.
a.12	In F.Y. 2014-15 corporate dividend tax of Rs. 4,426/- is paid for final dividend declared on 0.01% Compulsorily Convertible Cumulative Preference Shares.
a.13	In F.Y. 2013-14 final dividend per share of Rs. 0.000115/- (net of CDT) is declared on 0.01% Compulsorily Convertible Cumulative Preference Shares.
a.14	In F.Y. 2013-14 final dividend of Rs. 2,501/- (net of CDT) is declared on 0.01% Compulsorily Convertible Cumulative Preference Shares.
a.15	In F.Y. 2013-14 corporate dividend tax of Rs. 425/- is paid for final dividend declared on 0.01% Compulsorily Convertible Cumulative Preference Shares.

INDEPENDENT AUDITOR'S REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION AS REQUIRED UNDER SECTION 26 OF COMPANIES ACT, 2013, READ WITH RULE 4 OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014

The Board of Directors
MAS Financial Services Limited
6, Ground Floor, Narayan Chambers,
Behind Patang Hotel, Ashram Road
Ahmedabad – 380 009, Gujarat, India.

Dear Sirs,

1. We have examined as appropriate (refer paragraphs 3 and 4 below), the attached Restated Consolidated Financial Information of MAS Financial Services Limited (the "Company"), and its subsidiary MAS Rural Housing & Mortgage Financing Limited ("MRHMFL") (collectively known as the "Group"), which comprise of the Restated Consolidated Summary Statement of Assets and Liabilities as at June 30, 2017 and March 31, 2017, 2016, 2015, 2014 and 2013, the Restated Consolidated Summary Statement of Profit and Loss and the Restated Consolidated Summary Statement of Cash Flows for the quarter ended June 30, 2017 and for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013 respectively, and the Summary of Consolidated Significant Accounting Policies (collectively, the "Restated Consolidated Financial Information") as approved by the Board of Directors of the Company at their meeting held on September 13, 2017 for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer ("IPO") of equity shares, including an offer for sale by certain existing shareholders, prepared in terms of the requirements of :

    a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules);

    b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations"); and

    c) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (the "ICAI") as amended from time to time (the "Guidance Note").

    d) The preparation of the Restated Consolidated Financial Information is the responsibility of the management of the Company for the purpose set out in paragraph 9 below. The management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The management is also responsible for identifying and ensuring that the Company complies with the Act, the Rules, ICDR Regulations and the Guidance Note. Our responsibility is to examine the Restated Consolidated Financial Information and confirm whether such Restated Consolidated Financial Information comply with the requirements of the Act, the Rules, ICDR Regulations and the Guidance Note.

2. We have examined such Restated Consolidated Financial Information taking into consideration:

    a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated October 20, 2016 in connection with the proposed offer of equity shares of the Company;

    b) The Guidance Note (Revised) on Reports in Company Prospectuses issued by the ICAI; and

    c) The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), which includes the concepts of test checks and materiality. This Guidance Note requires us to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information. This Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

3. These Restated Consolidated Financial Information have been compiled by the management from the audited Consolidated Financial Statements of the Company as at and for the quarter ended June 30, 2017 and as at and for the years ended March 31, 2017, 2016, 2015, 2014 and 2013 which have been approved by Board of directors at their meetings held on August 24, 2017, June 21, 2017, June 29, 2016, June 16, 2015, June 18, 2014 and July 17, 2013 respectively.

    Audit of the consolidated financial statements for the financial years ended March 31, 2014 and 2013 was conducted by previous auditors, M/s Vinit Shah & Associates and accordingly, reliance has been placed on the consolidated financial information examined by them for the said years. The restated financial report included for these years, i.e. March 31, 2014 and 2013 are based solely on the report submitted by them.

    We did not audit the financial statements of the subsidiary and other financial information of the subsidiary that have been audited by other auditor, whose report has been furnished to us, and our opinion on the consolidated financial statements as at and for the quarter ended June 30, 2017 and as at and for the years ended March 31, 2017, 2016, and 2015 in so far as it relates to the amounts included in the consolidated financial statements is based solely on the report of the other auditor. The Group's share of total assets, total revenues, and net cash flows (on gross basis) pertaining to the subsidiary included in the Restated Consolidated Financial Information for the relevant period/year not audited by us is tabulated below:

(₹ in million)

Particulars	**As at/ for the quarter ended June 30, 2017**	**As at/for the year ended March 31, 2017**	**As at/for the year ended March 31, 2016**	**As at/for the year ended March 31, 2015**
Total Assets	1,842.52	1,873.56	1,438.50	949.51
Total Revenues	65.94	233.05	157.32	118.29
Net Cash Inflows / (Outflows)	(52.55)	43.36	61.40	(2.76)

These other auditors, as mentioned in paragraphs 3, 4 and 5 (of the Group and the subsidiary), have confirmed that the restated financial consolidated information / restated financial information for the periods mentioned above:

a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

b) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

c) do not contain any extra-ordinary items that need to be disclosed separately in the Restated Consolidated Financial Information and do not contain any qualification requiring adjustments.

4. Based on our examination in accordance with the requirements of the Act read with Rules 4 to, ICDR Regulations and the Guidance Note, we report that:

a) The Restated Consolidated Summary Statement of Assets and Liabilities of the Group, including as at March 31, 2014 and 2013 examined and reported upon by M/s Vinit Shah & Associates, on which reliance has been placed by us, and as at June 30, 2017, and as at March 31, 2017, 2016, and 2015, examined by us, as set out in Annexure 1 to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure 4 - Consolidated Summary Statement of Material Adjustments and Regroupings to Consolidated Financial Statements.

b) The Restated Consolidated Summary Statement of Profit and Loss of the Group including for the years ended March 31, 2014 and 2013 examined and reported upon by M/s Vinit Shah & Associates, on which reliance has been placed by us, and for the quarter ended June 30, 2017 and for the years ended March 31, 2017, 2016 and 2015 examined by us, as set out in Annexure 2 to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure 4 - Consolidated Summary Statement of Material Adjustments and Regroupings to Consolidated Financial Statements .

c) The Restated Consolidated Summary Statement of Cash Flows of the Group including for the years ended March 31, 2014 and 2013 examined and reported upon by M/s Vinit Shah & Associates, on which reliance has been placed by us, and for the quarter ended June 30, 2017 and for the years ended March 31, 2017, 2016 and 2015 examined by us, as set out in Annexure 3 to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure 4 - Consolidated Summary Statement of Material Adjustments and Regroupings to Consolidated Financial Statements .

d) Based on the above and according to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors, M/s Vinit Shah & Associates for the respective years, we further report that the Restated Consolidated Financial Information:

(i) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

(ii) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

(iii) do not contain any extra-ordinary items that need to be disclosed separately and do not contain any qualification requiring adjustments.

5. We have also examined the following Restated Consolidated Financial Information of the Group set out in the Annexures, proposed to be included in the offer document, prepared by the management and approved by the Board of Directors on September 13, 2017 for the quarter ended June 30, 2017 and for the years ended March 31, 2017, 2016, 2015, 2014 and 2013. In respect of the years ended March 31 2014 and 2013 these information have been included based upon the reports submitted by previous auditors, M/s Vinit Shah & Associates and relied upon by us:

a) Consolidated Summary Statement of Material Adjustments and Regroupings to Consolidated Financial Statements as included in Annexure 4;

b) Summary of Consolidated Significant Accounting Policies as included in Annexure 5;
c) Restated Consolidated Summary Statement of Share Capital as included in Annexure 6;
d) Restated Consolidated Summary Statement of Reserves And Surplus as included in Annexure 7;
e) Restated Consolidated Summary Statement of Preference Shares Issued By The Subsidiary Company Outside The Group as included in Annexure 8;
f) Restated Consolidated Summary Statement of Compulsorily Convertible Debentures as included in Annexure 9;
g) Restated Consolidated Summary Statement of Deferred Subsidy as included in Annexure 10;
h) Restated Consolidated Summary Statement of Long-Term Borrowings as included in Annexure 11;
i) Restated Consolidated Summary Statement of Deferred Tax Assets & Liabilities as included in Annexure 12;
j) Restated Consolidated Summary Statement of Other Long-Term Liabilities as included in Annexure 13;
k) Restated Consolidated Summary Statement of Long-Term Provisions as included in Annexure 14;
l) Restated Consolidated Summary Statement of Short-Term Borrowings as included in Annexure 15;
m) Restated Consolidated Summary Statement of Trade Payables as included in Annexure 16;
n) Restated Consolidated Summary Statement of Other Current Liabilities as included in Annexure 17;
o) Restated Consolidated Summary Statement of Short-Term Provisions as included in Annexure 18;
p) Restated Consolidated Summary Statement of Fixed Assets as included in Annexure 19;
q) Restated Consolidated Summary Statement of Non-Current Investments as included in Annexure 20;
r) Restated Consolidated Summary Statement of Long-Term Loans And Advances as included in Annexure 21;
s) Restated Consolidated Summary Statement of Other Non-Current Assets as included in Annexure 22;
t) Restated Consolidated Summary Statement of Cash And Bank Balances as included in Annexure 23;
u) Restated Consolidated Summary Statement of Short-Term Loans And Advances as included in Annexure 24;
v) Restated Consolidated Summary Statement of Other Current Assets as included in Annexure 25;
w) Restated Consolidated Summary Statement of Revenue From Operations as included in Annexure 26;
x) Restated Consolidated Summary Statement of Other Income as included in Annexure 27;
y) Restated Consolidated Summary Statement of Employee Benefits Expense as included in Annexure 28;
z) Restated Consolidated Summary Statement of Finance Costs as included in Annexure 29;
aa) Restated Consolidated Summary Statement of Depreciation And Amortisation as included in Annexure 30;
bb) Restated Consolidated Summary Statement of Provisions And Loan Losses as included in Annexure 31;
cc) Restated Consolidated Summary Statement of Other Expenses as included in Annexure 32;
dd) Restated Consolidated Summary Statement of Earnings Per Share as included in Annexure 33;
ee) Restated Consolidated Summary Statement of Notes to Accounts as included in Notes 34.1 to 34.12 to Annexure 34;
ff) Consolidated Summary Statement of Accounting Ratios as included in Annexure 36;
gg) Consolidated Summary Statement of Dividend Paid as included in Annexure 37;

In our opinion, the Restated Consolidated Financial Information contained in Annexures 1 to 4, 6 to 33, 36 and 37 accompanying this report read with Summary of Significant Accounting Policies and Notes to Accounts as set out in Annexure 5 and 34 respectively, are prepared after making adjustments and regroupings/reclassifications as considered appropriate and have been prepared in accordance with the Act read with Rules, ICDR Regulations and the Guidance Note.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

9. Our report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange and Registrar of Companies, Gujarat in connection with the proposed issue of equity shares by the Company and offer of equity shares of the Company by way of an offer for sale by the selling shareholders. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)

Kartikeya Raval
Partner
(Membership No. 106189)

Place: Ahmedabad
Date: September 13, 2017

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 1: RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Millions)

Particulars	Annexure	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
EQUITY AND LIABILITIES							
Shareholders' funds							
Share capital	6	914.63	904.28	594.72	594.72	594.72	534.71
Reserves and surplus	7	2,970.88	2,416.18	1,235.35	1,005.93	684.16	525.04
		3,885.51	**3,320.46**	**1,830.07**	**1,600.65**	**1,278.88**	**1,059.75**
Minority Interest		106.41	105.46	97.79	92.79	66.10	39.84
Preference Shares issued by the Subsidiary Company outside the group	8	40.00	40.00	20.00	-	-	-
Compulsorily Convertible Debentures	9	499.80	499.80	499.80	499.80	499.80	499.80
Non-current liabilities							
Deferred Subsidy	10	-	-	-	-	0.08	0.22
Long-term borrowings	11	3,437.14	3,108.91	3,948.44	1,648.08	1,034.59	716.57
Deferred tax liabilities (net)	12	6.28	5.65	4.23	2.96	-	-
Other long-term liabilities	13	3,178.71	2,520.46	1,526.66	929.24	1,022.78	522.13
Long-term provisions	14	42.01	37.05	19.54	11.92	9.73	6.57
		6,664.14	**5,672.07**	**5,498.87**	**2,592.20**	**2,067.18**	**1,245.49**
Current liabilities							
Short-term borrowings	15	9,080.09	7,679.89	7,411.16	7,454.01	5,500.93	3,530.32
Trade payables							
- Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-
- Total outstanding dues to creditors other than micro enterprises and small enterprises	16	34.24	27.62	46.93	14.89	20.65	21.59
Other current liabilities	17	4,123.43	4,531.47	3,964.44	3,387.13	1,831.70	1,579.71
Short-term provisions	18	215.40	134.11	88.49	78.40	66.07	41.63
		13,453.16	**12,373.09**	**11,511.02**	**10,934.43**	**7,419.35**	**5,173.25**
TOTAL		**24,649.02**	**22,010.88**	**19,457.55**	**15,719.87**	**11,331.31**	**8,018.13**
ASSETS							
Non-current assets							
Fixed assets							
Tangible assets	19	112.76	86.09	81.74	44.80	57.49	60.05
Intangible assets	19	2.50	1.38	-	-	0.61	0.93
Capital work-in-progress		4.15	-	-	0.99	-	-
		119.41	**87.47**	**81.74**	**45.79**	**58.10**	**60.98**
Non-current investments	20	0.07	0.07	2.73	3.49	0.83	0.83
Deferred tax assets (net)	12	49.23	42.23	30.09	22.58	12.49	5.02
Long-term loans and advances	21	10,315.63	8,844.03	5,863.54	4,190.57	3,429.64	2,329.89
Other non-current assets	22	94.59	94.81	79.42	101.75	90.87	111.86
		10,578.93	**9,068.61**	**6,057.52**	**4,364.18**	**3,591.93**	**2,508.58**

Particulars	Annexure	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Current assets							
Cash and bank balances	23	1,507.35	473.67	1,817.02	2,176.72	1,854.36	1,750.13
Short-term loans and advances	24	12,342.91	12,248.75	11,385.28	9,029.74	5,796.78	3,681.43
Other current assets	25	219.83	219.85	197.73	149.23	88.24	77.99
		14,070.09	**12,942.27**	**13,400.03**	**11,355.69**	**7,739.38**	**5,509.55**
TOTAL		**24,649.02**	**22,010.88**	**19,457.55**	**15,719.87**	**11,331.31**	**8,018.13**

The above statement should be read with the notes to restated consolidated summary statement of assets and liabilities, statement of profit and loss and statement of cash flows as appearing in Annexures 4 and 5.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 2: RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

(Rs. in Millions)

Particulars	Annexure	For the quarter ended	For the year ended				
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
INCOME							
Revenue from operations	26	1,040.19	3,637.46	3,034.51	2,374.31	1,842.24	1,422.49
Other income	27	3.15	9.56	7.47	7.71	6.97	8.71
Total Revenue (I)		**1,043.34**	**3,647.02**	**3,041.98**	**2,382.02**	**1,849.21**	**1,431.20**
EXPENSES							
Employee benefits expense	28	86.06	293.87	243.78	171.30	146.39	132.49
Finance costs	29	413.21	1,642.43	1,423.01	1,117.43	788.28	559.98
Depreciation and amortisation expense	30	3.58	13.77	10.94	10.45	5.77	6.30
Provisions and Loan Losses	31	91.45	272.24	235.94	194.94	145.64	84.92
Other expenses	32	86.37	364.31	343.22	271.09	265.96	241.89
Total expenses (II)		**680.67**	**2,586.62**	**2,256.89**	**1,765.21**	**1,352.04**	**1,025.58**
Profit before tax (III) = (I) - (II)		**362.67**	**1,060.40**	**785.09**	**616.81**	**497.17**	**405.62**
Tax expense / (benefit):							
Current tax		132.02	377.82	276.80	214.89	173.69	134.31
Deferred tax		(6.37)	(10.73)	(6.23)	(6.10)	(7.46)	(3.38)
Net tax expense (IV)		**125.65**	**367.09**	**270.57**	**208.79**	**166.23**	**130.93**
Profit after tax (as restated) (before share of profit attributable to minority interest) (V) = (III) - (IV)		**237.02**	**693.31**	**514.52**	**408.02**	**330.94**	**274.69**
Less: Share of profit attributable to minority Interest		2.88	7.73	6.31	8.19	4.86	1.58
Profit for the year/quarter attributable to the shareholders of the Company		**234.14**	**685.58**	**508.21**	**399.83**	**326.08**	**273.11**
Earnings per equity share (of Rs. 10/- each)	33						
Basic (Rs.)		5.04	16.14	11.82	9.12	7.33	5.63
Diluted (Rs.)		4.75	15.33	11.82	9.12	7.33	5.63

The above statement should be read with the notes to restated consolidated summary statement of assets and liabilities, statement of profit and loss and statement of cash flows as appearing in Annexures 4 and 5.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 3: RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH FLOW

(Rs. in Millions)

Particulars	**For the quarter ended**	**For the year ended**				
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Cash Flow from Operating Activities						
Restated Net Profit Before Tax	**362.67**	**1,060.40**	**785.09**	**616.81**	**497.17**	**405.62**
Adjustments for :						
Depreciation and Amortisation	3.58	13.77	10.94	10.45	5.77	6.30
Finance Costs charged to Restated Consolidated Summary Statement of Profit and Loss	413.21	1,642.43	1,423.01	1,117.43	788.28	559.98
Provision for Non-Performing Assets	14.29	7.44	2.59	8.19	13.52	6.60
Contingent Provision against Standard Assets	6.12	31.56	19.65	10.66	8.37	4.43
Loss Assets Written Off	66.28	216.89	202.01	157.13	106.21	68.20
Loss on Sale of Fixed Assets	0.04	0.12	0.61	-	-	0.05
Loss on Sale of Repossessed Assets	4.76	16.35	11.69	18.96	17.54	5.69
Depreciation Recouped from Deferred Subsidy	-	-	-	(0.08)	(0.14)	(0.14)
Interest Income	(1,040.19)	(3,637.46)	(3,034.51)	(2,374.31)	(1,842.24)	(1,422.49)
Interest Income from Investments and Deposits	(3.15)	(8.66)	(7.44)	(7.61)	(6.62)	(8.36)
Income distribution on Pass Through Certificates held as non-current investments	-	(0.90)	-	-	-	-
Profit on Redemption of Investment	-	-	(0.03)	-	-	-
Dividend on Current Investments - Mutual Fund Units	-	-	-	-	(0.10)	(0.20)
Dividend Income on others	-	-	-	-	(0.02)	(0.01)
Operating loss before working capital changes	**(172.39)**	**(658.06)**	**(586.39)**	**(442.37)**	**(412.26)**	**(374.33)**
Changes in Working Capital:						
Adjustments for (increase)/decrease in operating assets:						
Loans and Advances	(1,649.07)	(3,998.92)	(4,229.44)	(4,149.04)	(3,320.07)	(1,650.70)
Deposits given as Collateral	-	-	63.85	28.81	82.44	69.27
Other Current Assets	(4.72)	(20.41)	(10.68)	(24.57)	(18.77)	(0.96)
Adjustments for increase/(decrease) in operating liabilities:						
Trade Payables	6.62	(19.31)	32.04	(5.75)	(0.94)	5.81
Security Deposits from Borrowers	88.37	950.27	355.13	693.24	663.50	872.66
Advance from Borrowers	2.38	66.51	15.30	(0.13)	0.52	(557.63)
Other Current Liabilities	(25.26)	329.02	250.49	202.90	261.86	71.33
Short Term Provisions	0.78	1.00	1.26	1.28	1.22	2.22
Cash Generated from / (used in) operations	**(1,753.29)**	**(3,349.90)**	**(4,108.44)**	**(3,695.63)**	**(2,742.50)**	**(1,562.33)**
Finance Costs	(384.85)	(1,530.23)	(1,393.60)	(1,094.73)	(759.47)	(503.18)
Income Tax Paid (Net)	(66.02)	(371.73)	(285.08)	(223.28)	(170.31)	(123.98)
Interest Income Received	1,040.95	3,609.15	2,986.58	2,343.83	1,830.00	1,389.57
Net cash flow from/ (used in) operating activities (A)	**(1,163.21)**	**(1,642.71)**	**(2,800.54)**	**(2,669.81)**	**(1,842.28)**	**(799.92)**
Cash flows from investing activities						
Capital expenditure on fixed assets, including capital advances	(19.45)	(40.60)	(49.30)	(8.15)	(4.04)	(6.51)
Proceeds from sale of Fixed Assets	0.01	0.14	2.70	-	-	0.02
Bank balances not considered as Cash and Cash Equivalents						
- Fixed Deposits Matured	210.00	478.50	336.50	149.88	30.76	33.14

Particulars	For the quarter ended	For the year ended				
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
- Fixed Deposits Placed	(210.00)	(484.61)	(341.31)	(158.30)	(24.50)	-
Purchase of Mutual Fund Units	-	-	-	-	(33.50)	(79.80)
Proceeds from Sale of Mutual Fund Units	-	-	-	-	33.60	80.00
Interest Income received from Investments and Deposits	1.54	4.96	15.61	1.52	1.85	16.61
Income distribution received on Pass Through Certificates held as non-current investments	-	0.90	-	-	-	-
Purchase of Long Term Investments	-	-	-	(2.66)	-	-
Proceeds from redemption of Long Term Investments	-	2.66	0.79	-	-	-
Dividend Income	-	-	-	-	0.02	0.01
Net cash flow from/ (used in) investing activities (B)	**(17.90)**	**(38.05)**	**(35.01)**	**(17.71)**	**4.19**	**43.47**
Cash flows from financing activities						
Proceeds from Issue of Non-Convertible Debentures	-	-	400.00	200.00	-	-
Proceeds from Issue of Compulsorily Convertible Debentures	-	-	-	-	-	649.74
Proceeds from Issue of Compulsorily Convertible Cumulative Preference Shares	-	40.00	-	-	-	-
Redemption of Preference Shares	-	-	-	-	-	(621.32)
Redemption of Non-Convertible Debentures	-	-	-	-	(360.00)	-
Proceeds from Issue of Equity Shares	350.00	1,000.00	-	-	-	0.15
Shares Issue Expenses	(13.12)	(60.27)	-	-	-	-
Proceeds from Issue of Optionally Convertible Preference Shares	-	20.00	20.00	-	-	-
Proceeds from Issue of Equity Shares to Minority Shareholders	-	-	-	20.00	20.00	14.00
Proceeds from Issue of Commercial Papers	-	734.20	-	-	-	-
Redemption of Commercial Papers	-	(750.00)	-	-	-	-
Proceeds from Long Term Borrowings	992.00	1,525.00	3,903.74	1,688.74	1,012.90	820.00
Repayments of Long Term Borrowings	(507.50)	(2,240.80)	(1,486.50)	(760.57)	(535.93)	(775.96)
Proceeds / (Repayment) of Short Term Borrowings (net)	1,400.20	268.73	(42.85)	1,953.08	1,970.61	1,608.96
Dividends paid including Dividend Distribution Tax	(7.91)	(198.85)	(279.77)	(69.80)	(105.54)	(110.83)
Net cash flow from/ (used in) in financing activities (C)	**2,213.67**	**338.01**	**2,514.62**	**3,031.45**	**2,002.04**	**1,584.74**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	1,032.56	(1,342.75)	(320.93)	343.93	163.95	828.29
Cash and cash equivalents at the beginning of the year / quarter	465.33	1,808.08	2,129.01	1,785.08	1,621.13	792.84
Cash and cash equivalents at the end of the year / quarter	**1,497.89**	**465.33**	**1,808.08**	**2,129.01**	**1,785.08**	**1,621.13**
Components of cash and cash equivalents						
Cash on Hand	1.83	2.10	4.25	5.49	3.73	0.94
Balances with banks	1,496.06	463.23	1,803.83	2,123.52	1,781.35	1,620.19
Total cash and cash equivalents (Refer annexure 23)	**1,497.89**	**465.33**	**1,808.08**	**2,129.01**	**1,785.08**	**1,621.13**

The above restated cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013.

The above statement should be read with the notes to restated consolidated summary statement of assets and liabilities, statement of profit and loss and statement of cash flows as appearing in Annexures 4 and 5.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 4: CONSOLIDATED SUMMARY STATEMENT OF MATERIAL ADJUSTMENTS AND REGROUPINGS TO CONSOLIDATED AUDITED FINANCIAL STATEMENTS

ANNEXURE 4 (A): SUMMARY STATEMENT OF MATERIAL ADJUSTMENTS TO CONSOLIDATED AUDITED FINANCIAL STATEMENTS

(Rs. in Millions)

Particulars		Note	For the quarter ended	For the year ended				
			June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
A.	**Net Profit after tax (as per audited accounts) (A)**		**237.02**	**693.19**	**547.54**	**409.39**	**324.53**	**265.38**
B.	**Restatement Adjustments**							
	- Interest Income	I	-	-	(52.02)	6.19	2.77	14.35
	- Interest Expense	II	-	0.52	(0.52)	-	-	-
	- Contingent Provision against Standard Assets	III	-	-	0.13	(0.02)	(0.00)	(0.03)
	Total effect of adjustments before tax (B)		**-**	**0.52**	**(52.41)**	**6.17**	**2.77**	**14.32**
C.	**Tax adjustments**							
	- Current Tax impact of adjustments	IV	-	0.21	(18.72)	2.19	0.47	4.67
	- Tax pertaining to earlier years	V	-	0.19	(0.71)	5.36	(4.12)	0.36
	- Deferred Tax impact of adjustments	VI	-	-	0.04	(0.01)	-	(0.02)
	Total of tax adjustments (C)		**-**	**0.40**	**(19.39)**	**7.54**	**(3.65)**	**5.01**
D.	**Net increase/(decrease) in profit after tax (B) - (C)**		**-**	**0.12**	**(33.02)**	**(1.37)**	**6.41**	**9.31**
E.	**Net Profit after tax as restated before adjusting minority interest (E) = (A + D)**		**237.02**	**693.31**	**514.52**	**408.02**	**330.94**	**274.69**

The above statement should be read with the notes to restated consolidated summary statement of assets and liabilities, statement of profit and loss and statement of cash flows as appearing in Annexures 4 and 5.

Notes to Material Adjustments

I) Interest Income:
From FY 2015-16 the Company has started recognizing interest income accrued on all retail loans for the period from the date of the last installment upto the end of the year, for more appropriate presentation of the financial statements. In order to maintain uniformity, such unrecognized accrued interest income for earlier years has been adjusted to the corresponding years.

II) Interest Expense:
Interest on Income tax for FY 15-16 was accounted for on payment during the year ended on March 31, 2017 which has been adjusted against the income of FY 15-16 to which it relates.

III) Contingent Provisions against standard assets:
Consequent to the accrued interest income being adjusted to the respective years, the contingent provision against standard assets in respect of the same has also been calculated and adjusted in the corresponding years.

IV) Tax impact of adjustments:
Tax has been computed on adjustments as detailed above and has been adjusted in the restated consolidated summary statement of Profit and Loss for the quarter ended June 30, 2017 and years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and the balance brought forward in the restated consolidated summary statement of Profit and Loss as at April 01, 2012.

V) Tax pertaining to earlier years:
The Statement of Profit and Loss for certain financial years/quarter includes amounts paid/ provided for or refunded/ written back, in respect of shortfall/ excess current tax arising upon filing of tax returns, assessments etc. which have now been adjusted in the respective years to which they relate.

VI) Deferred Tax:
Deferred tax has been computed on adjustment given in Contingent Provision against Standard Assets as mentioned above and has been adjusted the Restated Consolidated Summary Statement of Profit and Loss for the year ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and the balance brought forward in the Restated Consolidated Summary Statement of Profit and Loss as at April 01, 2012.

VII) Restatement of Minority Interest:
For the years ended March 31, 2013 and 2014 the minority interest has been restated to reflect the share, as per their equity shareholding, in the balance of Reserves and Surplus as at the balance sheet date which also includes their share in the Reserve Fund

u/s 29-C of the NHB Act, 1987. The said restatement has impact on the balances of Reserves and Surplus and Minority Interest but does not have any impact on the Statement of Profit and Loss.

VIII) Dividend including Dividend Tax:
From FY 2016-17, dividends are provided in the period when approved by the members in an annual general meeting. Earlier, based on then prevalent accounting standard the Group (MAS Financial Services Limited and its subsidiary) used to provide dividends on equity and preference shares when recommended by the Board of Directors after the end of the reporting period but before the financial statements were approved by members. In order to maintain uniformity, the dividend for all the periods are provided in the periods when approved by the members in an annual general meeting.

ANNEXURE 4 (B): SUMMARY OF MATERIAL REGROUPINGS

IX) Material regroupings:
Appropriate adjustments have been made in the restated consolidated summary statement of Assets and Liabilities, restated consolidated summary statement of Profit and Loss and restated consolidated summary statement of cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the classifications, presentation and disclosures as per the audited consolidated financial statements of the Group (MAS Financial Services Limited and its subsidiary) as at and for the quarter ended June 30, 2017 prepared in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (as amended).

ANNEXURE 4 (C): OPENING RESERVE RECONCILIATION

Particulars	(Rs. in Millions)
Net surplus in Statement of Profit and Loss as at April 1, 2012 as per audited financial statements	**70.72**
Adjustments:	
A. Interest Income	28.72
B. Contingent Provision against Standard Assets	(0.09)
C. Tax Impact on above adjustment	(6.11)
D. Tax pertaining to earlier years	0.15
E. Change in method of calculation of holding company's share in reserves of subsidiary Company (Refer Note 4(A)(VII) above)	(2.40)
F. Proposed Dividend (including tax thereon) on Equity shares and Preference shares of FY 2011-12 approved by Board of Directors in their meeting held on May 30, 2012.	98.71
Net surplus in the Restated Consolidated Summary Statement of Profit and Loss as at April 1, 2012	**189.70**

MAS FINANCIAL SERVICES LIMITED
ANNEXURE 5: SUMMARY OF CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES

5.1 CORPORATE INFORMATION

MAS Financial Services Limited ("the Company/the Holding Company") together with its subsidiary MAS Rural Housing & Mortgage Finance Limited, hereinafter referred to as 'the Group' are public companies domiciled in India. The Company is registered as a NBFC with Reserve Bank of India. MAS Rural Housing & Mortgage Finance Limited is registered as a HFC with National Housing Bank. The Group is engaged in the business of providing Micro Enterprise Loans, SME Loans, Two Wheeler Loans, Commercial Vehicle Loans, Agri-based Loans, Loans to MFIs and NBFCs and housing finance by way of providing housing loans, commercial loans and project loans for real estate projects to customers especially in the segment of Affordable Housing in Rural & Urban areas.

5.2 BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES:

A. BASIS OF PREPARATION

The consolidated financial statements of MAS Financial Services Limited ("the Company or the Holding Company") and its subsidiary (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. Further, the Group follows the prudential norms for income recognition and provisioning for Non-performing Assets as prescribed by the Reserve Bank of India / National Housing Bank for Non-Banking Financial Companies / Housing Finance Companies. Loans to customers outstanding at the close of the quarter / year are stated net of amounts written off. The Group assesses all receivables for their recovery and accordingly provisions for non-performing assets are enhanced as considered necessary, based on past experience emerging trends and estimates. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those adopted in the preparation of the financial statements for the quarter ended June 30, 2017.

The Restated Consolidated Summary Statement of Assets and Liabilities as at June 2017, March 31, 2017, 2016, 2015, 2014 and 2013 and Restated Consolidated Summary Statements of Profit and Loss and Cash Flows for the quarter ended June 30, 2017, and years ended March 31, 2017, 2016, 2015, 2014 and 2013 and the Summary of Consolidated Significant Accounting Policies (hereinafter collectively referred to as "Restated Consolidated Financial Information") relate to MAS Financial Services Limited and its subsidiary Company MAS Rural Housing & Mortgage Finance Limited and have been prepared specifically for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), Registrar of Companies, Gujarat and relevant stock exchange/s in connection with its proposed Initial Public Offering and Offer For Sale. These Restated Consolidated Financial Information has been prepared based upon consolidated financial statements of the Group for the respective period as mentioned above to comply in all material respects with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "Regulations") and Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules).

B. PRINCIPLES OF CONSOLIDATION

The restated consolidated financial information relate to MAS Financial Services Limited and its subsidiary Company. The restated consolidated financial statements has been prepared on the following basis:

a) The restated financial statements of the subsidiary Company used in the consolidation are drawn upto the same reporting date as that of the Company.

b) The restated financial statements of the Company and its subsidiary Company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions and resulting unrealised profit or losses, unless cost cannot be recovered.

c) The excess of share of equity of the Group in the subsidiary Company as on the date of investments over the cost of investments of the Group in the subsidiary Company is recognised as 'Capital Reserve on Consolidation' and shown under the head 'Reserves & Surplus', in the restated consolidated financial statements.

d) Minority Interest in the net assets of the consolidated subsidiary consists of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary Company were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit for the year/period of the subsidiary attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to the shareholders of the Company.

e) The following subsidiary Company has been considered in the preparation of the restated consolidated financial statements:

Name of the entity	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power as at					
				June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
MAS Rural Housing and Mortgage Finance Limited	Subsidiary Company	India	MAS Financial Services Limited	59.61%	59.61%	59.61%	59.61%	65.75%	74.91%

f) The restated consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's restated standalone financial statements.

C. USE OF ESTIMATES

The preparation of the restated consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize.

D. FIXED ASSETS

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

E. DEPRECIATION AND AMORTISATION

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

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

For the period prior to April 1, 2014, depreciation was provided on straight-line method as per the rates and in the manner prescribed under Schedule XIV to the Act.

F. IMPAIRMENT OF ASSETS

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

G. INVESTMENTS

Long term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

H. GOVERNMENT GRANTS

Subsidies related to depreciable fixed assets are treated as deferred income which is recognised in the Restated Consolidated Summary Statement of Profit and Loss over the periods and in the proportion in which depreciation on those assets is charged. The deferred income balance is separately disclosed in the financial statements as "Deferred Subsidy".

I. REVENUE RECOGNITION

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

Income from Loans

Interest income on loan transactions is accounted for over the period of the contract by applying the interest rate implicit in such contracts. In respect of the subsidiary Company, Equated Monthly Instalments (EMIs) commence once the entire loan is disbursed. Pending commencement of EMIs, pre EMI interest is payable every month.

Service charges, processing fees and stamp and documentation charges are recognised as income at the commencement of the contract. In respect of the subsidiary Company, processing fees which are refunded on rejection of application are recognised as an expense in the period the same are refunded.

Income from Assignment of receivables

(i) At Premium Structure

In case of assignment of receivables "at premium", the assets are de-recognised since all the rights, title, future receivable principal and interest thereof are assigned to the purchaser. The interest spread arising on assignment is recognised upfront.

From FY 2012-13 the Group has not entered into assignment transactions under "at premium structure".

(ii) At Par Structure

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

J. OTHER INCOME

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

K. REPOSSESSED ASSETS

The value of repossessed assets is arrived at by deducting the estimated loss on realisation. The estimation of loss on realisation is done based on past track record of loss on sale of such assets.

L. EMPLOYEE BENEFITS

Defined contribution plans

Contribution to provident fund and employee state insurance scheme by the entities in the Group are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

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

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

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

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) In case of non-accumulating compensated absences, when the absences occur.

M. BORROWING COSTS

Borrowing Costs include interest and amortisation of other ancillary costs incurred in connection with borrowings. The Costs incurred in connection with borrowing of funds are charged to the Restated Consolidated Summary Statement of Profit and Loss over the tenure of the loan.
Certain Share Issue Expenses are being adjusted against the Securities Premium Account.

N. EARNINGS PER SHARE

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

O. TAXES ON INCOME

Current tax is determined on the basis of taxable income computed for each of the entities in the Group in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the entity has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Restated Consolidated Summary Statement of Profit and Loss.

P. CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

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

Q. CASH FLOW STATEMENT

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

R. LEASES

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

S. PROVISIONS AND CONTINGENCIES

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the annexure. Contingent assets are not recognised in the restated consolidated financial information.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 6 : RESTATED CONSOLIDATED SUMMARY STATEMENT OF SHARE CAPITAL

(Rs. in Millions)

Particulars	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Authorised:						
Equity Shares of Rs. 10/- each						
- Number of shares	64,000,000	64,000,000	21,500,000	21,500,000	21,500,000	15,500,000
- Rs. in Millions	640.00	640.00	215.00	215.00	215.00	155.00
Cumulative Redeemable Non-Convertible Preference Shares of Rs. 100/- each						
- Number of shares	-	-	650,000	650,000	650,000	650,000
- Rs. in Millions	-	-	65.00	65.00	65.00	65.00
8% Cumulative Redeemable Preference Shares of Rs.10/- each						
- Number of shares	-	-	40,000,000	40,000,000	40,000,000	40,000,000
- Rs. in Millions	-	-	400.00	400.00	400.00	400.00
7% Compulsorily Convertible Cumulative Preference Shares of Rs.10/- each						
- Number of shares	-	-	-	-	-	44,000,000
- Rs. in Millions	-	-	-	-	-	440.00
0.01% Compulsorily Convertible Cumulative Preference Shares of Rs.10/- each						
- Number of shares	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	-
- Rs. in Millions	220.00	220.00	220.00	220.00	220.00	-
13.31% Compulsorily Convertible Cumulative Preference Shares of Rs.10/- each						
- Number of shares	22,000,000	22,000,000	22,000,000	22,000,000	22,000,000	-
- Rs. in Millions	220.00	220.00	220.00	220.00	220.00	-
9.75% Compulsorily Convertible Cumulative Preference Shares of Rs.100,000/- each						
- Number of shares	400	400	-	-	-	-
- Rs. in Millions	40.00	40.00	-	-	-	-
Total authorised share capital	**1,120.00**	**1,120.00**	**1,120.00**	**1,120.00**	**1,120.00**	**1,060.00**
Issued, Subscribed and Fully Paid-Up:						
Equity Shares of Rs.10/- each						
- Number of shares	43,990,735	42,956,182	16,000,125	16,000,125	16,000,125	10,000,125
- Rs. in Millions	439.91	429.56	160.00	160.00	160.00	100.00
7% Compulsorily Convertible Cumulative Preference Shares of Rs.10/- each						
- Number of shares	-	-	-	-	-	43,471,090
- Rs. in Millions	-	-	-	-	-	434.71

Particulars	**As at June 30, 2017**	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**	**As at March 31, 2014**	**As at March 31, 2013**
0.01% Compulsorily Convertible Cumulative Preference Shares of Rs.10/- each						
- Number of shares	21,735,545	21,735,545	21,735,545	21,735,545	21,735,545	-
- Rs. in Millions	217.36	217.36	217.36	217.36	217.36	-
13.31% Compulsorily Convertible Cumulative Preference Shares of Rs.10/- each						
- Number of shares	21,735,545	21,735,545	21,735,545	21,735,545	21,735,545	-
- Rs. in Millions	217.36	217.36	217.36	217.36	217.36	-
9.75% Compulsorily Convertible Cumulative Preference Shares of Rs.100,000/- each						
- Number of shares	400	400	-	-	-	-
- Rs. in Millions	40.00	40.00	-	-	-	-
Total issued, subscribed and fully paid-up share capital	**914.63**	**904.28**	**594.72**	**594.72**	**594.72**	**534.71**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year/quarter

Equity Shares

Particulars	As at June 30, 2017		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013	
	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions
Outstanding at the beginning of the year/ quarter	42,956,182	429.56	16,000,125	160.00	16,000,125	160.00	16,000,125	160.00	10,000,125	100.00	10,000,000	100.00
Add: Issued during the year/ quarter	1,034,553	10.35	2,955,869	29.56	-	-	-	-	-	-	125	0.00
Add: Bonus shares issued during the year/ quarter	-	-	24,000,188	240.00	-	-	-	-	6,000,000	60.00	-	-
Outstanding at the end of the year/ quarter	**43,990,735**	**439.91**	**42,956,182**	**429.56**	**16,000,125**	**160.00**	**16,000,125**	**160.00**	**16,000,125**	**160.00**	**10,000,125**	**100.00**

Preference Shares

Particulars	As at June 30, 2017		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013	
	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions
8% Cumulative Redeemable Preference Shares												
Outstanding at the beginning of the year/ quarter	-	-	-	-	-	-	-	-	-	-	40,000,000	400.00
Less: Redeemed during the year/ quarter	-	-	-	-	-	-	-	-	-	-	40,000,000	400.00
Outstanding at the end of the year/ quarter	-	-	-	-	-	-	-	-	-	-	-	-
7% Compulsorily Convertible Cumulative Preference Shares												
Outstanding at the beginning of the year/ quarter			-	-	-	-	-	-	43,471,090	434.71	43,471,090	434.71
Less: Re-classified during the year/ quarter			-	-	-	-	-	-	43,471,090	434.71	-	-
Outstanding at the end of the year/ quarter	-	-	-	-	-	-	-	-	-	-	**43,471,090**	**434.71**
13.31% Compulsorily Convertible Cumulative Preference Shares												
Outstanding at the beginning of the year/ quarter	21,735,545	217.36	21,735,545	217.36	21,735,545	217.36	21,735,545	217.36	-	-	-	-
Add: Re-classified during the year/ quarter	-	-	-	-	-	-	-	-	21,735,545	217.36	-	-
Outstanding at the end of the year/ quarter	**21,735,545**	**217.36**	**21,735,545**	**217.36**	**21,735,545**	**217.36**	**21,735,545**	**217.36**	**21,735,545**	**217.36**	-	-
0.01% Compulsorily Convertible Cumulative Preference Shares												
Outstanding at the beginning of the year/ quarter	21,735,545	217.36	21,735,545	217.36	21,735,545	217.36	21,735,545	217.36	-	-	-	-
Add: Re-classified during the year/ quarter	-	-	-	-	-	-	-	-	21,735,545	217.36	-	-
Outstanding at the end of the year/ quarter	**21,735,545**	**217.36**	**21,735,545**	**217.36**	**21,735,545**	**217.36**	**21,735,545**	**217.36**	**21,735,545**	**217.36**	-	-

Particulars	As at June 30, 2017		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013	
	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions	No. of Shares	Rs. in Millions
9.75% Compulsorily Convertible Cumulative Preference Shares												
Outstanding at the beginning of the year/ quarter	400	40.00	-	-	-	-	-	-	-	-	-	-
Add: Issued during the year/ quarter	-	-	400	40.00	-	-	-	-	-	-	-	-
Outstanding at the end of the year/ quarter	**400**	**40.00**	**400**	**40.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

On March 30, 2017, the Company has entered into the Private Placement offer letter ("Offer Document") with the M/s. Motilal Oswal Financial Services Limited and M/s. Motilal Oswal Securities Limited.

As per the Offer Document , the Company has allotted 2,955,869 and 1,034,553 equity shares of Rs. 10 each at a price of Rs. 338.31 per share (Inclusive of a premium of Rs. 328.31 per equity share) on preferential allotment basis on March 30, 2017 and April 19, 2017 respectively. The Company has raised total of Rs. 1,350 millions towards private placement offer letter as of date.

During the FY 2016-17, the Company has reclassified its authorised share capital which has been approved by the Board of Directors at their meeting held on October 26, 2016 and by the shareholders at the Extraordinary General Meeting held on November 9, 2016.

Details of the reclassified authorised share capital are as under:

Class of Shares	No. of Shares Before Reclassification	No. of shares After Reclassification
Equity Shares (Face value of Rs. 10 each)	21,500,000	64,000,000
Cumulative Redeemable Non-Convertible Preference Shares (Face value of Rs. 100 each)	650,000	-
9.75% Compulsorily Convertible Cumulative Preference Shares (Face value of Rs. 1,00,000 each)	4,000	400

(c) Terms/ rights attached to Preference Share

Cumulative Redeemable Preference Shares

The Company had entered into an Investment and Shareholders Agreement ("the Agreement") with India Advantage Fund – VII (Mezzanine Fund I) ("the Investor") pursuant to which the Investor had subscribed to and had been allotted 40,000,000 8% Cumulative Redeemable Preference Shares (CRPS) of the face value of Rs. 10 each for cash at par. The CRPS carried cumulative dividend @ 8% p.a. The shares were redeemable in one instalment at the end of four years from the "Second Closing Date", as defined in the Agreement, i.e. on June 15, 2012 at face value plus a redemption premium which was to be calculated based on the IRR to be provided to the Investor on its investment as per the terms of the Agreement as amended by the First Amendment dated February 7, 2012 to the Agreement.

The holder of the preference share capital had, in respect of such capital, a right to vote only on resolutions placed before the company which directly affected the rights attached to his preference shares.

The Agreement, as amended by the First Amendment to the Agreement, provided for early redemption of the CRPS under circumstances as specified in the Agreement.

In the event of liquidation of the Company before redemption of the CRPS the holder of the CRPS had priority over equity shareholders and future preference shareholders, but in pari passu with the existing preference shareholders, in the payment of an amount that would give the CRPS holder an IRR as specified in the Agreement as amended by the First Amendment to the Agreement. The CRPS were redeemed during the F.Y. 2012-13.

Compulsorily Convertible Cumulative Preference Shares (CCCPS)

(i) In FY 2008-09, the Company had allotted 43,471,090 CCCPS of the face value of Rs. 10 each at par. These CCCPS carried a right to be paid fixed cumulative preferential dividend at the rate of 7% per annum free of income-tax. During FY 2013-14, pursuant to the agreement between the Company, its promoters and the investors, ("the Agreement") the terms attached to the aforesaid CCCPS were revised and the same are described under paras (a) and (b) below:

(a) 21,735,545 CCCPS of the face value of Rs. 10 each carry a right from February 17, 2014 to be paid a fixed cumulative preferential dividend at the rate of 0.01% per annum. These CCCPS were automatically and fully convertible into equity shares, at a conversion price to be determined as per the terms of the Agreement, upon the expiry of a period of 13 years from the date of final issuance of these CCCPs i.e. from October 13, 2008. Subsequent to execution of the agreement, on March 23, 2017, the Company has revised conversion terms of the original agreement through "Amendment and Termination Agreement to the Shareholders' Agreement dated January 29, 2014" pursuant to which these CCCPS are converted into equity shares at a price determined as per the agreement at least 2 (two) days prior to the filing of the Red Herring Prospectus ("RHP") with the Securities and Exchange Board of India ("SEBI") for its final confirmation. (Refer Annexure 34.11 for conversion).

(b) 21,735,545 CCCPS of the face value of Rs. 10 each carry a right from February 17, 2014 to be paid a fixed cumulative preferential dividend at the rate of 13.31% per annum. These CCCPS were automatically and fully convertible into equity shares, at a conversion price to be determined as per the terms of the Agreement, upon the expiry of a period of 7 years from the effective date i.e. from February 17, 2014. Subsequent to execution of agreement, on March 23, 2017, the Company has revised conversion terms of the original agreement through "Amendment and Termination Agreement to the Shareholders' Agreement dated January 29, 2014" pursuant to which these CCCPS are converted into equity shares at a price determined as per the agreement at least 2 (two) days prior to the filing of the Red Herring Prospectus ("RHP") with the Securities and Exchange Board of India ("SEBI") for its final confirmation. (Refer Annexure 34.11 for conversion).

(ii) 400 CCCPS of the face value of Rs. 100,000/- each carry a right from May 13, 2016 to be paid fixed cumulative preferential dividend at the rate of 9.75 % per annum. These CCCPS are automatically and fully convertible into equity shares, at a conversion price of Rs.1,685 (Rupees one thousand six hundred and eighty five only) per Equity Share at the end of 10 years, provided however that, the price of these Equity Shares shall be subject to the terms and conditions of their issue and the valuation of the Company at the time of conversion of such CCCPS. Under the terms and conditions of issue the Company has right to convert the CCCPS into equity shares during in their tenure from the 5th till the 10th year from the issue date. As per the terms and conditions of the issue the investors have a Put option to convert the CCCPS into equity shares. Further in the event the Company purposes to go for an IPO any time during the tenor of the CCCPS then the CCCPS shall be mandatorily and automatically converted into equity shares at a price to be determined as per the terms and conditions of the issue of the CCCPS. (Refer Annexure 34.11 for conversion).

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

(d) Details of shareholders holding more than 5% shares in the Company

(i) Equity shares

Name of the shareholder	As at June 30, 2017		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Kamlesh C. Gandhi	6,242,818	14.19%	6,242,818	14.53%	2,497,127	15.61%	2,497,127	15.61%	2,497,127	15.61%	1,560,712	15.61%
Shweta Kamlesh Gandhi	16,338,450	37.14%	16,338,450	38.04%	6,535,380	40.85%	6,535,380	40.85%	6,535,380	40.85%	4,084,632	40.85%
Mukesh C. Gandhi (HUF)	-	-	-	-	3,620,193	22.63%	3,620,193	22.63%	3,620,193	22.63%	2,262,631	22.63%
Mukesh C. Gandhi	16,110,450	36.62%	16,110,450	37.50%	2,823,987	17.65%	2,823,987	17.65%	2,823,987	17.65%	1,765,000	17.65%
M/s. Motilal Oswal Financial Services Limited	2,364,695	5.38%	2,364,695	5.51%	-	-	-	-	-	-	-	-
(ii) Preference Shares												
Compulsorily Convertible Cumulative Preference Shares												
Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V	-	-	-	-	-	-	-	-	-	-	43,471,090	100.00%
0.01% Compulsorily Convertible												

Cumulative Preference Shares												
Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V	21,735,545	100.00%	21,735,545	100.00%	21,735,545	100.00%	21,735,545	100.00%	21,735,545	100.00%	-	-
13.31% Compulsorily Convertible Cumulative Preference Shares												
Sarva Capital LLC (Formerly Known as Lok Capital II LLC)	21,735,545	100.00%	21,735,545	100.00%	21,735,545	100.00%	21,735,545	100.00%	21,735,545	100.00%	-	-
9.75% Compulsorily Convertible Cumulative Preference Shares												
Viraj Amar Patel	200	50.00%	125	31.25%	-	-	-	-	-	-	-	-
G N G Investment Limited	25	6.25%	25	6.25%	-	-	-	-	-	-	-	-
Pranav Natwarlal Shah	-	-	25	6.25%	-	-	-	-	-	-	-	-
Minesh Shah	-	-	25	6.25%	-	-	-	-	-	-	-	-
Reena Mehta	-	-	25	6.25%	-	-	-	-	-	-	-	-
Asha Dineshchandra Gawarvala	-	-	50	12.50%	-	-	-	-	-	-	-	-
Sutaria Devendrakumar S	25	6.25%	25	6.25%	-	-	-	-	-	-	-	-
Capitalsquare Advisors Private Limited	25	6.25%	25	6.25%	-	-	-	-	-	-	-	-
Pravin Ratilal Share & Stock Brokers Limited	106	26.50%	-	-	-	-	-	-	-	-	-	-

(e) Details of bonus shares issued

(i) 6,000,000 Equity Shares of Rs. 10 each fully paid-up were allotted as bonus shares by capitalisation of Capital Redemption Reserve during FY 2013-14
(ii) 24,000,188 Equity Share of Rs. 10 each fully paid-up were allotted as bonus shares by capitalisation of free reserves during FY 2016-17

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ANNEXURE 7 : RESTATED CONSOLIDATED SUMMARY STATEMENT OF RESERVES AND SURPLUS

(Rs. in Millions)

Particulars		As at					
		June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
I.	**Capital Redemption Reserve**						
	Opening Balance	-	-	-	-	60.00	60.00
	Less : Utilised for issue of bonus shares	-	-	-	-	60.00	-
	Closing Balance	**-**	**-**	**-**	**-**	**-**	**60.00**
II.	**Statutory Reserve u/s 45- IC of RBI Act, 1934 #**						
	Opening Balance	584.79	450.05	343.27	265.28	203.16	151.35
	Add: Transfer during the year	- *	134.74	106.78	77.99	62.12	51.81
	Closing Balance	**584.79**	**584.79**	**450.05**	**343.27**	**265.28**	**203.16**
III.	**Reserve Fund u/s. 29-C of NHB Act, 1987 #**						
	Opening Balance						
	a. Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	0.18	0.18	0.18	0.20	0.23	0.25
	b. Amount of Special Reserve u/s 36(i)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve u/s 29C of The NHB Act, 1987	15.20	11.31	8.59	5.34	2.94	1.73
	c. Total	**15.38**	**11.49**	**8.77**	**5.54**	**3.17**	**1.98**
	Addition during the year						
	Add:						
	a. Amount of Special Reserve u/s 36(i)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve u/s 29C of The NHB Act, 1987	- ^	3.89	2.72	3.74	2.76	1.38
	(Less): Effect of changes in Group's interest						
	a. Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-	-	0.02	0.03	0.02
	b. Amount of Special Reserve u/s 36(i)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve u/s 29C of The NHB Act, 1987	-	-	-	0.50	0.36	0.17
		-	**-**	**-**	**0.52**	**0.39**	**0.19**
	Closing Balance						
	a. Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	0.18	0.18	0.18	0.18	0.20	0.23
	b. Amount of Special Reserve u/s 36(i)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory reserve u/s 29C of The NHB Act, 1987	15.20	15.20	11.31	8.59	5.34	2.94
	d. Total	**15.38**	**15.38**	**11.49**	**8.77**	**5.54**	**3.17**
IV.	**Securities Premium**						
	Opening Balance	965.55	31.82	31.82	29.94	29.94	-
	Add: Additions during the year/quarter	339.65	970.44	-	1.88	-	150.09
	Less: Utilised for Initial Public Offer expenses (Refer Annexure 34.10)	13.12	36.71	-	-	-	-
	Less: Premium on Redemption of Cumulative Redeemable Preference Shares	-	-	-	-	-	120.15
	Closing Balance	**1,292.08**	**965.55**	**31.82**	**31.82**	**29.94**	**29.94**
V.	**General Reserve**						
	Opening Balance	-	126.36	126.36	87.36	56.32	30.41
	Add: Additions during the year	-	-	-	39.00	31.04	25.91
	Less : Utilised for issue of bonus shares	-	126.36	-	-	-	-
	Closing Balance	**-**	**-**	**126.36**	**126.36**	**87.36**	**56.32**
VI.	**Capital Reserve on Consolidation**						
	Opening Balance	1.27	1.27	1.27	1.27	1.27	1.27
	Closing Balance	**1.27**	**1.27**	**1.27**	**1.27**	**1.27**	**1.27**
VII.	**Surplus/ (Deficit) in the Restated Consolidated Summary Statement of Profit and Loss**						

Particulars		As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	Opening Balance	849.19	614.36	494.44	294.77	171.18	189.70
	Less: Depreciation adjustment as per schedule II of the Act on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer Annexure 19)	-	-	-	7.12	-	-
	Less: Deferred Tax Liability on Opening Balance of Special Reserve	-	-	-	1.57	-	-
	Less : Utilised for issue of bonus shares	-	113.64	-	-	-	-
	Less : Effect of changes in Group's interest	-	-	-	1.24	1.01	0.53
	Add: Profit for the year/quarter	234.14	685.58	508.21	399.83	326.08	273.11
		1,083.33	**1,186.30**	**1,002.65**	**684.67**	**496.25**	**462.28**
	Less: Appropriations						
	Premium on Redemption of Cumulative Redeemable Preference Shares	-	-	-	-	-	101.17
	Transfer to Reserve u/s. 45-IC of RBI Act, 1934	-	134.74	106.78	77.99	62.12	51.81
	Reserve u/s.29-C of NHB Act,1987 & Special Reserve U/s 36(1)(viii) of Income Tax Act, 1961	-	3.89	2.72	3.74	2.76	1.38
	Interim Dividend on Equity Shares	-	125.00	100.00	-	-	-
	Interim Dividend on Preference Shares	-	29.96	26.06	-	24.78	10.43
	Dividend on Preference Shares	2.90	2.90	28.95	3.33	30.43	62.43
	Dividend on Equity Shares	-	7.20	76.00	56.00	35.00	22.50
	Dividend distribution tax on preference dividend	0.75	6.53	11.20	0.57	9.38	11.82
	Dividend distribution tax on equity dividend	0.10	26.79	36.07	9.60	5.95	3.65
	Dividend on preference shares issued by subsidary company outside the Group (including tax thereon)	2.22	0.10	0.51	-	-	-
	Transfer to General Reserve	-	-	-	39.00	31.06	25.91
	Total Appropriations	**5.97**	**337.11**	**388.29**	**190.23**	**201.48**	**291.10**
	Net Surplus in Restated Consolidated Summary Statement of Profit and Loss	**1,077.36**	**849.19**	**614.36**	**494.44**	**294.77**	**171.18**
	Total reserves and surplus (I+II+III+IV+V+VI+VII)	**2,970.88**	**2,416.18**	**1,235.35**	**1,005.93**	**684.16**	**525.04**

Transfer of 20% of the profit after tax to the statutory reserves in accordance with the provisions of section 45-IC of the Reserve Bank of India Act, 1934 and section 29C of NHB Act, 1987 is of the profit after tax before restatement adjustment.

*As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at the rate of 20% of the Profit after Tax of the Company every year. For Financial Year 2017-18 transfer to statutory reserve will be made at the year end.

^ Special Reserve has been created in terms of Section 36(1) (viii) of the income Tax Act,1961 out of the distributable profits of Subsidiary Company. As per Section 29C of NHB Act, 1987, the Subsidiary Company is required to transfer at least 20% of its net profits prior to distribution of the dividend every year to a reserve. For this purpose any Special Reserve created by the Subsidiary Company in terms of Section 36(1) (viii) of the Income Tax Act, 1961 is considered an eligible transfer. For financial year 2017-18, transfer to special reserve will be made at the year end.

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ANNEXURE 8 : RESTATED CONSOLIDATED SUMMARY STATEMENT OF PREFERENCE SHARES ISSUED BY THE SUBSIDIARY COMPANY OUTSIDE THE GROUP

(Rs. in Millions)

Particulars	As at					
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
8% Optionally Convertible Preference Shares of Rs.10/-each fully paid-up						
- Number of shares	4,000,000	4,000,000	2,000,000	-	-	-
- Rs. in Millions	40.00	40.00	20.00	-	-	-
	40.00	**40.00**	**20.00**	**-**	**-**	**-**

8.1 Terms/ rights attached to Preference shares

The Subsidiary Company has issued 2,000,000 8% Optionally Convertible Preference Shares (OCPS) of Rs.10/- each during FY 2015-16 and further 2,000,000 OCPS during FY 2016-17 on private placement basis. These OCPS carry a right to be paid fixed dividend at the rate of 8% per annum. The holder of the preference share capital shall, in respect of such capital, have a right to vote only on resolutions placed before the Company which directly affect the rights attached to his preference shares. These OCPS are optionally convertible into equity shares as under:

5th Year from the date of issue: 33.33% of the total shares issued
6th Year from the date of issue: 33.33% of the total shares issued
7th Year from the date of issue: 33.33% of the total shares issued

The conversion would be at a price to be determined in accordance with the valuation report to be obtained at the time of conversion and as per the guidelines of Regulating authority prevailing at the time of conversion. If the conversion option is not exercised, 33.33% of the total shares issued shall be redeemed every year beginning from the 5th year till the 7th year from the date of issue.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 9: RESTATED CONSOLIDATED SUMMARY STATEMENT OF COMPULSORILY CONVERTIBLE DEBENTURES

(Rs. in Millions)

Particulars	As at					
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Unsecured						
Compulsorily Convertible Debentures^	499.80	499.80	499.80	499.80	499.80	499.80
	499.80	**499.80**	**499.80**	**499.80**	**499.80**	**499.80**

^ The Company had issued 4,998 number of Compulsorily Convertible Debentures (CCDs) of nominal value aggregating to Rs. 499.80 millions during financial year 2012-13 each having face value of Rs. 100,000 at a premium of Rs. 30,000 per CCD.

Significant terms of the same as under:

(a) The CCDs carry interest at the rate of 13% p.a. for 72 months from the date of investment and thereafter if the CCD's remain unconverted, the rate of interest will be 19.50% p.a. or maximum permissible interest payable under applicable law whichever is less.

(b) The CCDs shall be fully and mandatorily convertible into equity shares on a date which shall be either March 31, 2020 or such other date as may be solely decided by the investor, provided that such date shall not extend beyond 19 years from July 27, 2012. Subsequent to execution of the agreement, on March 23, 2017 the Company has revised conversion terms of the original agreement through “Second Amendment Agreement to the Subscription Agreement dated June 13, 2012” pursuant to which the CCDs are converted into such number of Equity Shares which would entitle the yield on the CCDs to be equivalent to at least the Required Return as defined in the said agreement, at least 2 (two) days prior to filing of the Red Herring Prospectus (“RHP”) with the Registrar of Companies, Gujarat (Ahmedabad) (“ROC”).

(c) Each CCD will convert into such number of equity shares so as to give the investor the required return, without the investor being required to pay any amount for such conversion. The agreement provides that the price at which the conversion will take place will be in compliance with the FDI regulations.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 10 : RESTATED CONSOLIDATED SUMMARY STATEMENT OF DEFERRED SUBSIDY

(Rs. in Millions)

Particulars	**As at**					
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Deferred Subsidy						
Opening Balance	-	-	-	0.08	0.22	0.36
Less : Recouped during the year	-	-	-	0.08	0.14	0.14
Closing Balance	**-**	**-**	**-**	**-**	**0.08**	**0.22**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 11 : RESTATED CONSOLIDATED SUMMARY STATEMENT OF LONG-TERM BORROWINGS

(Rs. in Millions)

Particulars	**As at**					
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Secured						
Term loans^						
(i) Term loans from banks	2,286.19	2,086.08	2,818.44	1,219.67	926.26	641.57
(ii) Term loans from others	550.95	422.83	530.00	228.41	108.33	75.00
Total secured borrowings (A)	**2,837.14**	**2,508.91**	**3,348.44**	**1,448.08**	**1,034.59**	**716.57**
Unsecured						
Redeemable Non - Convertible Debentures ^						
400 14.00% Redeemable, Non-Convertible Debentures of Rs. 1 million each	400.00	400.00	400.00	-	-	-
200 13.50% Redeemable, Non-Convertible Debentures of Rs. 1 million each	200.00	200.00	200.00	200.00	-	-
Total unsecured borrowings (B)	**600.00**	**600.00**	**600.00**	**200.00**	**-**	**-**
Total Long-term borrowings (A) + (B)	**3,437.14**	**3,108.91**	**3,948.44**	**1,648.08**	**1,034.59**	**716.57**

^Details of terms of redemption/repayment and security provided in respect of long-term borrowings as at June 30, 2017

Particulars	**Amount Non-Current (Rs. in Millions)**	**Amount Current (Rs. in Millions)**	**Terms of Redemption/ Repayment**	**Security**
Term Loans from Banks				
Term Loan - 1	-	83.33	Repayable in 6 half yearly installments from December 30, 2015. Rate of interest: Base Rate + Spread Maturity Period: 1 year Remaining no. of installments: 2	Secured by exclusive charge on specific standard assets portfolio of receivables of the Company.
Term Loan - 2	100.00	50.00	Repayable in 20 Quarterly installments from September 30, 2015. Rate of interest: Base Rate + Spread Maturity Period: 3 years Remaining No. of Installments: 12	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi, Mr. Mukesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 3	60.00	30.00	Repayable in 20 Quarterly installments from September 30, 2015. Rate of interest: Base Rate + Spread Maturity Period: 3 years Remaining No. of Installments: 12	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi, Mr. Mukesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 4	240.00	85.22	Repayable in 20 Quarterly installments from September 30, 2016. Rate of interest: One Year MCLR + Spread Maturity Period: 4 years Remaining No. of Installments: 16	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi, Mr. Mukesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 5	-	85.67	Repayable in 36 monthly installments from February 7, 2015.	Secured by a first ranking and exclusive charge on standard

Particulars	Amount Non-Current (Rs. in Millions)	Amount Current (Rs. in Millions)	Terms of Redemption/ Repayment	Security
			Rate of interest: Base Rate + Spread Maturity Period: <1 year Remaining no. of installments: 7	receivables of the Company created out of the loan availed.
Term Loan - 6	110.92	175.58	Repayable in 36 monthly installments from February 7, 2016. Rate of interest: Base Rate + Spread Maturity Period: 1-2 years Remaining No. of Installments: 19	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 7	320.47	161.97	Repayable in 36 monthly installments from May 7, 2017. Rate of interest: One Year MCLR + Spread Maturity Period: 2-3 years Remaining No. of Installments: 33	Secured by a first and exclusive charge on specific receivables of the Company created out of the loan availed.
Term Loan - 8	-	25.00	Repayable in 36 monthly installments from April 30, 2015. Rate of interest: Base Rate + Spread Maturity Period: < 1 Year Remaining no. of installments: 9	Secured by a charge on all the present and future book debts, Out standings, Money receivables, Claims and Bills, which are due and owing or which may any time during the continuance of the security become due and owing to the Company in the course of its business. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi.
Term Loan - 9	4.17	50.00	Repayable in 36 monthly installments from August 31, 2015. Rate of interest: Base Rate + Spread Maturity Period: 1-2 years No. of Installments due: 13	Exclusive hypothecation charge on specific present and future receivables in respect of assets financed/ to be financed by bank. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi.
Term Loan - 10	13.89	83.33	Repayable in 36 monthly installments from September 14, 2015. Rate of interest: Base Rate + Spread Maturity Period: 1-2 years No. of Installments due: 14	Exclusive hypothecation charge on specific present and future receivables in respect of assets financed/ to be financed by bank. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi.
Term Loan - 11	50.00	66.67	Repayable in 36 monthly installments from April 30, 2016. Rate of interest: Base Rate + Spread Maturity Period: 1-2 years No. of Installments due: 21	Exclusive hypothecation charge on specific present and future receivables in respect of assets financed/ to be financed by bank. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi.
Term Loan - 12	8.97	36.36	Repayable in 11 Quarterly installments from March 31, 2016. Rate of interest: Base Rate + Spread Maturity Period: 1-2 years Remaining no. of installments: 5	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi, Mr. Mukesh Gandhi.
Term Loan - 13	9.01	36.36	Repayable in 11 Quarterly installments from June 30, 2016. Rate of interest: Base Rate + Spread Maturity Period: 1-2 years Remaining no. of installments: 5	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi, Mr. Mukesh Gandhi.
Term Loan - 14	14.87	60.00	Repayable in 11 Quarterly installments from September 30, 2016. Rate of interest: Base Rate + Spread Maturity Period: 1-2 years Remaining no. of installments: 5	Secured by a first ranking and exclusive charge on standard receivables of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi, Mr. Mukesh Gandhi.
Term Loan - 15	59.00	116.40	Repayable in 12 Quarterly installments from March 30, 2016.	Secured by exclusive charge on receivables of the Company created

Particulars	Amount Non-Current (Rs. in Millions)	Amount Current (Rs. in Millions)	Terms of Redemption/ Repayment	Security
			Rate of interest: Base Rate + Spread Maturity Period: 1-2 years Remaining no. of installments: 6	out of the loan availed.
Term Loan - 16	412.50	150.00	Repayable in 16 Quarterly installments from June 30, 2017. Rate of interest: One Year MCLR + Spread Maturity Period: 3-4 years Remaining no. of installments: 15	Secured by Hypothecation of portfolio of the Company created out of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi, Mr. Mukesh Gandhi and Mrs. Shweta Gandhi.
Term Loan - 17	3.04	13.93	Repayable in 28 Quarterly installments from March 24, 2011. Rate of interest: BBR+Spread Maturity Period: 1-2 years Remaining no. of installments: 6	Loan is secured by Hypothecation on receivables. Corporate Guarantee of MAS Financial Services Ltd. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - 18	42.86	14.29	Repayment in 28 Quarterly Installments from April 30, 2014. Rate of interest: BBR+Spread p.a Maturity Period: 4-5 years Remaining no. of installments: 16	Loan is secured by Hypothecation on receivables. Corporate Guarantee of MAS Financial Services Ltd. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - 19	31.25	8.33	Repayment in 24 Quarterly Installments beginning from June 30, 2016. Rate of Interest BBR+Spread Maturity Period: 5 years Remaining no. of installments: 19	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - 20	66.67	16.67	Repayment in 24 Quarterly Installments beginning from July 31, 2016. Rate of Interest: BBR+Spread Maturity Period: 5-6 years Remaining no. of installments: 20	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan -21	39.58	8.33	Repayment in 24 Quarterly Installments starting from September 30, 2017. Rate of Interest: BBR+Spread Maturity Period: 6-7 years. Remaining no. of installments: 23	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - 22	79.17	16.67	Repayment in 24 Quarterly Installments starting from September 30, 2017. Rate of Interest: BBR+Spread. Maturity Period: 6-7 years Remaining no. of installments: 23	Loan is secured by Hypothecation on receivables. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - 23	37.50	25.00	Repayable in 24 Quarterly installments from February 28, 2014. Rate of interest: BBR+Spread Maturity Period: 2-3 years Remaining no. of installments: 10	Loan is secured by hypothecation charge on portfolio created form the bank finance. Corporate Guarantee of MAS Financial Services Ltd. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - 24	67.38	33.69	Repayment in 24 Quarterly Installments starting from September 1, 2014. Rate of Interest: BBR+Spread Maturity Period: 3-4 years Remaining no. of installments: 12	Loan is secured by hypothecation charge on portfolio created form the bank finance. Corporate Guarantee of MAS Financial Services Ltd. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - 25	234.79	51.67	Repayment in 24 Quarterly Installments starting from March 31, 2017. Rate of Interest: BBR+Spread Maturity Period: 5-6 years Remaining no. of installments: 22	Loan is secured by hypothecation charge on portfolio created form the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - 26	-	37.46	Repayment in 8 Quarterly Installments from June 7, 2016. Rate of Interest: BBR+Spread Maturity Period: <1 year Remaining no. of installments: 3	First & Exclusive Hypothecation of Specific Receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - 27	-	18.73	Repayment in 8 Quarterly Installments from	First & Exclusive Hypothecation of

Particulars	Amount Non-Current (Rs. in Millions)	Amount Current (Rs. in Millions)	Terms of Redemption/ Repayment	Security
			June 7, 2016. Rate of Interest: BBR+Spread Maturity Period: <1 year Remaining no. of installments: 3	Specific Receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - 28	25.44	50.11	Repayment in 8 Quarterly Installments from January 7, 2017. Rate of Interest: One year MCLR+Spread Maturity Period: 1-2 years Remaining no. of installments: 5	First & Exclusive Hypothecation of Specific Receivables of the Company. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - 29	40.83	11.67	Repayment in 24 Quarterly Installments from March 19, 2016. Rate of interest: BBR+Spread Maturity Period: 4-5 years Remaining no. of installments: 18	First & Exclusive Charge by way of Hypothecation of such of the book debts, which are financed to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi. & Mrs. Sweta K. Gandhi.
Term Loan - 30	17.50	5.00	Repayment in 24 Quarterly Installments from March 19, 2016. Rate of interest: BBR+Spread Maturity Period: 4-5 years Remaining no. of installments: 18	First & Exclusive Charge by way of Hypothecation of such of the book debts, which are financed to be financed by the Company out of the bank finance. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi & Mrs. Sweta K. Gandhi.
Term Loan - 31	-	4.99	Repayment in 8 Quarterly Installments from March 31, 2016. Rate of interest: BBR+ Spread Maturity Period: <1 years Remaining no. of installments: 2	Hypothecation of the Receivables arising out of onward lending of Rupee Term loan extended by the Bank. Corporate Guarantee of MAS Financial Services Ltd. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - 32	12.50	4.99	Repayment in 20 Quarterly Installments from March 31, 2016. Rate of interest: BBR+ Spread Maturity Period: 3-4 years Remaining no. of installments: 14	Hypothecation of the Receivables arising out of onward lending of Rupee Term loan extended by the Bank. Corporate Guarantee of MAS Financial Services Ltd. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - 33	91.66	8.33	Repayment in 24 Quarterly Installments from March 31, 2018. Rate of interest: One year MCLR+Spread Maturity Period: 6-7 years Remaining no. of installments: 24	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Company (identified loan assets) sufficient to provide one time security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Term Loan - 34	91.66	8.33	Repayment in 12 Quarterly Installments from June 30, 2018. Rate of interest: One year MCLR+Spread Maturity Period: 4 years Remaining no. of installments: 12	The Term loan shall be secured by first ranking and exclusive charge on standard receivables of the Company (identified loan assets) sufficient to provide one time security cover of the outstanding amount of the term loan on a continuous basis, during the tenure of the term loan. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Vehicle Loans - 35	0.35	4.22	Repayable in 36 monthly installments from August 10, 2015. Rate of interest: Fixed. Remaining no. of installments:13	Secured by hypothecation of the vehicle financed.

Particulars	Amount Non-Current (Rs. in Millions)	Amount Current (Rs. in Millions)	Terms of Redemption/ Repayment	Security
Vehicle Loans - 36	0.04	0.56	Repayable in 36 monthly installments from August 15, 2015. Rate of interest: Fixed Remaining no. of installments:13	Secured by hypothecation of the vehicle financed.
Vehicle Loans - 37	0.17	2.04	Repayable in 36 monthly installments from August 10, 2015. Rate of interest: Fixed Remaining no. of installments:16	Secured by hypothecation of the vehicle financed.
Total Term Loans from Banks	**2,286.19**	**1,640.90**		
Term Loans from Others				
Term Loans from Financial Institution - 1	-	11.11	Repayable in 36 monthly installments from November 15, 2014 Rate of interest: LTLR - Spread Maturity Period: <1 year Remaining no. of installments: 4	Secured by hypothecation of book debts created out of the loan availed.
Term Loans from Financial Institution - 2	-	25.02	Repayable in 36 monthly installments from April 15, 2015. Rate of interest: LTLR - Spread Maturity Period: <1 year Remaining no. of installments: 9	Secured by hypothecation of book debts created out of the loan availed.
Term Loans from Financial Institution - 3	-	7.51	Repayable in 36 monthly installments from April 15, 2015. Rate of interest: LTLR - Spread Maturity Period: <1 year Remaining no. of installments: 9	Secured by hypothecation of book debts created out of the loan availed.
Term Loans from Financial Institution - 4	25.04	33.33	Repayable in 36 monthly installments from April 15, 2016. Rate of interest: LTLR - Spread Maturity Period: 1-2 years Remaining no. of installments: 21	Secured by hypothecation of book debts created out of the loan availed.
Term Loans from Financial Institution - 5	12.52	16.67	Repayable in 36 monthly installments from April 15, 2016. Rate of interest: LTLR - Spread Maturity Period: 1-2 years Remaining no. of installments: 21	Secured by hypothecation of book debts created out of the loan availed.
Term Loans from Financial Institution - 6	61.00	84.00	Repayable in 36 monthly installments from April 10, 2016. Rate of interest: PLR - Spread Maturity Period: 1-2 years Remaining no. of installments: 21	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi.
Term Loans from Financial Institution - 7	40.91	54.55	Repayable in 11 quarterly installments from September 30, 2016. Rate of interest: Base Rate - Spread Maturity Period: 1-2 years Remaining no. of installments: 7	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi.
Term Loans from Financial Institution - 8	72.73	72.72	Repayable in 11 quarterly installments from December 31, 2016. Rate of interest: Base Rate - Spread. Maturity Period: 2-3 years. Remaining no. of installments: 8	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi.
Term Loans from Financial Institution - 9	160.00	40.00	Repayable in 10 quarterly installments from March 31, 2018. Rate of interest: 9.60% p.a.	Secured by exclusive first charge by way of hypothecation of specific book debts of the Company created out of

Particulars	Amount Non-Current (Rs. in Millions)	Amount Current (Rs. in Millions)	Terms of Redemption/ Repayment	Security
			Maturity Period: 3 years Remaining no. of installments: 10	the loan availed. Personal Guarantee of Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi.
Term Loan from NHB - 10	4.33	2.98	Repayable in 27 Quarterly installments from July 1, 2013. Rate of interest: 6.75% -7.75% Maturity Period: 2-3 years Remaining no. of installments: 10	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company. Corporate Guarantee of MAS Financial Services Ltd.
Term Loan from NHB - 11	34.55	3.09	Repayment in 51 Quarterly Installments from July 1, 2014. Rate of interest:10.55% Maturity Period: 9-10 years Remaining no. of installments: 38	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company. Corporate Guarantee of MAS Financial Services Ltd.
Term Loan from NHB - 12	38.29	3.20	Repayment in 47 Quarterly Installments from October 1, 2015. Rate of interest:9.37% Maturity Period: 10-11 years Remaining no. of installments: 39	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company. Corporate Guarantee of MAS Financial Services Ltd.
Term Loan from NHB - 13	101.58	8.62	Repayment in 39 Quarterly Installments from July 1, 2017. Rate of interest: 5.11% - 8.05%. Maturity Period: 9-10 years Remaining no. of installments: 38	A first exclusive mortgage and or a first exclusive charge by way of hypothecation of such of the book debts, which are financed / to be financed by the Company. Personal Guarantee of Mr. Kamlesh Gandhi & Mr. Mukesh Gandhi.
Total Term Loans from Others	**550.95**	**362.80**		
Debentures				
400, 14.00% Unsecured, Redeemable, Non-Convertible Debentures of Rs. 1 million each	400.00	-	Coupon Rate: 14.00% p.a. Coupon Payment frequency: Quarterly and on Maturity. Principal Payment frequency: Bullet Payment at the end of the tenure tenure :7 years	N.A.
200, 13.50% Unsecured, Redeemable, Non-Convertible Debentures of Rs. 1 million each	200.00	-	Coupon Rate: 13.50% p.a. Coupon Payment frequency: Annually and on Maturity. Principal Payment frequency: Bullet Payment at the end of the tenure tenure : 6 years & 6 months	N.A.
Total Debentures	**600.00**	**-**		

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 12: RESTATED CONSOLIDATED SUMMARY STATEMENT OF DEFERRED TAX ASSETS & LIABILITIES

(Rs. in Millions)

Particulars	**As at**					
	June 30,	**March 31,**	**March 31,**	**March 31,**	**March 31,**	**March 31,**
	2017	**2017**	**2016**	**2015**	**2014**	**2013**
A. Deferred Tax Liability (Net)						
Tax effect of items constituting Deferred Tax Liability						
On difference between book balance and tax balance of fixed assets	(0.91)	(1.03)	(0.78)	(0.04)	-	-
Transfer to Special Reserves	(0.81)	-	-	-	-	-
Special Reserves u/s 36(1)(viii) of Income Tax Act, 1961 as per NHB Circular No.65/2014-15	(8.43)	(8.43)	(6.27)	(4.67)	-	-
	(10.15)	**(9.46)**	**(7.05)**	**(4.71)**	**-**	**-**
Tax effect of items constituting Deferred Tax Assets						
Contingent Provision for Standard Assets	3.20	3.15	2.40	1.50	-	-
Provision for Sub Standard Assets	0.45	0.42	0.12	-	-	-
Provision for Compensated Absences	0.22	0.24	0.18	0.14	-	-
Expenses eligible for deduction under section 35D of the Income-tax Act, 1961	-	-	0.12	0.11	-	-
Total Deferred Tax Assets	**3.87**	**3.81**	**2.82**	**1.75**	**-**	**-**
Net Deferred Tax (Liability)	**(6.28)**	**(5.65)**	**(4.23)**	**(2.96)**	**-**	**-**
B. Deferred Tax Assets (Net)						
Tax effect of items constituting Deferred Tax Liability						
On difference between book balance and tax balance of fixed assets	(2.69)	(2.40)	(1.86)	(1.85)	(6.78)	(6.51)
	(2.69)	**(2.40)**	**(1.86)**	**(1.85)**	**(6.78)**	**(6.51)**
Tax effect of items constituting Deferred Tax Assets						
Provision for non-performing assets	20.82	15.91	13.65	12.64	9.86	5.26
Contingent Provision for Standard Assets	28.62	26.56	16.42	10.34	8.24	5.38
Provision for Compensated Absences	2.27	2.16	1.88	1.45	1.17	0.73
Provision for Gratuity	0.21	-	-	-	-	-
Expenses eligible for deduction under section 35D of the Income-tax Act, 1961	-	-	-	-	-	0.16
Total Deferred Tax Assets	**51.92**	**44.63**	**31.95**	**24.43**	**19.27**	**11.53**
Net deferred tax assets	**49.23**	**42.23**	**30.09**	**22.58**	**12.49**	**5.02**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 13: RESTATED CONSOLIDATED SUMMARY STATEMENT OF OTHER LONG-TERM LIABILITIES

(Rs. in Millions)

Particulars	As at					
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Security deposits	2,981.78	2,356.67	1,474.54	899.96	996.46	510.12
Interest accrued but not due on security deposits	134.10	86.37	43.79	29.28	26.32	12.01
Advances received against loan agreements *	62.83	77.42	8.33	-	-	-
	3,178.71	**2,520.46**	**1,526.66**	**929.24**	**1,022.78**	**522.13**

* Advances received against loan agreements are repayable/adjusted over the period of the contract.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 14: RESTATED CONSOLIDATED SUMMARY STATEMENT OF LONG-TERM PROVISIONS

(Rs. in Millions)

Particulars	As at					
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Contingent Provision against Standard Assets	42.01	37.05	19.54	11.92	9.73	6.57
	42.01	**37.05**	**19.54**	**11.92**	**9.73**	**6.57**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 15: RESTATED CONSOLIDATED SUMMARY STATEMENT OF SHORT-TERM BORROWINGS

(Rs. in Millions)

Particulars	As at					
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Secured*						
(i) Cash Credit and Overdrafts facilities from banks repayable on demand	-	-	-	-	-	-
(ii) Short Term loans from Banks	2,140.09	889.89	3,261.16	3,404.20	2,550.93	772.82
(iii) Short Term loans from Others	6,940.00	6,790.00	4,150.00	4,049.81	2,950.00	2,757.50
	9,080.09	**7,679.89**	**7,411.16**	**7,454.01**	**5,500.93**	**3,530.32**

Details of security provided in respect of short-term borrowings as at June 30, 2017:

* Cash Credits/Overdrafts/Short Term Loans from Banks of Group are secured by hypothecation of movable assets of the respective company and goods covered under HP Agreements/ Loan cum Hypothecation Agreements and relative book debts, receivables, loans and advances and entire portfolio outstanding (except specific portfolio generated from various term loans sanctioned by various banks/FIs on an exclusive basis) and equitable mortgage/negative lien by deposit of title deeds on some of the Company's immovable properties, as collateral security. The loans are also guaranteed by Mr. Kamlesh Chimanlal Gandhi, Mr. Mukesh Chimanlal Gandhi and Mrs. Shweta Kamlesh Gandhi.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 16: RESTATED CONSOLIDATED SUMMARY STATEMENT OF TRADE PAYABLES

(Rs. in Millions)

Particulars	As at					
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Trade payables						
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	34.24	27.62	46.93	14.89	20.65	21.59
	34.24	**27.62**	**46.93**	**14.89**	**20.65**	**21.59**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 17: RESTATED CONSOLIDATED SUMMARY STATEMENT OF OTHER CURRENT LIABILITIES

(Rs. in Millions)

Particulars	**As at**					
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Current maturities of long-term borrowings (Refer Annexure - 11 for details of term of redemption/ repayment and security provided)						
230 Series I - 13.50 % Secured Redeemable Non-Convertible Debentures of Rs. 1 million each	-	-	-	-	-	230.00
130 Series II - 13.20 % Secured Redeemable Non-Convertible Debentures of Rs.1 million each	-	-	-	-	-	130.00
Term loans from Banks	1,640.90	1,509.47	1,430.26	883.15	588.72	483.19
Term loans from Others	362.80	337.96	293.44	323.67	103.42	50.00
Current maturities of long-term borrowings (A)	**2,003.70**	**1,847.43**	**1,723.70**	**1,206.82**	**692.14**	**893.19**
Interest accrued but not due						
On borrowings	106.05	76.14	57.76	39.50	26.63	29.63
On others	65.78	114.99	84.31	80.52	45.15	28.65
Interest accrued but not due (B)	**171.83**	**191.13**	**142.07**	**120.02**	**71.78**	**58.28**
Other payables						
Statutory remittances (Contributions to PF and ESIC, Service Tax, etc.)	14.27	33.85	25.91	18.20	12.66	15.53
Dues to the assignees towards collections from assigned receivables	1,116.57	1,122.23	799.03	558.34	360.98	96.25
Security deposits	794.68	1,331.42	1,263.28	1,482.73	692.99	515.83
Bank overdraft as per books	-	-	2.46	-	-	-
Advances received against loan agreements *	22.38	5.41	7.99	1.02	1.15	0.63
Other payables (C)	**1,947.90**	**2,492.91**	**2,098.67**	**2,060.29**	**1,067.78**	**628.24**
Total Other Current Liabilities (A) + (B) + (C)	**4,123.43**	**4,531.47**	**3,964.44**	**3,387.13**	**1,831.70**	**1,579.71**

* Advances received against loan agreements are repayable/adjusted over the period of the contract.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 18: RESTATED CONSOLIDATED SUMMARY STATEMENT OF SHORT-TERM PROVISIONS

(Rs. in Millions)

Particulars	As at					
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Provision for Employee Benefits:						
Compensated Absences	7.22	6.98	5.98	4.72	3.44	2.22
Provision for Gratuity	0.54	-	-	-	-	-
	7.76	**6.98**	**5.98**	**4.72**	**3.44**	**2.22**
Other provisions:						
Provision for Tax (net of Advance Tax)	95.76	30.68	7.57	13.34	18.96	14.48
Provision for Non-Performing Assets	61.51	47.22	39.78	37.20	29.00	15.48
Contingent Provision against Standard Assets	50.37	49.23	35.16	23.14	14.67	9.45
	207.64	**127.13**	**82.51**	**73.68**	**62.63**	**39.41**
	215.40	**134.11**	**88.49**	**78.40**	**66.07**	**41.63**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 19: RESTATED CONSOLIDATED SUMMARY STATEMENT OF FIXED ASSETS:

Quarter ended June 30, 2017

(Rs. in Millions)

Nature of Assets	Gross Block (At Cost)				Depreciation					Net Block
	As at April 1, 2017	Additions	Deductions	As at June 30, 2017	As at April 1, 2017	Depreciation	Transition adjustment recorded against Surplus balance in Restated Consolidated Summary Statement of Profit and Loss	Deductions	As at June 30, 2017	As at June 30, 2017
Tangible assets										
Office Buildings	35.81	23.16	-	58.97	5.22	0.20	-	-	5.42	53.55
Furniture & Fixtures	32.40	3.79	-	36.19	21.12	0.58	-	-	21.70	14.49
Vehicles	32.07	-	-	32.07	8.18	0.94	-	-	9.12	22.95
Office Equipments	77.32	3.20	1.01	79.51	56.99	1.71	-	0.96	57.74	21.77
Total	**177.60**	**30.15**	**1.01**	**206.74**	**91.51**	**3.43**	**-**	**0.96**	**93.98**	**112.76**
Intangible assets										
Software	3.09	1.27	-	4.36	1.71	0.15		-	1.86	2.50
Total	**3.09**	**1.27**	**-**	**4.36**	**1.71**	**0.15**	**-**	**-**	**1.86**	**2.50**
Grand Total	**180.69**	**31.42**	**1.01**	**211.10**	**93.22**	**3.58**	**-**	**0.96**	**95.84**	**115.26**

Year ended March 31, 2017

(Rs. in Millions)

Nature of Assets	Gross Block (At Cost)				Depreciation					Net Block
	As at April 1, 2016	Additions	Deductions	As at March 31, 2017	As at April 1, 2016	Depreciation	Transition adjustment recorded against Surplus balance in Restated Consolidated Summary Statement of Profit and Loss	Deductions	As at March 31, 2017	As at March 31, 2017
Tangible assets										
Office Buildings	33.51	2.30	-	35.81	4.67	0.55	-	-	5.22	30.59
Furniture & Fixtures	30.54	3.85	1.99	32.40	20.71	2.22	-	1.81	21.12	11.28
Vehicles	32.52	-	0.45	32.07	4.76	3.85	-	0.43	8.18	23.89
Office Equipments	66.37	12.12	1.17	77.32	51.06	7.04		1.11	56.99	20.33
Total	**162.94**	**18.27**	**3.61**	**177.60**	**81.20**	**13.66**	**-**	**3.35**	**91.51**	**86.09**
Intangible assets										
Software	1.60	1.49	-	3.09	1.60	0.11	-	-	1.71	1.38
Total	**1.60**	**1.49**	**-**	**3.09**	**1.60**	**0.11**	**-**	**-**	**1.71**	**1.38**
Grand Total	**164.54**	**19.76**	**3.61**	**180.69**	**82.80**	**13.77**	**-**	**3.35**	**93.22**	**87.47**

Year ended March 31, 2016

(Rs. in Millions)

Nature of Assets	Gross Block (At Cost)				Depreciation					Net Block
	As at April 1, 2015	Additions	Deductions	As at March 31, 2016	As at April 1, 2015	Depreciation	Transition adjustment recorded against Surplus balance in Restated Consolidated Summary Statement of Profit and Loss	Deductions	As at March 31, 2016	As at March 31, 2016
Tangible assets										
Office Buildings	22.98	10.76	0.23	33.51	4.23	0.49	-	0.05	4.67	28.84
Furniture & Fixtures	27.72	2.82	-	30.54	17.97	2.74	-	-	20.71	9.83
Vehicles	11.23	29.11	7.82	32.52	6.31	3.14	-	4.69	4.76	27.76
Office Equipments	57.88	8.50	0.01	66.37	46.50	4.57	-	0.01	51.06	15.31
Total	**119.81**	**51.19**	**8.06**	**162.94**	**75.01**	**10.94**	**-**	**4.75**	**81.20**	**81.74**
Intangible assets										
Software	1.60	-	-	1.60	1.60	-	-	-	1.60	-
Total	**1.60**	**-**	**-**	**1.60**	**1.60**	**-**	**-**	**-**	**1.60**	**-**
Grand Total	**121.41**	**51.19**	**8.06**	**164.54**	**76.61**	**10.94**	**-**	**4.75**	**82.80**	**81.74**

Year ended March 31, 2015

(Rs. in Millions)

Nature of Assets	Gross Block (At Cost)				Depreciation					Net Block
	As at April 1, 2014	Additions	Deductions	As at March 31, 2015	As at April 1, 2014	Depreciation	Transition adjustment recorded against Surplus balance in Restated Consolidated Summary Statement of Profit and Loss*	Deductions	As at March 31, 2015	As at March 31, 2015
Tangible assets										
Office Buildings	22.98	-	-	22.98	3.86	0.37	-	-	4.23	18.75
Furniture & Fixtures	26.67	1.05	-	27.72	13.41	4.01	0.55	-	17.97	9.75
Vehicles	11.23	-	-	11.23	4.42	1.62	0.27	-	6.31	4.92
Office Equipments	50.97	6.91	-	57.88	32.67	3.84	9.99	-	46.50	11.38
Total	**111.85**	**7.96**	**-**	**119.81**	**54.36**	**9.84**	**10.81**	**-**	**75.01**	**44.80**
Intangible assets										
Software	1.60	-	-	1.60	0.99	0.61	-	-	1.60	-
Total	**1.60**	**-**	**-**	**1.60**	**0.99**	**0.61**	**-**	**-**	**1.60**	**-**
Grand Total	**113.45**	**7.96**	**-**	**121.41**	**55.35**	**10.45**	**10.81**	**-**	**76.61**	**44.80**

* During F.Y. 2014-15, pursuant to the notification of Schedule II to the Act with effect from April 1, 2014, the Group had adopted the useful lives of fixed assets as specified in Schedule II of the Act. Accordingly, the unamortised carrying value of the assets as on that date is being depreciated over their revised remaining useful lives. Pursuant to the transition provisions prescribed in Schedule II to the Act, the Group has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on April 1, 2014, and has adjusted an amount of Rs. 7.12 million (net of deferred tax) against the opening balance of Surplus in the Restated Consolidated Summary Statement of Profit and Loss under Reserves and Surplus.

Year ended March 31, 2014

(Rs. in Millions)

Nature of Assets	Gross Block (At Cost)				Depreciation					Net Block
	As at April 1, 2013	Additions	Deductions	As at March 31, 2014	As at April 1, 2013	Depreciation	Transition adjustment recorded against Surplus balance in Restated Consolidated Summary Statement of Profit and Loss	Deductions	As at March 31, 2014	As at March 31, 2014
Tangible assets										
Office Buildings	22.98	-	-	22.98	3.49	0.37	-	-	3.86	19.12
Furniture & Fixtures	26.33	0.34	-	26.67	11.88	1.53	-	-	13.41	13.26
Vehicles	10.51	0.72	-	11.23	3.41	1.01	-	-	4.42	6.81
Office Equipments	49.14	1.83	-	50.97	30.13	2.54	-	-	32.67	18.30
Total	**108.96**	**2.89**	**-**	**111.85**	**48.91**	**5.45**	**-**	**-**	**54.36**	**57.49**
Intangible assets										
Software	1.60	-	-	1.60	0.67	0.32	-	-	0.99	0.61
Total	**1.60**	**-**	**-**	**1.60**	**0.67**	**0.32**	**-**	**-**	**0.99**	**0.61**
Grand Total	**110.56**	**2.89**	**-**	**113.45**	**49.58**	**5.77**	**-**	**-**	**55.35**	**58.10**

Year ended March 31, 2013

(Rs. in Millions)

Nature of Assets	Gross Block (At Cost)				Depreciation					Net Block
	As at April 1, 2012	Additions	Deductions	As at March 31, 2013	As at April 1, 2012	Depreciation	Transition adjustment recorded against Surplus balance in Restated Consolidated Summary Statement of Profit and Loss	Deductions	As at March 31, 2013	As at March 31, 2013
Tangible assets										
Office Buildings	22.98	-	-	22.98	3.12	0.37	-	-	3.49	19.49
Furniture & Fixtures	23.62	2.71	-	26.33	9.90	1.98	-	-	11.88	14.45
Vehicles	11.85	-	1.34	10.51	3.75	1.00	-	1.34	3.41	7.10
Office Equipments	48.03	2.74	1.63	49.14	29.06	2.63	-	1.56	30.13	19.01
Total	**106.48**	**5.45**	**2.97**	**108.96**	**45.83**	**5.98**	**-**	**2.90**	**48.91**	**60.05**
Intangible assets										
Software	1.25	0.35	-	1.60	0.35	0.32	-	-	0.67	0.93
Total	**1.25**	**0.35**	**-**	**1.60**	**0.35**	**0.32**	**-**	**-**	**0.67**	**0.93**
Grand Total	**107.73**	**5.80**	**2.97**	**110.56**	**46.18**	**6.30**	**-**	**2.90**	**49.58**	**60.98**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 20: RESTATED CONSOLIDATED SUMMARY STATEMENT OF NON-CURRENT INVESTMENTS

(Rs. in Millions)

Particulars		Face value per share/Bond (In Rs.)	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Non-trade Investments								
Quoted equity instruments (at cost)								
Apple Finance Limited								
- Cost of Investment	(Refer Note No. a.1)		0.00	0.00	0.00	0.00	0.00	0.00
- Number of equity shares		10	100	100	100	100	100	100
Athena Finance Limited								
- Cost of Investment	(Refer Note No. a.2)		0.00	0.00	0.00	0.00	0.00	0.00
- Number of equity shares		10	1	1	1	1	1	1
Cholamandalam Finance Limited								
- Cost of Investment	(Refer Note No. a.3)		0.00	0.00	0.00	0.00	0.00	0.00
- Number of equity shares		10	1	1	1	1	1	1
Dena Bank								
- Cost of Investment			0.09	0.09	0.09	0.09	0.09	0.09
- Number of equity shares		10	3,209	3,209	3,209	3,209	3,209	3,209
First Leasing Finance Limited								
- Cost of Investment	(Refer Note No. a.4)		0.00	0.00	0.00	0.00	0.00	0.00
- Number of equity shares		10	1	1	1	1	1	1
Gujarat Lease Financing Limited								
- Cost of Investment	(Refer Note No. a.5)		0.00	0.00	0.00	0.00	0.00	0.00
- Number of equity shares		10	125	125	125	125	125	125
HDFC Bank Limited								
- Cost of Investment	(Refer Note No. a.6)		0.00	0.00	0.00	0.00	0.00	0.00
- Number of equity shares		2	15	15	15	15	15	15
ICICI Bank Limited								
- Cost of Investment	(Refer Note No. a.7)		0.00	0.00	0.00	0.00	0.00	0.00
- Number of equity shares		2	15	15	15	15*	3	3
IndusInd Bank Limited								
- Cost of Investment	(Refer Note No. a.8)		0.00	0.00	0.00	0.00	0.00	0.00
- Number of equity shares		10	102	102	102	102	102	102
Kotak Mahindra Bank Limited								
- Cost of Investment	(Refer Note No. a.9)		0.00	0.00	0.00	0.00	0.00	0.00
- Number of equity shares		5	500	500	500	250	250	250
Reliance Capital Limited								
- Cost of Investment	(Refer Note No. a.10)		0.00	0.00	0.00	0.00	0.00	0.00
- Number of equity shares		10	1	1	1	1	1	1
HDFC Limited								
- Cost of Investment			-	-	-	-	-	-
- Number of equity shares		2	5	5	5	5	5	5
			0.11	**0.11**	**0.11**	**0.11**	**0.11**	**0.11**
Less : Provision for diminution			0.05	0.05	0.05	0.05	0.05	0.05
			0.06	**0.06**	**0.06**	**0.06**	**0.06**	**0.06**
In Government Securities (Quoted):								
11.5% GOI BOND 2015		795,000	-	-	-	0.76	0.76	0.76
Unquoted equity instruments								

Particulars	Face value per share/Bond (In Rs.)	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Cosmos Co-operative Bank Limited							
- Cost of Investment		0.01	0.01	0.01	0.01	0.01	0.01
- Number of equity shares	25	277	277	277	277	277	277
Investment in pass through certificates (PTCs)							
Arkaios Multi Micro Finance Pool Trust 2015 Series A2							
- Cost of Investment		-	-	2.66	2.66	-	-
- Number of PTCs	-	-	-	10	10	-	-
Total Non-Current Investments		**0.07**	**0.07**	**2.73**	**3.49**	**0.83**	**0.83**
Aggregate Value of Quoted Investments							
Cost		0.11	0.11	0.11	0.87	0.87	0.87
Market Value		0.78	0.74	0.56	1.41	1.26	1.30
Aggregate Value of Unquoted Investments		0.01	0.01	2.67	2.67	0.01	0.01

* The number of shares of ICICI bank have increased from 3 to 15 due to split in the face value of the share from Rs. 10/- to Rs. 2/-.

(Amount in Rs.)

Particulars	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
a.1 - Apple Finance Limited	2,150	2,150	2,150	2,150	2,150	2,150
a.2 - Athena Finance Limited	7	7	7	7	7	7
a.3 - Cholamandalam Finance Limited	52	52	52	52	52	52
a.4 - First Leasing Finance Limited	23	23	23	23	23	23
a.5 - Gujarat Lease Financing Limited	4,875	4,875	4,875	4,875	4,875	4,875
a.6 - HDFC Bank Limited	2,904	2,904	2,904	2,904	2,904	2,904
a.7 - ICICI Bank Limited	4,560	4,560	4,560	4,560	4,560	4,560
a.8 - IndusInd Bank Limited	4,590	4,590	4,590	4,590	4,590	4,590
a.9 - Kotak Mahindra Bank Limited	1,950	1,950	1,950	1,950	1,950	1,950
a.10 - Reliance Capital Limited	77	77	77	77	77	77
	21,188	**21,188**	**21,188**	**21,188**	**21,188**	**21,188**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 21: RESTATED CONSOLIDATED SUMMARY STATEMENT OF LONG-TERM LOANS AND ADVANCES

(Rs. in Millions)

Particulars	**As at**					
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
(A) Loans to Customers						
(i) Secured^						
Loans	8,399.27	7,122.31	4,462.97	3,313.37	2,570.18	1,528.22
Retained Interest on securitisation/assignment	262.82	257.37	143.99	165.78	60.43	40.74
	8,662.09	**7,379.68**	**4,606.96**	**3,479.15**	**2,630.61**	**1,568.96**
(ii) Unsecured						
Loans	1,607.42	1,406.91	1,234.45	685.72	773.59	747.09
Retained Interest on securitisation/assignment	13.68	8.28	11.65	17.24	18.84	7.99
	1,621.10	**1,415.19**	**1,246.10**	**702.96**	**792.43**	**755.08**
Total Loans to Customers (A)	**10,283.19**	**8,794.87**	**5,853.06**	**4,182.11**	**3,423.04**	**2,324.04**
Of the above:						
Considered Good	10,283.19	8,794.87	5,853.06	4,182.11	3,423.04	2,324.04
	10,283.19	**8,794.87**	**5,853.06**	**4,182.11**	**3,423.04**	**2,324.04**
(B) Other Loans and Advances						
Unsecured, considered good						
Security deposits	5.66	5.35	5.04	4.10	4.22	4.54
Capital Advances	5.27	21.39	0.55	1.45	2.25	1.10
Advance Tax and TDS (Net of provisions)	21.51	22.42	4.89	2.91	0.13	0.04
Portfolio Collateral against assets assigned	-	-	-	-	-	0.17
Total Other Loans and Advances (B)	**32.44**	**49.16**	**10.48**	**8.46**	**6.60**	**5.85**
Total Loans and Advances (A) + (B)	**10,315.63**	**8,844.03**	**5,863.54**	**4,190.57**	**3,429.64**	**2,329.89**

^ Secured exposures are exposures secured wholly or partly by hypothecation of assets, equitable mortgage of property, pledge of shares, other securities, assignments of life insurance policies, bank guarantees, company guarantees or personal guarantees and / or undertaking to create a security.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 22: RESTATED CONSOLIDATED SUMMARY STATEMENT OF OTHER NON-CURRENT ASSETS

(Rs. in Millions)

Particulars	**As at**					
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Fixed Deposit:						
Deposits with Banks given as security against borrowings and other commitments	74.83	76.28	65.66	66.86	59.93	57.53
Deposits with Banks given as collateral against assets securitised/assigned	-	-	-	15.79	23.05	47.57
Unamortised Borrowing Costs	10.06	9.98	10.18	3.10	-	-
Interest Accrued on Deposits	9.70	8.55	3.58	16.00	7.89	6.76
	94.59	**94.81**	**79.42**	**101.75**	**90.87**	**111.86**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 23: RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH AND BANK BALANCES

(Rs. in Millions)

Particulars	As at					
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Cash and cash equivalents						
Cash on hand	1.83	2.10	4.25	5.49	3.73	0.94
Balances with banks:						
- In Current / cash Credit Accounts	1,496.06	463.23	1,803.83	2,123.52	1,781.35	1,620.19
Total Cash and Cash Equivalents (A)	**1,497.89**	**465.33**	**1,808.08**	**2,129.01**	**1,785.08**	**1,621.13**
Other bank balances						
In Current Accounts*	4.46	4.79	0.89	0.95	0.14	0.55
Fixed Deposit:						
Deposits with Banks given as security against borrowings and other commitments	5.00	3.55	8.05	2.05	0.55	9.21
Deposits with Banks given as collateral against assets securitised/assigned	-	-	-	44.71	68.59	119.24
Total Other Bank Balances (B)	**9.46**	**8.34**	**8.94**	**47.71**	**69.28**	**129.00**
Total Cash and Bank balances (A) + (B)	**1,507.35**	**473.67**	**1,817.02**	**2,176.72**	**1,854.36**	**1,750.13**

* Balance with Banks in earmarked account i.e. "Collection and Payout Account".

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 24: RESTATED CONSOLIDATED SUMMARY STATEMENT OF SHORT-TERM LOANS AND ADVANCES

(Rs. in Millions)

Particulars	**As at**					
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
(A) Loans to Customers						
(i) Secured^						
Loans	7,820.75	7,023.53	5,666.96	4,908.02	3,293.29	2,254.03
Retained Interest on securitisation/assignment	829.07	795.62	537.64	335.28	220.62	101.23
Installments and other dues from borrowers	173.53	145.51	122.09	90.71	135.37	157.99
(ii) Unsecured						
Loans	2,771.41	3,466.66	4,271.72	3,086.22	1,816.06	966.75
Retained Interest on securitisation/assignment	125.52	100.28	65.57	86.04	56.46	35.44
Installments and other dues from borrowers	178.92	189.75	208.85	193.31	78.36	71.63
Total Loans to Customers (A)	**11,899.20**	**11,721.35**	**10,872.83**	**8,699.58**	**5,600.16**	**3,587.07**
Of the above:						
Considered Good	11,837.13	11,673.92	10,833.40	8,662.38	5,571.16	3,571.59
Considered Doubtful - Non Performing Assets	62.07	47.43	39.43	37.20	29.00	15.48
	11,899.20	**11,721.35**	**10,872.83**	**8,699.58**	**5,600.16**	**3,587.07**
(B) Other Loans and Advances						
Unsecured						
Advance Funding						
Considered Good	403.48	489.91	501.19	324.80	191.76	68.45
Considered Doubtful - Non Performing Assets	0.28	0.30	-	-	-	-
	403.76	**490.21**	**501.19**	**324.80**	**191.76**	**68.45**
Security deposits (considered good)	0.45	0.38	0.04	-	-	15.00
Advances to employees (considered good)	1.55	1.49	1.16	1.17	1.09	1.14
Prepaid expenses (considered good)	35.81	32.77	0.80	0.68	0.91	1.02
Advances recoverable in cash or in kind (considered good)	2.14	1.78	5.98	0.45	0.07	3.14
Balance with Gratuity Fund	-	0.77	3.28	3.06	2.79	2.67
Portfolio Collateral against assets assigned (considered good)	-	-	-	-	-	2.94
Total Other Loans and Advances (B)	**443.71**	**527.40**	**512.45**	**330.16**	**196.62**	**94.36**
Total Loans and Advances (A) + (B)	**12,342.91**	**12,248.75**	**11,385.28**	**9,029.74**	**5,796.78**	**3,681.43**

^ Secured exposures are exposures secured wholly or partly by hypothecation of assets and/or undertaking to create a security.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 25: RESTATED CONSOLIDATED SUMMARY STATEMENT OF OTHER CURRENT ASSETS

(Rs. in Millions)

Particulars	As at					
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Unamortised Borrowing Costs	20.90	20.91	25.99	25.40	-	-
Interest accrued						
- on Investments	-	-	-	0.03	0.03	0.03
- on Loans and Advances	186.87	187.63	159.32	111.39	80.91	68.67
- on Deposits	1.62	1.16	2.43	1.50	1.19	4.82
Re-possessed Assets (net of provisions)	10.44	10.15	9.45	10.67	6.06	4.14
Other Income Receivable	-	-	0.54	0.24	0.05	0.33
	219.83	**219.85**	**197.73**	**149.23**	**88.24**	**77.99**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 26: RESTATED CONSOLIDATED SUMMARY STATEMENT OF REVENUE FROM OPERATIONS

(Rs. in Millions)

Particulars	For the quarter ended	For the year ended				
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Income from Financing Activity						
- Interest	971.00	3,363.77	2,779.45	2,163.71	1,686.50	1,269.77
Other Operating Revenue						
- Service Charges, Stamp & Document Charges etc.	69.13	273.38	252.60	204.89	146.84	135.39
Interest on deposits placed as collateral towards assets assigned / securitised	-	-	2.11	5.28	8.29	16.62
Income from Non-Financing Activity	0.06	0.31	0.35	0.43	0.61	0.71
	1,040.19	**3,637.46**	**3,034.51**	**2,374.31**	**1,842.24**	**1,422.49**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 27: RESTATED CONSOLIDATED SUMMARY STATEMENT OF OTHER INCOME

(Rs. in Millions)

Particulars	For the quarter ended	For the year ended				
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Interest Income:						
- On Investments - Non-Current, Non-Trade, Quoted (Govt. Securities)	3.02	-	0.01	0.09	0.09	0.09
- On Bank Deposits	0.13	8.66	7.43	7.52	6.14	7.08
- On Other Deposits	-	-	-	-	0.39	1.19
Dividend Income:						
- Others	-	^ 0.00	* 0.00	# 0.00	0.02	0.01
Profit on Redemption of Long Term Investment	-	-	0.03	-	-	-
Income distribution on Pass Through Certificates held as Long Term investments	-	0.90	-	-	-	-
Other Non-Operating Income:						
- Miscellaneous Income	-	-	-	0.10	0.23	0.14
- Dividend from Current Investments - Mutual Fund Units	-	-	-	-	0.10	0.20
	3.15	**9.56**	**7.47**	**7.71**	**6.97**	**8.71**

^ Dividend Income from others of Rs. 1,028/-.
* Dividend Income from others of Rs. 3,794/-.
# Dividend Income from others of Rs. 3,925/-.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 28: RESTATED CONSOLIDATED SUMMARY STATEMENT OF EMPLOYEE BENEFITS EXPENSE

(Rs. in Millions)

Particulars	**For the quarter ended**	**For the year ended**				
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Salaries, Bonus and Allowances	81.42	274.65	229.34	162.15	137.14	122.91
Contributions to Provident & Other Funds	3.56	13.58	8.18	5.30	5.50	6.27
Staff Welfare Expenses	1.08	5.64	6.26	3.85	3.75	3.31
	86.06	**293.87**	**243.78**	**171.30**	**146.39**	**132.49**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 29: RESTATED CONSOLIDATED SUMMARY STATEMENT OF FINANCE COSTS

(Rs. in Millions)

Particulars	For the quarter ended	For the year ended				
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Interest on						
- Bank Borrowings	274.27	1,083.94	925.81	801.35	507.08	321.35
- Debentures	36.89	147.97	135.76	66.01	80.69	89.24
- Others	82.70	321.44	241.10	184.91	116.71	77.27
Discount on Commercial Papers	-	17.68	53.77	23.48	25.02	20.33
Other Borrowing Costs	19.35	71.40	66.57	41.68	58.78	51.79
	413.21	**1,642.43**	**1,423.01**	**1,117.43**	**788.28**	**559.98**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 30: RESTATED CONSOLIDATED SUMMARY STATEMENT OF DEPRECIATION AND AMORTISATION

(Rs. in Millions)

Particulars	For the quarter ended	For the year ended				
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Depreciation on tangible assets	3.43	13.66	10.94	9.84	5.45	5.98
Amortisation of intangible assets	0.15	0.11	-	0.61	0.32	0.32
	3.58	**13.77**	**10.94**	**10.45**	**5.77**	**6.30**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 31: RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROVISIONS AND LOAN LOSSES

(Rs. in Millions)

Particulars	For the quarter ended	For the year ended				
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Loss Assets Written Off	66.28	216.89	202.01	157.13	106.21	68.20
Loss on Sale of Repossessed Assets (Net)	4.76	16.35	11.69	18.96	17.54	5.69
Provision for Non-Performing Assets	14.29	7.44	2.59	8.19	13.52	6.60
Contingent Provision against Standard Assets	6.12	31.56	19.65	10.66	8.37	4.43
	91.45	**272.24**	**235.94**	**194.94**	**145.64**	**84.92**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 32: RESTATED CONSOLIDATED SUMMARY STATEMENT OF OTHER EXPENSES

(Rs. in Millions)

Particulars	**For the quarter ended**	**For the year ended**				
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Rent (Refer Annexure 34.5)	4.91	18.16	15.60	13.25	13.46	12.69
Rates & Taxes	0.98	3.52	3.48	2.75	1.34	2.72
Stationery & Printing	1.76	7.86	10.23	7.94	7.27	7.72
Telephone	2.25	9.55	8.03	7.39	6.62	6.78
Electricity	1.60	5.68	4.99	5.64	5.01	4.19
Postage & Courier	1.43	6.95	7.09	5.67	6.45	4.47
Insurance	2.42	9.74	9.84	8.14	7.34	7.53
Conveyance	4.68	25.02	21.60	17.29	17.47	15.88
Travelling	6.52	24.33	25.03	17.52	13.27	12.55
Repair and maintenance - Building	1.16	1.47	2.89	0.65	1.81	0.66
Repair and maintenance - Others	2.52	9.27	8.46	7.25	6.45	4.58
Professional Fees	9.17	32.81	35.73	16.54	12.20	10.97
Director's Sitting Fees	0.17	0.68	0.54	0.60	0.52	0.54
Auditor's remuneration						
-Statutory Audit Fees	0.33	1.87	1.74	1.32	1.49	1.09
-Other Services	0.74	0.59	0.46	0.38	0.37	0.23
Legal Expenses	1.87	18.08	16.96	17.27	19.48	8.18
Bank Charges	2.10	10.50	15.53	13.42	11.56	14.57
Commission	24.64	102.22	82.85	70.04	63.32	67.74
Advertisement Expenses	4.60	22.99	14.63	12.09	13.92	15.33
Sales Promotion Expenses	1.18	6.85	10.11	6.04	6.67	2.81
Donation	-	-	-	-	0.15	0.11
Loss on Sale of Fixed Assets	0.04	0.12	0.61	-	-	0.05
Recovery Contract Charges	8.13	32.06	34.21	29.68	39.35	32.77
Corporate Social Responsibility Expenditure	-	0.29	-	-	-	-
Miscellaneous Expenses	3.17	13.70	12.61	10.22	10.44	7.73
	86.37	**364.31**	**343.22**	**271.09**	**265.96**	**241.89**

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 33: RESTATED CONSOLIDATED SUMMARY STATEMENT OF EARNING PER SHARE

(Rs. in Millions)

Particulars	**For the quarter ended**	**For the year ended**				
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
(A) Basic						
Computation of Restated Net Profit						
Restated Net Profit after tax	234.14	685.58	508.21	399.83	326.08	273.11
Less:						
Dividend on Preference shares including tax thereon issued by Holding Company	9.89	39.54	34.85	34.85	32.88	47.73
Dividend on Preference Shares including tax thereon issued by the Subsidiary Company outside the Group	3.72	-	0.51	-	-	-
Restated Net Profit for the year /quarter attributable to Equity Shareholders	**220.53**	**646.04**	**472.85**	**364.98**	**293.20**	**225.38**
Computation of Weighted Average Number of Shares	**Nos.**	**Nos.**	**Nos.**	**Nos.**	**Nos.**	**Nos.**
Weighted average number of Equity Shares of Rs. 10 each used for calculation of basic Earnings per Share (Refer Note 1 below)	43,786,098	40,016,510	40,000,313	40,000,313	40,000,313	40,000,272
Basic Earnings per Share of face value of Rs. 10 each (in Rs.)	5.04	16.14	11.82	9.12	7.33	5.63
	(Refer note 3 below)					
(B) Diluted (Refer Note 2 below)						
Computation of Restated Net Profit						
Restated Net Profit attributable to Equity Shareholder's as above	220.53	646.04	472.85	364.98	293.20	225.38
Add: Dividend on Compulsorily Convertible Cumulative Preference Shares including tax and Interest Expense on Compulsorily Convertible Debentures net of tax	10.63	42.51	-	-	-	-
Restated Net Profit attributable to Equity Shareholder's (on dilution)	**231.16**	**688.55**	**472.85**	**364.98**	**293.20**	**225.38**
Computation of Weighted Average Number of Shares	**Nos.**	**Nos.**	**Nos.**	**Nos.**	**Nos.**	**Nos.**
Weighted average number of Equity Shares as above (Refer Note 1 below)	43,786,098	40,016,510	40,000,313	40,000,313	40,000,313	40,000,272
Add: Effect of Compulsorily Convertible Cumulative Preference Shares and Compulsorily Convertible Debentures which are dilutive	4,890,451	4,890,451	-	-	-	-
Weighted average number of Equity Shares for Diluted Earnings per Share	48,676,549	44,906,961	40,000,313	40,000,313	40,000,313	40,000,272
Diluted Earnings per Share of face value of Rs. 10 each (in Rs.)	4.75	15.33	11.82	9.12	7.33	5.63
	(Refer note 3 below)					

1. Earnings per share calculations are made in accordance with Accounting Standard 20 "Earnings Per Share". As per the requirements of AS 20 "Earnings Per Share", the weighted average number of equity shares considered for calculation of Basic and Diluted Earnings per Share includes the bonus shares issued and the Basic and Diluted Earnings per Share for all comparative periods has been presented giving the effect to the issue of bonus shares as stated below:

   (a) The Company has issued 6,000,000 equity shares as bonus shares in the ratio of 3:5 (3 bonus shares for every 5 equity shares held). These equity shares have been allotted on January 28, 2014.

   (b) The Company has issued 24,000,188 equity shares as bonus shares in the ratio of 3:2 (3 bonus shares for every 2 equity shares held). These equity shares have been allotted on November 18, 2016.

2. The Preference shares and Debentures are convertible (either compulsorily or optionally) as per the method and period specified in the respective agreements, as amended from time to time. For the year ended March 31, 2017 and quarter ended June 30, 2017, the Company has determined the dilutive effect for earnings per shares based upon the maximum number of equity shares likely to be issued to the potential equity shareholder. In the earlier period, the same was not ascertainable.

3. Earnings per share for the quarter ended June 30, 2017 is not annualized.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 34: RESTATED CONSOLIDATED SUMMARY STATEMENT OF NOTES TO ACCOUNTS

34.1 Contingent Liabilities and Commitments (to the extent not provided for)

(Rs. in Millions)

Particulars	As at					
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Contingent liabilities						
In respect of disputed Income-tax matters : Future cash outflows in respect of the matter above are determinable only on receipt of decision pending with the authorities.	2.85	2.85	2.82	-	-	-
Commitments						
Estimated amount of contracts remaining to be executed on capital account and not provided for:						
a) Tangible Assets	5.00	11.48	1.06	0.70	1.98	0.90
b) Intangible Assets	0.90	0.90	0.70	-	-	-

34.2 The Company had entered into an Investment and Shareholders Agreement ("the Agreement") with India Advantage Fund – VII (Mezzanine Fund I) ("the Investor") in F.Y. 2008-09 pursuant to which the Investor had subscribed to and had been allotted 40 million 8% Cumulative Redeemable Preference Shares (CRPS) of the face value of Rs. 10 each for cash at par. The shares were redeemable in one instalment on June 15, 2012 at face value plus a redemption premium which was to be calculated based on the IRR as per the terms of the agreement (including its amendment thereof). As per the terms of the agreement (including amendment thereof), upon occurrence or non-occurrence of certain events, the investor had a right to convert, at its option, the CRPS into fully paid-up equity shares of the Company at a rate to be determined based on fair value of the equity shares to be calculated in the manner as stated in the agreement.

During F.Y. 2012-13, the Company has redeemed the aforesaid CRPS of nominal value of Rs. 400 million at a premium of Rs. 221.32 million. The CRPS have been redeemed out of proceeds of a fresh issue of 499.80 million Compulsorily Convertible Debentures (CCDs) aggregating to Rs. 649.74 million (including premium of Rs. 149.94 million) made by the Company during that year. The redemption premium on CRPS of Rs. 221.32 million (Rs. 120.15 million from Security Premium and Rs. 101.17 million from Surplus in Statement of Profit and Loss) has been provided in the Financial Statements for the F.Y. 2012-13.

Based on an legal opinion taken by the Company, the CCDs have been considered to be in the nature of "Equity" and in view thereof, no amount has been transferred to "Capital Redemption Reserve Account" as the fresh issue of CCDs have been considered as "fresh issue of shares" as envisaged under the provisions of section 80 of the erstwhile Companies Act, 1956.

34.3 As per the Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential norms (Reserve Bank) Directions, 2015 the overdue period stipulated in sub-clauses (a) to (f) of clause (xix) to paragraph 2 is ''five months or more' for the financial year ending March 31, 2016 and 'four months or more' for the financial year ending March 31, 2017'. However the Company has done early adoption of the 'four months or more' criteria for the financial year ending March 31, 2016 and is compliant with the requirement for the financial year ending March 31, 2017.
As per the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 the contingent provision on standard assets is required to be made @ '0.35% of the balance of standard assets' as stipulated in paragraph 14 under Chapter V – Prudential Regulations of Section II : Prudential Issues for the financial year ending March 31, 2017 and '@ 0.40% of the balance of standard assets' for the financial year ending March 31, 2018. However the Company has done early adoption of the '0.40%' criteria for the financial year ending March 31, 2017 and is compliant with the requirement for the financial year ending March 31, 2018 as prescribed in the RBI Directions.

34.4 The Group sells loans through securitization and direct assignment transactions.
The information of securitization /direct assignment by the Company as originator as required by RBI Circular DNBS. PD. No. 301/3.10.01/2012-13 dated August 21, 2012 is as under:

(i) **(a) For Securitization Transaction**

(Rs. in Millions)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	No. of SPVs sponsored by the company for securitization transactions	Nil	Nil	Nil	3.00	3.00	1.00

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
2	Total amount of securitised assets as per books of the SPVs sponsored by the company	Nil	Nil	Nil	261.49	419.58	623.02
3	Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet						
	a) Off-balance sheet exposures						
	• First loss	Nil	Nil	Nil	Nil	Nil	Nil
	• Others	Nil	Nil	Nil	Nil	Nil	Nil
	b) On-balance sheet exposures						
	• First loss	Nil	Nil	Nil	60.51	67.64	36.74
	• Others	Nil	Nil	Nil	114.76	50.95	24.92
4	Amount of exposures to securitization transactions other than MRR						
	a) Off-balance sheet exposures						
	i) Exposure to own securitizations						
	• First loss	Nil	Nil	Nil	Nil	Nil	Nil
	• Others	Nil	Nil	Nil	Nil	Nil	Nil
	ii) Exposure to third party securitizations						
	• First loss	Nil	Nil	Nil	Nil	Nil	Nil
	• Others	Nil	Nil	Nil	Nil	Nil	Nil
	b) On-balance sheet exposures						
	i) Exposure to own securitizations						
	• First loss	Nil	Nil	Nil	Nil	Nil	Nil
	• Others	Nil	Nil	Nil	Nil	Nil	Nil
	ii) Exposure to third party securitizations						
	• First loss	Nil	Nil	Nil	Nil	Nil	Nil
	• Others	Nil	Nil	Nil	Nil	Nil	Nil

(b) For Assignment Transaction

(Rs. in Millions)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	No of SPVs sponsored by the company for assignment transactions	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2	Total amount of assigned assets as per books of the company (excluding accrued interest)	12,676.93	13,053.89	10,274.85	8,011.43	5,233.11	3,925.08
3	Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet						
	a) Off-balance sheet exposures						
	• First loss	Nil	Nil	Nil	Nil	Nil	Nil
	• Others	Nil	Nil	Nil	Nil	Nil	Nil
	b) On-balance sheet exposures						
	• First loss	Nil	Nil	Nil	Nil	Nil	Nil
	• Others	1,231.07	1,161.55	758.86	489.58	305.40	160.48
4	Amount of exposures to assignment transactions other than MRR						
	a) Off-balance sheet exposures						
	i) Exposure to own assignments						
	• First loss	Nil	Nil	Nil	Nil	Nil	Nil
	• Others	Nil	Nil	Nil	Nil	Nil	Nil

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	ii) Exposure to third party assignments						
	• First loss	Nil	Nil	Nil	Nil	Nil	Nil
	• Others	Nil	Nil	Nil	Nil	Nil	Nil
	b) On-balance sheet exposures						
	i) Exposure to own assignments						
	• First loss	Nil	Nil	Nil	Nil	23.99	130.07
	• Others	Nil	Nil	Nil	Nil	Nil	Nil
	ii) Exposure to third party assignments						
	• First loss	Nil	Nil	Nil	Nil	Nil	Nil
	• Others	Nil	Nil	Nil	Nil	Nil	Nil
	Dues to assignees towards collections from assigned receivables	1,116.46	1,121.83	799.03	558.34	360.98	96.25

(ii) **(Rs. in Millions)**

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	**Total amount of assigned assets outstanding as per books (excluding accrued interest)**						
	-Holding Company	12,676.93	13,053.89	10,274.85	8,011.43	5,233.11	3,925.08
	-Subsidiary Company	32.48	33.86	-	-	-	-
2	**Dues to assignees towards collections from assigned receivables**						
	-Holding Company	1,116.46	1,121.83	799.03	558.34	360.98	96.25
	-Subsidiary Company	0.11	0.41	-	-	-	-

34.5 The Group has entered into leave and license agreements for taking office premises along with furniture and fixtures as applicable and godown premises on rental basis for various periods. The specified disclosure in respect of these agreements is given below:

(Rs. in Millions)

Particulars	For the quarter ended June 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
Lease payments recognised in the Restated Consolidated Summary Statement of Profit and Loss	4.91	18.16	15.60	13.25	13.46	12.69

Note:-

i. The Group has given refundable, interest free security deposits under certain agreements.

ii. Certain agreements contain provision for their renewal.

34.6 Employee Benefits:

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

(Rs. in Millions)

	Particulars	As at/ For the quarter ended June 30, 2017	As at/ For the year ended				
			March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
A	**Net liability / (asset) recognised in the Restated Consolidated Summary Statement of Asset and Liabilities**						
	Present value of funded obligation	13.96	12.45	7.57	5.67	5.57	4.80
	Fair value of plan assets	13.42	13.22	10.85	8.73	8.36	7.47
	Net liability/(assets)	**0.54**	**(0.77)**	**(3.28)**	**(3.06)**	**(2.79)**	**(2.67)**

	Particulars	As at/ For the quarter ended June 30, 2017	As at/ For the year ended				
			March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
B	**Expense recognised in the Restated Consolidated Summary Statement of Profit and Loss for the year/period**						
	Current service cost	0.72	1.89	1.32	0.77	0.70	0.63
	Interest on obligation	0.22	0.60	0.43	0.49	0.39	0.33
	Expected return on plan assets	(0.25)	(0.81)	(0.80)	(0.78)	(0.69)	(0.58)
	Net actuarial losses /(gains)	0.62	2.76	0.24	(0.50)	(0.28)	0.13
	Past Service Liability	-	-	-	(0.27)	-	-
	Expenses deducted from the fund	-	-	0.01	0.01	-	-
	Prior Year Charge	-	0.01	-	-	-	-
	Total expense included in restated employee benefit expense (Refer Annexure 28)	**1.31**	**4.45**	**1.20**	**(0.28)**	**0.12**	**0.51**
	Actual return on Plan assets	0.20	0.70	0.83	0.76	0.70	0.58
C	**Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:**						
	Opening defined benefit obligation	12.45	7.57	5.67	5.57	4.80	3.96
	Service Cost	0.72	1.90	1.32	0.78	0.70	0.63
	Interest Cost	0.22	0.60	0.43	0.49	0.39	0.33
	Actuarial losses /(gains)	0.57	2.64	0.28	(0.52)	(0.26)	0.13
	Past Service Liability	-	-	-	(0.27)	0.03	-
	Benefits paid	-	(0.26)	(0.13)	(0.38)	(0.09)	(0.25)
	Closing defined benefit obligation	**13.96**	**12.45**	**7.57**	**5.67**	**5.57**	**4.80**
D	**Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof:**						
	Opening balance of fair value of plan assets	13.22	10.85	8.73	8.36	7.47	5.77
	Adjustment	-	-	-	-	-	(0.02)
	Expense deducted from the fund	-	-	(0.17)	(0.13)	-	-
	Expected return	0.25	0.83	0.79	0.78	0.69	0.58
	Actuarial gains / (losses)	(0.05)	(0.12)	0.04	(0.02)	0.01	* (0.00)
	Contributions by Employer	-	1.92	1.59	0.12	0.28	1.39
	Benefits paid	-	(0.26)	(0.13)	(0.38)	(0.09)	(0.25)
	Closing balance of fair value of plan assets	**13.42**	**13.22**	**10.85**	**8.73**	**8.36**	**7.47**
E	**Major categories of plan assets as a percentage of total plan assets:**						
	Qualifying insurance policy with LIC	100%	100%	100%	100%	100%	100%
	(Break-up of plan assets not available)						
F	**Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):**						
	Discount rate (Refer note 1(b) below)	6.90% - 6.95%	7.25% - 7.40%	8.10%	7.80%	9.00%	8.30%
	Expected return on plan assets	6.90% - 6.95%	7.25% - 7.40%	8.10%	8.70%	9.15%	9.15%
	Annual increase in salary costs (Refer note 1(a) below)	7.00%	7.00%	5.50%	5.00%	5.00%	5.00%

* Actuarial gains / (losses) of Rs. 2,509/-.

Notes:

1 (a) The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

(b) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

(c) Overall expected rate of return on assets taken is the rate declared by LIC.

2 Defined Contribution Plans

(Rs. in Millions)

Particulars	As at/ For the quarter ended June 30, 2017	As at/ For the year ended				
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Amount recognised as an expense and included in Annexure 28 of Restated Consolidated Summary Statement of Profit and Loss.						
Provident Fund	1.69	6.54	5.34	4.01	3.43	3.72
E.S.I.C	0.48	0.93	0.64	0.74	1.02	1.55
Total	**2.17**	**7.47**	**5.98**	**4.75**	**4.45**	**5.27**

3 Experience Adjustments:

(Rs. in Millions)

Particulars	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Present value of the defined benefit obligation	13.96	12.45	7.57	5.67	5.57	4.80
Fair value of the plan assets	13.42	13.22	10.85	8.73	8.36	7.47
Deficit/(Surplus) in the plan	0.54	(0.77)	(3.28)	(3.06)	(2.79)	(2.67)
Experience (gain) / loss adjustments on plan liabilities	0.54	2.44	0.27	(0.53)	(0.26)	0.02
Experience (gain) / loss adjustments on plan assets	0.05	0.12	(0.04)	0.02	(0.01)	0.00

34.7 **Segment Reporting:** The Group is engaged primarily in the business of Financing and all its operations are in India only. Accordingly, there are no separate reportable segments as per Accounting Standard 17 - "Segment Reporting" specified under Section 133 of the Companies Act, 2013.

34.8 Related Party Disclosures

List of related parties and relationships:

Sr. No.	Nature of Relationship	As at					
		June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
1	Key Management Personnel.	Mr. Kamlesh C. Gandhi (Chairman & Managing Director)	Mr. Kamlesh C. Gandhi (Chairman & Managing Director)	Mr. Kamlesh C. Gandhi (Chairman & Managing Director)	Mr. Kamlesh C. Gandhi (Chairman & Managing Director)	Mr. Kamlesh C. Gandhi (Chairman & Managing Director)	Mr. Kamlesh C. Gandhi (Chairman & Managing Director)
		Mr. Mukesh C. Gandhi (Whole Time Director & Chief Finance Officer)	Mr. Mukesh C. Gandhi (Whole Time Director & Chief Finance Officer)	Mr. Mukesh C. Gandhi (Whole Time Director & Chief Finance Officer)	Mr. Mukesh C. Gandhi (Whole Time Director & Chief Finance Officer)	Mr. Mukesh C. Gandhi (Whole Time Director & Chief Finance Officer)	Mr. Mukesh C. Gandhi (Whole Time Director & Chief Finance Officer)
		Mrs. Darshana S. Pandya (Director & Chief Operating Officer)	Mrs. Darshana S. Pandya (Director & Chief Operating Officer) (w.e.f. 23rd September 2016)	-	-	-	-
2	Entities under common control	-	MAS Realties Limited (upto March 17, 2017)	MAS Realties Limited	MAS Realties Limited	MAS Realties Limited	MAS Realties Limited
		-	Sarjan Developers Private Limited (upto March 17, 2017)	Sarjan Developers Private Limited	Sarjan Developers Private Limited	Sarjan Developers Private Limited	Sarjan Developers Private Limited
		Swalamb Mass Financial Services Limited	Swalamb Mass Financial Services Limited	Swalamb Mass Financial Services Limited	Swalamb Mass Financial Services Limited	Swalamb Mass Financial Services Limited	Swalamb Mass Financial Services Limited
		Anamaya Capital LLP	Anamaya Capital LLP	Anamya Capital LLP	-	-	-
		-	Acquarian Information Technology Private Limited (upto March 8, 2017)	Acquarian Information Technology Private Limited	Acquarian Information Technology Private Limited	Acquarian Information Technology Private Limited	Acquarian Information Technology Private Limited
		-	Mukesh C. Gandhi (HUF) (upto December 17, 2016)	Mukesh C. Gandhi (HUF)	Mukesh C. Gandhi (HUF)	Mukesh C. Gandhi (HUF)	Mukesh C. Gandhi (HUF)
		Kamlesh C. Gandhi (HUF)	Kamlesh C. Gandhi (HUF)	Kamlesh C. Gandhi (HUF)	Kamlesh C. Gandhi (HUF)	Kamlesh C. Gandhi (HUF)	Kamlesh C. Gandhi (HUF)
		Prarthna Marketing Private Limited	Prarthna Marketing Private Limited	Prarthna Marketing Private Limited	Prarthna Marketing Private Limited	Prarthna Marketing Private Limited	Prarthna Marketing Private Limited
3	Relatives of Key Management Personnel	-	-	-	-	-	Mrs. Mona M. Gandhi (upto May 11, 2012)
		Mrs. Shweta K. Gandhi	Mrs. Shweta K. Gandhi	Mrs. Shweta K. Gandhi	Mrs. Shweta K. Gandhi	Mrs. Shweta K. Gandhi	Mrs. Shweta K. Gandhi
		Mrs. Urmilaben C. Gandhi	Mrs. Urmilaben C. Gandhi	Mrs. Urmilaben C. Gandhi	Mrs. Urmilaben C. Gandhi	Mrs. Urmilaben C. Gandhi	Mrs. Urmilaben C. Gandhi
		Mr. Saumil D. Pandya	Mr. Saumil D. Pandya (w.e.f. 23rd September 2016)	-	-	-	-
		Mr. Dhwanil K. Gandhi	Mr. Dhwanil K. Gandhi	Mr. Dhwanil K. Gandhi	Mr. Dhwanil K. Gandhi	Mr. Dhwanil K. Gandhi	Mr. Dhwanil K. Gandhi

Related party transactions:

(Rs. in Millions)

Sr. No.	Particulars	For the quarter ended June 30, 2017	For the year ended				
			March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	**Remuneration paid:**						
	Mr. Kamlesh C. Gandhi	15.31	43.46	33.71	23.68	17.85	12.93
	Mr. Mukesh C. Gandhi	15.30	43.39	33.54	23.52	17.73	12.85
	Mrs. Darshana S. Pandya	0.67	1.13	-	-	-	-
	Mr. Saumil D. Pandya	0.85	1.54	-	-	-	-
	Mr. Dhwanil K. Gandhi	0.24	0.88	0.58	0.43	0.30	0.30
2	**Subscription to Compulsorily Convertible Cumulative Preference Shares:**						
	Mr. Kamlesh C. Gandhi	-	2.50	-	-	-	-
	Mr. Mukesh C. Gandhi	-	2.50	-	-	-	-
					-	-	-
3	**Subscription to Equity Shares (including premium paid thereon):**						
	Mr. Kamlesh C. Gandhi	-	-	-	5.00	6.75	3.25
	Mr. Mukesh C. Gandhi	-	-	-	10.00	10.00	7.00
	Mrs. Shweta K. Gandhi	-	-	-	5.00	-	-
4	**Subscription to Optionally Convertible Preference Shares:**						
	Mr. Kamlesh C. Gandhi	-	5.00	5.00	-	-	-
	Mr. Mukesh C. Gandhi	-	10.00	10.00	-	-	-
	Mrs. Shweta K. Gandhi	-	5.00	5.00	-	-	-
5	**Dividend Paid:**						
	Mr. Mukesh C. Gandhi	1.73	51.93	31.75	9.98	6.18	0.00
	Mrs. Mona M. Gandhi	-	-	-	-	-	3.97
	Mr. Kamlesh C. Gandhi	0.88	20.91	27.87	8.81	5.46	3.51
	Mr. Mukesh C. Gandhi (HUF)	-	1.63	39.86	12.69	7.92	5.09
	Mrs. Shweta K. Gandhi	0.87	54.03	72.27	22.94	14.30	9.19
	Mrs. Urmilaben C. Gandhi^	-	0.00	0.00	0.00	0.00	0.00
	Prarthna Marketing Private Limited	-	4.32	5.74	1.83	1.14	0.73
	Mrs. Darshana S. Pandya	-	* 0.00	-	-	-	-
	Mr. Saumil D. Pandya	-	# 0.00	-	-	-	-
6	**Unsecured Loan Received:**						
	Mr. Kamlesh C. Gandhi	-	-	3.00	-	-	-

Sr. No.	Particulars	For the quarter ended June 30, 2017	For the year ended				
			March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	Mr. Mukesh C. Gandhi	-	-	3.00	-	-	-
7	**Unsecured Loan Repaid:**						
	Mr. Kamlesh C. Gandhi	-	-	3.00	-	-	-
	Mr. Mukesh C. Gandhi	-	-	3.00	-	-	-
8	**Loan granted:**						
	Mrs. Darshana S. Pandya	-	0.58	-	-	-	-
	Balance outstanding at the end of the year/period:	**As at June 30, 2017**	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**	**As at March 31, 2014**	**As at March 31, 2013**
9	**Loan granted**						
	Mrs. Darshana S. Pandya	2.59	2.74	-	-	-	-
10	**Optionally Convertible Preference Shares:**						
	Mr. Kamlesh C. Gandhi	10.00	10.00	5.00	-	-	-
	Mr. Mukesh C. Gandhi	20.00	20.00	10.00	-	-	-
	Mrs. Shweta K. Gandhi	10.00	10.00	5.00	-	-	-
11	**Salary Payable:**						
	Mr. Kamlesh C. Gandhi	0.03	0.04				
	Mr. Mukesh C. Gandhi	0.03	0.04				
	Mrs. Darshana S. Pandya	0.01	0.02	-	-	-	-
	Mr. Saumil D. Pandya	0.02	0.02	-	-	-	-
12	**Bonus Payable:**						
	Mr. Kamlesh C. Gandhi	0.77	2.40	1.94	1.44	1.08	0.74
	Mr. Mukesh C. Gandhi	0.77	2.40	1.94	1.44	1.08	0.74
	Mrs. Darshana S. Pandya	0.02	0.07	-	-	-	-
	Mr. Saumil D. Pandya	0.02	0.09	-	-	-	-
	Mr. Dhwanil K. Gandhi	0.01	0.02	0.02	0.01	0.01	0.01

* Dividend Paid: Mrs. Darshana S. Pandya of Rs. 2,953/-.

Dividend Paid: Mr. Saumil D. Pandya of Rs. 2,953/-.

^ Dividend Paid: Mrs. Urmilaben C. Gandhi of Rs. 171/- during FY 2016-17, Rs. 4,169/- during FY 2015-16, Rs. 1,327/- during FY 2014-15, Rs. 830/- during FY 2013-14 and Rs. 533/- during FY 2012-13.

34.9 As at June 30, 2017, March 31, 2017, 2016, 2015, 2014 and 2013, the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

34.10 The Company has incurred Rs. 68.56 millions (inclusive of non-cenvatable portion of service tax) during FY 2016-17 and Rs. 11.49 millions (inclusive of non-cenvatable portion of service tax) during quarter ended June 30, 2017 for the private placement of equity shares, proposed IPO and OFS.

Out of the above expenses incurred, the Company has adjusted Rs. 36.71 millions during FY 2016-17 and Rs. 13.12 millions during the quarter ended June 30, 2017 against securities premium account to the extent of funds raised and remaining expenses pertaining to IPO and OFS such as legal counsel, payment to auditors and stamp duty expenses has been shown as prepaid expenses, which would be recovered as per mutually agreed terms from the selling shareholders and balance would be further adjusted against securities premium accounts on completion of the IPO. Out of total amount of expenditure adjusted in securities premium, the Company has incurred directly idnetified expenditure of Rs. 29.63 millions during FY 2016-17 and Rs. 10.37 millions during the quarter ended June 30, 2017 pertaining to the private placement of equity shares.

34.11 Subsequent to June 30, 2017, the Company has approved the conversion of the certain compulsorily convertible instruments into equity shares as per agreements, amended from time to time, on September 12, 2017 in the following manner:

(a) 0.01% Compulsorily Convertible Cumulative Preference Shares are being converted into 1,739,865 Equity Shares having face value of Rs. 10/- each at a premium of Rs. 114.93 per share;

(b) 13.31% Compulsorily Convertible Cumulative Preference Shares are being converted into 1,280,723 Equity Shares having face value of Rs. 10/- each at a premium of Rs. 159.71 per share; and

(c) 9.75% Compulsorily Convertible Cumulative Preference Shares are being converted into 87,716 Equity Shares having face value of Rs. 10/- each at a premium of Rs. 446 per share.

34.12 The Board of Directors of the Company has declared an interim dividend in their meeting held on September 12, 2017 to the tune of Rs. 1.31 millions on 400 fully paid up 9.75% Compulsorily Convertible Cumulative Preference Shares of Rs. 100,000 each to be paid to those shareholders whose names appears on the register of members as on September 12, 2017 ("Record Date").

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 35: CONSOLIDATED SUMMARY STATEMENT OF CAPITALISATION

(Rs. in Millions)

Sr. No.	Particulars	Pre-issue as at June 30, 2017	Post- issue
	Borrowings		
I	Short-term borrowings	9,080.09	(*)
II	Long-term borrowings	3,437.14	(*)
III	Current Maturities of long-term borrowings	2,003.70	(*)
IV	Compulsorily Convertible Debentures	499.80	(*)
V	Preference Shares issued by the Subsidiary Company outside the Group	40.00	(*)
VI	**Total Borrowings (I + II + III + IV+V)**	**15,060.73**	(*)
	Shareholders' Funds		
VII	Share Capital	914.63	(*)
VIII	Reserves and Surplus	2,970.88	(*)
IX	**Total Shareholders' Funds (VII+ VIII)**	**3,885.51**	(*)
X	**Total Borrowings / Shareholders' Funds (VI/ IX) (in number of times)**	**3.88**	(*)

Notes:

1. The pre-issue financial information given in the above table is on the basis of restated consolidated financial information of the Company as at and for the quarter ended June 30, 2017.

2. Post issue numbers indicated as (*) can be determined only on the conclusion of book building process.

3. Subsequent to June 30, 2017, the Company has approved the conversion of the certain compulsorily convertible instruments into equity shares as per agreements, amended from time to time, on September 12, 2017 in the following manner:

   (a) 0.01% Compulsorily Convertible Cumulative Preference Shares are being converted into 1,739,865 Equity Shares having face value of Rs. 10/- each at a premium of Rs. 114.93 per share;

   (b) 13.31% Compulsorily Convertible Cumulative Preference Shares are being converted into 1,280,723 Equity Shares having face value of Rs. 10/- each at a premium of Rs. 159.71 per share; and

   (c) 9.75% Compulsorily Convertible Cumulative Preference Shares are being converted into 87,716 Equity Shares having face value of Rs. 10/- each at a premium of Rs. 446 per share.

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 36 - CONSOLIDATED SUMMARY STATEMENT OF ACCOUNTING RATIOS

(Rs. in Millions)

Sr. No.	Particulars	For the quarter ended	For the year ended				
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
A.	Net Profit after tax as restated (Rs. in Million)	234.14	685.58	508.21	399.83	326.08	273.11
B.	Less: Preference dividend and tax thereon (Rs. in Million)	13.61	39.54	35.36	34.85	32.88	47.73
C.	Net Profit after tax as restated - attributable to equity shareholders (Rs. in Million) (for Basic)	220.53	646.04	472.85	364.98	293.20	225.38
D.	Add: Dividend on Compulsorily Convertible Cumulative Preference Shares including tax and Interest Expense on Compulsorily Convertible Debentures net of tax (for calculation of diluted profit)	10.63	42.51	-	-	-	-
E.	Net Profit after tax as restated - attributable to equity shareholders (Rs. in Million) (on dilution)	231.16	688.55	472.85	364.98	293.20	225.38
F.	Net Worth (Rs. in Million)	3,885.51	3,320.46	1,830.07	1,600.65	1,278.88	1,059.75
G.	Less: Preference Share Capital (Rs. in Million)	474.72	474.72	434.72	434.72	434.72	434.71
H.	Net asset value (excluding Preference Share Capital) (Rs. in Million)	3,410.79	2,845.74	1,395.35	1,165.93	844.16	625.04
I.	Total number of equity shares outstanding at the end of the year / quarter - (in numbers)	43,990,735	42,956,182	16,000,125	16,000,125	16,000,125	10,000,125
J.	Weighted average number of equity shares outstanding during the year / quarter (in numbers) (before giving effect to issue of bonus shares)	43,786,098	40,016,510	16,000,125	16,000,125	16,000,125	10,000,125
K.	Adjustment for Bonus shares issued (Refer Note 4 below)	-	-	24,000,188	24,000,188	24,000,188	30,000,188
L.	Total number of equity shares outstanding at the end of the year / quarter - (in numbers) (after giving effect to issue of bonus shares) (I+K)	43,990,735	42,956,182	40,000,313	40,000,313	40,000,313	40,000,313
M.	Weighted average number of equity shares outstanding during the year / quarter (in numbers) (after giving effect to issue of bonus shares) (J+K)	43,786,098	40,016,510	40,000,313	40,000,313	40,000,313	40,000,313
N.	Add: Effect of Compulsorily Convertible Cumulative Preference Shares and Compulsorily Convertible Debentures which are dilutive (Refer Note 5 below)	4,890,451	4,890,451	-	-	-	-
O.	Weighted average number of equity shares outstanding during the year / quarter (in numbers) (after giving effect to issue of bonus shares) for Diluted Earnings per Share (M+N)	48,676,549	44,906,961	40,000,313	40,000,313	40,000,313	40,000,313
P.	Face value of equity share (in Rs.)	10	10	10	10	10	10

Sr. No.	Particulars	For the quarter ended	For the year ended				
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	Accounting Ratios						
Q.	Basic Earnings per share (In Rs.) **(C/M)**	5.04*	16.14	11.82	9.12	7.33	5.63
R.	Diluted Earnings per share (In Rs.) **(E/O)** (Refer Note 5 below)	4.75*	15.33	11.82	9.12	7.33	5.63
S.	Return on Net Worth (In %) **(A/F)**	6.03%*	20.65%	27.77%	24.98%	25.50%	25.77%
T.	Net asset value per equity share (In Rs.) (without giving effect to issue of bonus shares) **(H/I)**	77.53	66.25	87.21	72.87	52.76	62.50
U.	Net asset value per equity share (In Rs.) (after giving effect to issue of bonus shares) **(H/L)**	77.53	66.25	34.88	29.15	21.10	15.63

*** Not Annualised**

Notes:

1. The ratios have been computed as below:

1.1. Basic Earnings per Share (Rs.):

$$\frac{\text{Restated Net profit after tax attributable to equity shareholders of the group}}{\text{Weighted average number of equity shares outstanding during the year / period}}$$

1.2. Diluted Earnings per Share (Rs.) (Refer Note 5 below)

$$\frac{\text{Restated Net profit after tax attributable to equity shareholders + Dividend and Interest saving (net of tax) relating to dilutive potential equity shares}}{\text{Weighted average number of equity shares considered for deriving basic earnings per share + Weighted average number of potentially dilutive equity shares}}$$

1.3. Return on net worth (%)

$$\frac{\text{Net profit after tax as restated}}{\text{Net worth excluding revaluation reserve at the end of the year / period as restated}}$$

1.4. Net asset value per equity share (Rs.)

$$\frac{\text{Net asset value excluding revaluation reserve and preference share capital at the end of the year / period}}{\text{Number of equity shares outstanding at the end of the year / period}}$$

2. Net worth for ratios mentioned above is as arrived as mentioned below:

   Net worth, as restated = Equity share capital + Preference share capital + Reserves and surplus (including Securities Premium, Statutory Reserve, General Reserve and Surplus in Restated Consolidated Summary Statement of Profit and Loss).

   All the above are based on Financial Information, as restated.

3. Net profit, as appearing in the Restated Consolidated Summary Statement of Profit and Loss, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the Restated Consolidated financial statements of the Group.

4. Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings Per Share" notified under section 133 of the Act, read together with rules thereunder. The Company has issued 6,000,000 equity shares as bonus shares in the ratio of 3:5 (3 bonus shares for every 5 equity shares held) pursuant to a resolution passed by the Board of Directors at their meeting held on December 30, 2013 and resolution passed by the Shareholders of the Company at the Extraordinary General Meeting held on January 28, 2014, by utilising balance Rs. 60.00 million from Capital Redemption Reserve. These equity shares have been allotted on January 28, 2014. Further, the Company has issued 24,000,188 equity shares as bonus shares in the ratio of 3:2 (3 bonus shares for every 2 equity shares held) pursuant to a resolution passed by the Board of Directors at their meeting held on October 26, 2016 and resolution passed by the Shareholders of the Company at the Extraordinary General Meeting held on November 9, 2016, by utilising balance of Rs. 126.36 million from General Reserve and Rs. 113.64 million from Surplus in Statement of Profit and Loss. These equity shares have been allotted on November 18, 2016. As per the requirements of AS 20 Earnings Per Share, the weighted average number of equity shares and the calculation of basic and diluted earnings per share have been adjusted to reflect the changes in the number of shares pursuant to the issue of bonus shares, for all the periods presented.

5. The Preference shares and Debentures are convertible (either compulsorily or optionally) as per the method and period specified in the respective agreements. For the year ended March 31, 2017 and quarter ended June 30, 2017, the Company has determined the dilutive effect for earnings per shares based upon the maximum number of equity shares likely to be issued to the potential equity shareholder. In the earlier period, the same was not ascertainable.

6. The Group does not have any revaluation reserves or extra-ordinary item

MAS FINANCIAL SERVICES LIMITED

ANNEXURE 37: RESTATED CONSOLIDATED SUMMARY STATEMENT OF DIVIDEND PAID

(Rs. in Millions)

Sr. No.	Particulars	For the quarter ended	For the year ended				
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	Class of Shares						
A	**Equity Shares**						
	Number of Shares	43,990,735	40,000,313 *	16,000,125	16,000,125	16,000,125	10,000,125
	Face Value (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
	Amount (Rs. in Million)	439.91	400.00	160.00	160.00	160.00	100.00
	Interim Dividend						
	Rate of Dividend (%)	-	31.25%	62.50%	-	-	-
	Dividend per Share (Rs.)	-	3.125	6.25	-	-	-
	Amount of Dividend (Rs. in Million)	-	125.00	100.00	-	-	-
	Corporate Dividend Tax (Rs. in Million)	-	25.45	20.36	-	-	-
	Final Dividend						
	Rate of Dividend (%)	-	4.50%	47.50%	35.00%	35.00%	22.50%
	Dividend per Share (Rs.)	-	0.45	4.75	3.50	3.50	2.25
	Amount of Dividend (Rs. in Million)	-	7.20	76.00	56.00	35.00	22.50
	Corporate Dividend Tax (Rs. in Million)	-	1.34	15.47	9.52	5.95	3.65
B	**Preference Shares**						
1	**8% Cumulative Redeemable Preference Shares**						
	Number of Shares	-	-	-	-	-	40,000,000
	Face Value (Rs.)	-	-	-	-	-	10.00
	Amount (Rs. in Million)	-	-	-	-	-	400.00
	Interim Dividend						
	Rate of Dividend (%)	-	-	-	-	-	8.00%
	Dividend per Share (Rs.) (pro-rata upto the date of redemption)	-	-	-	-	-	0.26
	Amount of Dividend (Rs. in Million)	-	-	-	-	-	10.43
	Corporate Dividend Tax (Rs. in Million)	-	-	-	-	-	1.69

Sr. No.	Particulars	For the quarter ended	For the year ended						
		June 30, 2017	March 31, 2017		March 31, 2016		March 31, 2015	March 31, 2014	March 31, 2013
	Final Dividend								
	Rate of Dividend (%)	-	-		-		-	-	8.00%
	Dividend per Share (Rs.)	-	-		-		-	-	0.80
	Amount of Dividend (Rs. in Million)	-	-		-		-	-	32.00
	Corporate Dividend Tax (Rs. in Million)	-	-		-		-	-	5.19
2	**7% Compulsorily Convertible Cumulative Preference Shares**								
	Number of Shares	-	-		-		-	43,471,090	43,471,090
	Face Value (Rs.)	-	-		-		-	10.00	10.00
	Amount (Rs. in Million)	-	-		-		-	434.71	434.71
	Interim Dividend								
	Rate of Dividend (%)	-	-		-		-	7.00%	-
	Dividend per Share (Rs.) (pro-rata upto the date of reclassification)	-	-		-		-	0.57	-
	Amount of Dividend (Rs. in Million)	-	-		-		-	24.78	-
	Corporate Dividend Tax (Rs. in Million)	-	-		-		-	4.21	-
	Final Dividend								
	Rate of Dividend (%)	-	-		-		-	7.00%	7.00%
	Dividend per Share (Rs.)	-	-		-		-	0.70	0.70
	Amount of Dividend (Rs. in Million)	-	-		-		-	30.43	30.43
	Corporate Dividend Tax (Rs. in Million)	-	-		-		-	5.17	4.94
3	**0.01% Compulsorily Convertible Cumulative Preference Shares**								
	Number of Shares	21,735,545	21,735,545		21,735,545		21,735,545	21,735,545	-
	Face Value (Rs.)	10.00	10.00		10.00		10.00	10.00	-
	Amount (Rs. in Million)	217.36	217.36		217.36		217.36	217.36	-
	Interim Dividend								
	Rate of Dividend (%) (@ 90% of the coupon rate)	-	0.009%		0.009%		-	-	-
	Dividend per Share (Rs.)	-	0.00	a.4	0.00	a.6	-	-	-
	Amount of Dividend (Rs. in Million)	-	0.02		0.02		-	-	-

Sr. No.	Particulars	For the quarter ended June 30, 2017		For the year ended March 31, 2017		March 31, 2016		March 31, 2015		March 31, 2014		March 31, 2013	
	Corporate Dividend Tax (Rs. in Million)	-		0.00	a.5	0.00	a.7	-		-		-	
	Final Dividend												
	Rate of Dividend (%) (@ 10% of the coupon rate)	0.001%		0.001%		0.01%		0.01%		-		-	
	Dividend per Share (Rs.)	0.00	a.1	0.00	a.8	0.00	a.11	0.00	a.13	-		-	
	Amount of Dividend (Rs. in Million)	0.00	a.2	0.00	a.9	0.02		0.00	a.14	-		-	
	Corporate Dividend Tax (Rs. in Million)	0.00	a.3	0.00	a.10	0.00	a.12	0.00	a.15	-		-	
4	**13.31% Compulsorily Convertible Cumulative Preference Shares**												
	Number of Shares	21,735,545		21,735,545		21,735,545		21,735,545		21,735,545		-	
	Face Value (Rs.)	10.00		10.00		10.00		10.00		10.00		-	
	Amount (Rs. in Million)	217.36		217.36		217.36		217.36		217.36		-	
	Interim Dividend												
	Rate of Dividend (%) (@ 90% of the coupon rate)	-		11.98%		11.98%		-		-		-	
	Dividend per Share (Rs.)	-		1.20		1.20		-		-		-	
	Amount of Dividend (Rs. in Million)	-		26.04		26.04		-		-		-	
	Corporate Dividend Tax (Rs. in Million)	-		5.14		5.30		-		-		-	
	Final Dividend												
	Rate of Dividend (%) (@ 10% of the coupon rate)	1.33%		1.33%		13.31%		13.31%					
	Dividend per Share (Rs.)	0.13		0.13		1.33		0.15		-		-	
	Amount of Dividend (Rs. in Million)	2.89		2.90		28.93		3.33		-		-	
	Corporate Dividend Tax (Rs. in Million)	0.75		0.59		5.89		0.57		-		-	
5	**9.75% Compulsorily Convertible Cumulative Preference Shares**												
	Number of Shares	400		400		-		-		-			
	Face Value (Rs.)	100,000		100,000		-		-		-		-	
	Amount (Rs. in Million)	40.00		40.00		-		-		-		-	
	Interim Dividend												
	Rate of Dividend (%)	-		9.75%		-		-		-		-	
	Dividend per Share (Rs.)	-		9,750.00		-		-		-		-	

Sr. No.	Particulars	For the quarter ended	For the year ended				
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	Amount of Dividend (Rs. in Million)	-	3.90	-	-	-	-
	Corporate Dividend Tax (Rs. in Million)	-	0.79	-	-	-	-

* It does not include 2,955,869 equity shares issued on March 30, 2017, as the interim dividend of Rs. 3.125 per equity share was declared by Board of Directors in their meeting held on March 8, 2017 on shares outstanding on that date.

a.1 In F.Y. 2017-18 final dividend per share of Rs. 0.0001/- (net of Corporate Dividend Tax (CDT)) is paid on 0.01% Compulsorily Convertible Cumulative Preference Shares.

a.2 In F.Y. 2017-18 final dividend of Rs. 2,174/- (net of CDT) is declared on 0.01% Compulsorily Convertible Cumulative Preference Shares.

a.3 In F.Y. 2017-18 corporate dividend tax of Rs. 443/- is paid for final dividend declared on 0.01% Compulsorily Convertible Cumulative Preference Shares.

a.4 In F.Y. 2016-17 interim dividend per share of Rs. 0.0009/- (net of Corporate Dividend Tax (CDT)) is paid on 0.01% Compulsorily Convertible Cumulative Preference Shares.

a.5 In F.Y. 2016-17 corporate dividend tax of Rs. 3,984/- is paid for interim dividend paid on 0.01% Compulsorily Convertible Cumulative Preference Shares.

a.6 In F.Y. 2015-16 interim dividend per share of Rs. 0.0009/- (net of Corporate Dividend Tax (CDT)) is paid on 0.01% Compulsorily Convertible Cumulative Preference Shares.

a.7 In F.Y. 2015-16 corporate dividend tax of Rs. 3,985/- is paid for interim dividend paid on 0.01% Compulsorily Convertible Cumulative Preference Shares.

a.8 In F.Y. 2015-16 final dividend per share of Rs. 0.0001/- (net of CDT) is declared on 0.01% Compulsorily Convertible Cumulative Preference Shares.

a.9 In F.Y. 2015-16 final dividend of Rs. 2,176/- (net of CDT) is declared on 0.01% Compulsorily Convertible Cumulative Preference Shares.

a.10 In F.Y. 2015-16 corporate dividend tax of Rs. 441/- is paid for final dividend declared on 0.01% Compulsorily Convertible Cumulative Preference Shares.

a.11 In F.Y. 2014-15 final dividend per share of Rs. 0.001/- (net of CDT) is declared on 0.01% Compulsorily Convertible Cumulative Preference Shares.

a.12 In F.Y. 2014-15 corporate dividend tax of Rs. 4,426/- is paid for final dividend declared on 0.01% Compulsorily Convertible Cumulative Preference Shares.

a.13 In F.Y. 2013-14 final dividend per share of Rs. 0.000115/- (net of CDT) is declared on 0.01% Compulsorily Convertible Cumulative Preference Shares.

a.14 In F.Y. 2013-14 final dividend of Rs. 2,501/- (net of CDT) is declared on 0.01% Compulsorily Convertible Cumulative Preference Shares.

a.15 In F.Y. 2013-14 corporate dividend tax of Rs. 425/- is paid for final dividend declared on 0.01% Compulsorily Convertible Cumulative Preference Shares.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Consolidated Financial Statements including the schedules, annexures and notes thereto and the reports thereon, included in "Financial Statements" on page 202. The financial statements presented in this Red Herring Prospectus and discussed herein have been prepared in accordance with generally accepted accounting principles in India ("**Indian GAAP**"), the SEBI ICDR Regulations and comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act, 2013 read together with rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the RBI as applicable to a NBFC-ND-SI, which differ in certain significant respects from IFRS and U.S. GAAP. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the twelve month period ended on March 31 of that year. Unless otherwise indicated, the financial information used in this section is derived from the Restated Consolidated Financial Statements.*

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial information to those of U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "Forward-Looking Statements" and "Risk Factors" on pages 16 and 17.

In this section, unless the context otherwise requires, references to "we", "us", "our", or "Company" refers to MAS Financial Services Limited on a consolidated basis and reference to "our Company" refers to MAS Financial Services Limited on a standalone basis.

Overview

We are a Gujarat-headquartered NBFC with more than two decades of business operations and as of June 30, 2017, we operated across six States and the NCT of Delhi. Our business and financing products are primarily focused on middle and low income customer segments, and include five principal categories: (i) micro-enterprise loans; (ii) SME loans; (iii) two-wheeler loans; (iv) Commercial Vehicle loans (which include new and used commercial vehicle loans, used car loans and tractor loans); and (v) housing loans. Our Promoters have significant operational experience in the financial services sector in India, and our shareholders include development finance institutions including FMO and DEG and private equity investors including Sarva Capital.

As of March 31, 2017 and June 30, 2017, our AUM was ₹ 33,325.65 million and ₹ 34,517.41 million, respectively. Our AUM increased at a CAGR of 33.37% from ₹ 10,531.91 million as of March 31, 2013 to ₹ 33,325.65 million as of March 31, 2017. As of June 30, 2017 we had more than 500,000 active loan accounts, across more than 3,165 Customer Locations in six States and the NCT of Delhi, served through our 121 branches.

Our financing products include:

Micro-Enterprise Loans. We provide two categories of micro-enterprise loans: (i) loans up to ₹ 75,000, typically to self-employed individuals engaged in trading or manufacturing business; and (ii) loans ranging between ₹ 75,000 and ₹ 300,000, typically to sole proprietors and partnership firms. In Fiscal 2017 and in the three month period ended June 30, 2017, the Average Disbursement in our micro-enterprise loan segment was ₹ 33,638 and ₹ 48,055, respectively.

Small and Medium Enterprise (SME) Loans. We provide loans up to ₹ 50 million to our SME customers, which category primarily includes small and medium sized manufacturers, dealers and service providers engaged in various industries. The SME loan segment includes working capital loans (up to ₹ 50 million), loans for machinery and facilities (up to ₹ 20 million) and includes loans against property (up to ₹ 20 million) and loans extended to housing finance companies. In Fiscal 2017 and in the three month period ended June 30, 2017, the Average Disbursement in our SME loan segment was ₹ 5.50 million and ₹ 7.95 million, respectively.

Two-wheeler Loans. We provide two-wheeler loans primarily to farmers, self-employed and salaried individuals as well as professionals. In Fiscal 2017 and in the three month period ended June 30, 2017, the Average Disbursement in our two-wheeler loan segment was ₹ 43,110 and ₹ 39,472, respectively.

Commercial Vehicle Loans. We provide loans up to ₹ 700,000 for the purchase of new and used commercial vehicles, used cars as well as tractors. In this segment, our customers primarily include traders and manufacturers (for loading vehicles), travel businesses and small road transport operators. In Fiscal 2017 and in the three month period ended June 30, 2017, the Average Disbursement in our Commercial Vehicle loan segment was ₹ 149,817 and ₹ 184,326, respectively.

Housing Loans. We provide housing loans to customers for the purchase of new and old houses, construction of houses on owned plots, home improvement and for the purchase and construction of commercial property. Our customers in this segment typically include salaried and self-employed individuals. We also extend loans to developers for construction of affordable housing projects. The loan amount typically ranges between ₹ 50,000 and ₹ 5 million for residential property and between ₹ 50,000 and ₹ 10 million for commercial property. Our housing finance business is primarily operated through our Subsidiary, MRHMFL. In Fiscal 2017 and in the three month period ended June 30, 2017, Average Disbursement in our housing loan segment was ₹ 1.22 million and ₹ 1.43 million, respectively.

In addition to our sales team, we have entered into commercial arrangements with a large number of sourcing intermediaries, including commission based DSAs and revenue sharing arrangements with various dealers and distributors where part of loan default is guaranteed by such sourcing partners. As of June 30, 2017, we had 332 such sourcing intermediaries for our two-wheeler loan segment and 395 such sourcing intermediaries for our Commercial Vehicle loan segment. As of June 30, 2017, we had entered into arrangements with 55 sourcing intermediaries for our housing loan segment, who typically are affordable housing project developers and property agents.

A significant part of our business origination in various segments is represented by loans extended to MFIs, HFCs and other NBFCs that provide financing products including micro-enterprise loans, SME loans, Commercial Vehicle loans, two-wheeler loans and housing loans, enabling us to have a geographical reach extending beyond our direct Customer Locations. As of June 30, 2017, we had extended loans to 98 such financial institutions. As of June 30, 2017, ₹ 18,160.70 million, which represented 52.61% of our AUM related to loans extended to other financial institutions.

The following table sets forth certain information relating to our operations and financial performance in the periods specified:

(in ₹ million, except ratios and percentages)

	As of March 31, 2015	**As of March 31, 2016**	**As of March 31, 2017**	**As of June 30, 2017**
AUM				
Micro-Enterprise Loans	13,863.36	17,345.54	19,848.57	19,953.21
SME Loans	2,149.46	4,289.64	7,638.37	8,362.34
Two-wheeler Loans	2,396.60	2,575.68	2,853.86	3,192.80
Commercial Vehicle Loans	1,642.72	1,438.85	1,220.60	1,223.33
Housing Loans	943.79	1,348.80	1,764.25	1,785.73
Total AUM	**20,995.93**	**26,998.51**	**33,325.65**	**34,517.41**
Gross NPA	208.13	279.06	352.70	392.00
Gross NPA/ AUM (%)	0.99	1.03	1.06	1.14
Net NPA	170.94	239.28	305.48	330.50
Net NPA/ AUM (%)	0.81	0.89	0.92	0.96
Net Worth	2,100.45	2,329.87	3,820.26	4,385.31

	As of March 31, 2015	As of March 31, 2016	As of March 31, 2017	As of June 30, 2017
Return on Average Net Worth	22.83	24.87	23.68	23.86
	Fiscal 2015	**Fiscal 2016**	**Fiscal 2017**	**Three month period ended June 30, 2017**
Revenue from operations	2,374.31	3,034.51	3,637.46	1,040.19
Profit after tax	399.83	508.21	685.58	234.14
Total Disbursement	**20,884.02**	**30,464.23**	**34,681.68**	**8,994.99**

 # Return on Average Net Worth for the three months ended June 30, 2017 has been presented on an annualized basis.

Our Company's CRAR as of March 31, 2015, 2016, 2017 and June 30, 2017 were 18.14%, 18.27%, 22.96% and 23.80%, respectively.

AUM in micro-enterprise, SME, two-wheeler, Commercial Vehicle and housing loan segments increased at a CAGR of 32.14%, 137.64%, 5.86%, 2.62% and 44.09% from March 31, 2013 to March 31, 2017, respectively. As of March 31, 2017 and June 30, 2017, our total outstanding debt including security deposits received from customers (excluding assignments) was ₹ 16,601.82 million and ₹ 18,603.32 million, respectively, and our finance cost was ₹ 1,642.43 million and ₹ 413.21 million, respectively.

Introduction of Ind-AS and Impact on Preparation and Presentation of our Historical and Future Financial Statements

Our Company will be required to prepare annual and interim financial statements under Indian Accounting Standard 101 "First-time Adoption of Indian Accounting Standards" ("***Ind-AS***"). Our Company meets the criteria to adopt Ind-AS in the first phase (i.e., accounting periods beginning from April 1, 2018) with comparatives for the period ending on March 31, 2017. Our Company currently prepares its annual and interim financial statements under Indian GAAP. Given that Ind-AS differs in many respects from Indian GAAP, our financial statements relating to any period subsequent to April 1, 2018 (and for any prior comparative periods) may not be comparable to our historical financial statements prepared under Indian GAAP. There can be no assurance that the adoption of Ind-AS will not materially affect the preparation and presentation of our financial statements in the future. In addition, there can be no assurance that if Ind-AS were to be applied to our historical financial statements prepared under Indian GAAP, there will not be material differences in applicable accounting policies and standards that will require material adjustments to our historical financial statements prepared under Indian GAAP.

Significant Factors Affecting Our Results of Operations and Financial Condition

We offer a diverse range of financial products and services targeted at the low and middle income customer segments, including micro-enterprise loans, SME loans, two-wheeler loans, Commercial Vehicle loans, and housing loans. We also generate additional income from services we provide as part of our financing products to supplement interest income. Interest expense on bank borrowings and subordinate non-convertible debentures, as well as borrowings through commercial paper represents a majority of our expenses. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant impact on our results of operations.

Geographic reach and distribution network

Our growth has historically been driven by a combination of expansion of our operational network as well as an increase in loans extended to financial institutions. Our sales team directly engages with customers to offer financing products as well as ancillary services. As of June 30, 2017, we had more than 500,000 active loan accounts, across more than 3,165 Customer Locations in six States and the NCT of Delhi, served through 121 branches. Since commencement of operations, we have significantly expanded our operations from Gujarat to Maharashtra, Rajasthan, Madhya Pradesh, Tamil Nadu, Karnataka and NCT of Delhi.

We enter into commercial arrangements with a large number of sourcing intermediaries, which include commission based DSAs, as well as revenue sharing arrangements with various dealers and distributors where a part of the loan default is guaranteed by such sourcing partners. As of June 30, 2017, we had 332 such two-wheeler sourcing intermediaries and 395 Commercial Vehicle sourcing intermediaries. For our housing finance business, we have sourcing arrangements with affordable housing project developers and property agents. As of June 30, 2017, we had 55 sourcing intermediaries in our housing loan segment. Our ability to maintain and expand our operational network in a cost effective and efficient manner and serve as a preferred finance provider to these dealers, distributors and affordable housing project developers will have a direct impact on our results of operations and financial condition.

We have increasingly extended loans to financial institutions operating in similar sectors, in order to diversified quality portfolio within micro-enterprise, SME, two-wheeler, Commercial Vehicle and housing loan segments. This ensures a diversified and quality portfolio, diversification of business origination channels, expansion of geographic reach as well as ensuring guaranteed repayment of the loan we extend to them. As of June 30, 2017, we had extended loans to 98 such institutional borrowers, respectively. The large amount loans we extend to such institutional borrowers result in lower interest rates being offered to them. However, such lower interest rates are offset by reduction in our operating costs as a result of additional markets which we are able to access through such institutional borrowers. We have introduced stringent credit checks for the underlying loan portfolios associated with loans to our institutional borrowers, including inspection of the hypothecated loan portfolio to ensure that they meet the credit policies stipulated by us and replace any substandard underlying asset.

Availability of cost effective funding sources

The availability of cost-effective funding sources significantly affects our results of operations. Our funding requirements are predominantly sourced through term loans (short term and long term) from banks and other financial institutions. We have established long term relationships with various banks and financial institutions which provide ease of access to funding from such institutions. Our quality loan portfolio, stringent credit appraisal and risk management processes and stable credit history have resulted in improved credit status with our lenders over the years, thereby enabling us to reduce our cost of borrowings from banks and other financial institutions. Our credit status with our lenders is determined primarily by our NPAs. We have low NPAs due to the quality of our asset portfolio, which is maintained by our robust internal process of evaluation. For further information, see "*Our Business – Credit Ratings*" on page 142. We also access funds through working capital and cash credit and overdraft facilities from banks repayable on demand. We have diversified our funding sources through issuance of subordinate non-convertible debentures and commercial paper to reduce our dependence on term loans. Funding from subordinate non-convertible debentures represented 3.23% of our total borrowings including security deposit received from customers as of June 30, 2017 compared to 3.61% as of March 31, 2017. In addition to debt funding, we also support our funding requirements from internal accruals.

Our revenue from operations depends significantly on the level of our interest income from our financing activities. Finance costs represent a majority of our expenses and represented 47.06%, 46.89%, 45.15% and 39.72% of our revenue from operations in Fiscal 2015, 2016, 2017 and in the three month period ended June 30, 2017, respectively. Our total outstanding borrowings including security deposit received from customers increased by 29.29% from ₹ 12,840.90 million as of March 31, 2015 to ₹ 16,601.82 million as of March 31, 2017, while finance costs on bank borrowings, subordinate non-convertible debentures and other sources, discount on commercial paper, and other borrowing costs increased by 46.98% from ₹ 1,117.43 million in Fiscal 2015 to ₹ 1,642.43 million in Fiscal 2017. As of June 30, 2017, our total outstanding debt including security deposits received from customers (excluding assignments) was ₹ 18,603.32 million, while finance costs were ₹ 413.21 million in the three month period ended June 30, 2017.

We believe that we have been able to maintain relatively stable finance costs as a result of our effective fund raising and asset management strategy. As a systemically important NBFC focusing on low and middle income customer segments, we assign or securitize our portfolio to banks, which helps banks meet their priority sector lending commitments. We believe priority sector lending and long-term relationships with public/private sector banking institutions improves our credibility and provides ease of access to funds from such institutions at relatively lower costs. We have also securitized some of our future receivables and sold a part of our loan portfolio to augment our liquidity position. This enables us to maintain low debt servicing costs, which in turn allows us to offer our financial products at competitive interest rates. Our ability to maintain our finance costs at optimum levels will continue to have a direct impact on our profitability, results of operations and financial condition.

Interest rate volatility

Interest income from our financing activities is the largest component of our total revenue, and represented 91.13%, 91.59%, 92.48% and 93.35% of our revenue from operations in Fiscal 2015, 2016 and 2017 and in the three month period ended June 30, 2017, respectively. Similarly, finance costs represents a significant majority of our expenses and in Fiscal 2015, 2016, 2017 and in the three month period ended June 30, 2017, represented 47.06%, 46.89%, 45.15% and 39.72% of our revenue from operations, respectively. As of June 30, 2017, our total outstanding debt including security deposits received from customers (excluding assignments) was ₹ 18,603.32 million, while finance costs were ₹ 413.21 million in the three month period ended June 30, 2017. Net interest margin, i.e., the ratio of net interest income to the Average AUM is an important parameter across our business. For further information on our net interest margins, cost of borrowing, yields, and spread, see "*Selected Statistical Information*" on page 183. Any adverse change to net interest margins, yield or cost of borrowing will have a significant impact on our results of operations.

Our finance costs are dependent on various external factors, including Indian and global credit markets and, in particular, interest rate movements and adequate liquidity in the debt markets. Changes in RBI repo rates could affect the interest charged on interest-earning assets and the interest rates paid on interest-bearing liabilities. Adverse conditions in the global and Indian economy resulting from economic dislocations or liquidity disruptions may adversely affect availability of credit, and decreased liquidity may lead to an increase in interest rates.

Interest rates have a substantial effect on our cost of funding, our business volumes and our profit margins. Declining interest rates may lead to increased prepayments and repricing of our loans as borrowers seek to take advantage of the more attractive interest rate environment to reduce their borrowing costs. Declining interest rates may also lead to a greater demand for additional borrowings as business owners seek to take advantage of lower interest rates, resulting in an increase in volume of financing business. Conversely, when interest rates rise, there are typically less prepayments and less pressure to reprice loans; there is also less demand for new funds, resulting in a decrease in volume of our financing activities. In a rising interest rate scenario, our profit margins are therefore primarily dependent on our ability to attract new business, either through existing customers or new customers, than it is in a declining interest rate scenario. In addition, changes in interest rates also affect the interest rates we pay on our interest-bearing liabilities. However, in the past we have observed that such changes have a limited impact as our target customers are lower and middle income groups. Varying maturity periods applicable to our interest-bearing assets and interest-bearing liabilities and a consequent change in interest rates may result in an increase in interest expense relative to interest income leading to a reduction in our interest income from financing activities.

Diversification of asset portfolio and customer segments

While we are focused on low and middle income customer segments, we believe that diversification of our business and revenue base with respect to our product offerings and the markets which we serve is a key component of our success. In the past we have strategically improved the diversity of our asset portfolio to cater to various asset classes and customer segments. We offer a range of financial products and services including micro-enterprise loans, SME loans, Commercial Vehicle loans and housing loans, which provide us with significant cross-selling and up-selling opportunities with respect to our target customer segments. Our housing finance business is primarily managed by our Subsidiary. Our business is also dependent on the services we provide along with our financing products to our target customers on competitive terms.

As of March 31, 2017 and June 30, 2017, micro-enterprise loan segment represented 59.56% and 57.81%, respectively, SME loans represented 22.92% and 24.23%, respectively, two-wheeler loans represented 8.56% and 9.25%, respectively, Commercial Vehicle loan segment represented 3.66% and 3.54%, respectively, and housing loan segment represented 5.29% and 5.17%, respectively, of our AUM as of such dates. Any change in the relative mix of assets financed by us may affect our profitability. As a strategy to expand our SME portfolio, we intend to increase our focus on agricultural value chain financing products. Our revenues and profitability may be affected as we promote new financing products and alter our asset portfolio mix as a result of implementation of our growth strategies, market conditions, customer demand and other macroeconomic and industry related factors. We expect our product offerings along with our services to require increasing management supervision and operational control. Our future revenue and profitability may be impacted by the expansion of our existing services as we implement our business strategies and address market opportunities. Our ability to maintain our diversified asset portfolio and serve varied customer segments in a cost-effective manner will have an impact on our results of operations and financial condition.

Expansion of our customer base

Our financial performance is directly impacted by the number of customers we service. As of June 30, 2017, we had more than 500,000 active loan accounts. Our total revenue increased at a CAGR of 26.35%, from ₹ 1,431.20 million in Fiscal 2013 to ₹ 3,647.02 million in Fiscal 2017, while profit after tax increased at a CAGR of 25.87%, from ₹ 273.11 million in Fiscal 2013 to ₹ 685.58 million in Fiscal 2017. In the three month period ended June 30, 2017, our total revenue was ₹ 1,043.34 million and profit after tax was ₹ 234.14 million. We have achieved consistent growth in AUM of 44.17%, 28.59%, and 23.44% in Fiscal 2015, Fiscal 2016 and Fiscal 2017, respectively and we recorded interest income from financing activities of ₹ 2,163.71 million, ₹ 2,779.45 million and ₹ 3,363.77 million, respectively, in such periods. Increase in our customer base directly impacts our interest income from financing activities. Other operating revenues also depend on the nature and number of customers and type of loan availed. Conversely, prepayment of loans by our customers may have an adverse impact on our revenues. Our results of operations are therefore dependent on our ability to offer and sell to our target customers relevant financial products on competitive terms; offer our existing customers diverse financial products and additional loans; and increase our customer base for our existing and new products. Acquisition of new customers and retention of existing customers is critical for the growth of our customer base and will directly impact our results of operations and financial condition.

Credit quality, provisions and write-offs

Our NPA level is a function of our credit quality, which is further dependent upon our credit appraisal processes, internal process of evaluation of income levels of customers and recovery mechanism. The credit quality of our loans directly affects our results of operations, as the quality of our loan portfolio determines our ability to reduce the risk of losses from loan impairment. With the growth of our business, our ability to manage the credit quality of our loans will be a key driver of our results of operations, as quality loans help reduce the risk of losses from loan impairment and write-offs. We maintain credit quality based on verification of risk profile of borrower, source of repayment and the underlying collateral.

The following table illustrates our asset quality ratios as of the dates indicated:

(*₹ million, except ratios and percentages*)

	As of March 31,			**As of June 30, 2017**
	2015	**2016**	**2017**	
Gross NPAs	208.13	279.06	352.70	392.00
Gross NPA / AUM (%)	0.99	1.03	1.06	1.14
Net NPA	170.94	239.28	305.48	330.50
Net NPAs / AUM (%)	0.81	0.89	0.92	0.96

We make provisions for our substandard, doubtful and loss assets in compliance with RBI or NHB regulations, as applicable, and we believe that our current provisions for NPAs are adequate to cover identified losses in our asset portfolio. However, in accordance with the RBI notification on "Revised Regulatory Framework for NBFCs" dated November 10, 2014 and the Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 of March 27, 2015, the asset classification norms require us to classify certain overdue assets as NPAs. For example, assets other than lease rental and hire-purchase assets are required to be classified as NPAs if they remain overdue for five months in Fiscal 2016, four months in Fiscal 2017 and three months in Fiscal 2018. Accordingly, we are currently complying with the revised regulations for Fiscal 2018, and since April 2017, assets other than lease rental and hire-purchase assets are classified as NPAs if they remain overdue for three months, i.e., 90 days. For further information, see "*Regulations and Policies*" on page 146. Under such revised classification, our NPAs are expected to increase in such periods in a manner that is disproportionate to the growth of our business and AUM. In addition, any increase in the level of final credit losses or an inability to maintain our asset quality may adversely affect our NPA levels and require us to increase our provisions and write-offs.

Economic Conditions in India

As an NBFC operating in India, our financial performance is dependent on the overall economic condition in India, including the GDP growth rate, the economic cycle and the condition of the securities markets. Our financial results are influenced by macroeconomic factors relating to growth of the Indian economy in general and the financial industry in particular.

For instance, on November 8, 2016, the GoI withdrew the legal tender of the ₹ 500 and ₹ 1,000 denominations of bank notes. Pursuant to this currency demonetisation, these high denomination notes have no value and could not be used for transactions or exchange purposes with effect from November 9, 2016. These notes were replaced with new series bank notes of ₹ 500 and ₹ 2,000 denominations through banks until December 31, 2016 had set strict limits on the exchange and withdrawal of currency. The process of demonetization and replacement of these high denomination notes had resulted in a significant reduction in liquidity in the Indian economy which is primarily cash-based economy. There was a significant impact on financial services sector in general and our collections were also briefly impacted. However, although majority of our collections are through non-cash models such as post-dated checks and NACH system, in certain cases, payments are collected in cash directly from customers by our recovery executives in case of dishonour of such non-cash instruments. Due to this demonetisation measure, although the projected growth of NBFCs is expected to be impacted in Fiscal 2017, it is estimated to recover in Fiscal 2018. *(Source: CRISIL Demonetisation Impact on NBFCs, December 2016)*.

There was a considerable impact of demonetisation on predominantly cash-based businesses and unorganised sectors in particular. The growth estimate of micro-enterprise loan sector in Fiscal 2017 has fallen to 8%. However, the sector is expected to revive and grow at the rate of 35% in Fiscal 2018. *(Source: CRISIL Demonetisation Impact on NBFCs, December 2016)*. The SME sector has been impacted post-demonetisation due to high exposure to small companies and the trading community who are susceptible to liquidity risk. The growth rate estimate for SME sector in Fiscal 2017 is 15%. However, the sector is expected to revive and grow at the rate of 25% in Fiscal 2018. The Indian auto finance sector as a whole has been impacted by the demonetisation measure, and repayment in cash is expected to reduce significantly. Despite this, the sector is expected to grow at the rate of 17% in Fiscal 2018. Due to demonetisation, the profitability of mid-sized and small HFCs is expected to be impacted. The HFC sector is projected to grow at 14% CAGR in Fiscal 2017 and 18% CAGR in Fiscal 2018. This is resulting from higher operating cost (as they aggressively increase reach in tier II and tier III cities) and higher credit cost due to higher risk in lending to self-employed and informal salaried segment. However, as funding is based on an agreement value, impact of price reduction may be low. *(Source: CRISIL Demonetisation Impact on NBFCs, December 2016).*

Owing to demonetisation, the housing finance sector is projected to grow at 14% CAGR in Fiscal 2017 and 18% in Fiscal 2018. Growth projections for loans against property have fallen from 30% in half year Fiscal 2017 to 15% in Fiscal 2017 and Fiscal 2018. Due to reduced liquidity in the Indian economy, low cost housing finance is expected to be impacted. However, as funding is based on an agreed value, impact of price reduction may be low. *(Source: CRISIL Demonetisation Impact on NBFCs, December 2016).* The comprehensive and long-term impact of these measures on our business cannot be ascertained at the moment. Our business is subject to various other risks and uncertainties, including those discussed in "*Risk Factors – The recent currency demonetisation measures imposed by the Government of India adversely affected the Indian economy and similar unanticipated measures may adversely affect our business our business operations, financial condition, results of operations and financial condition*" on page 23. Any trends or events which have a significant impact on the economic situation in India could have an adverse impact on our business.

Government Policy and Regulation

As an NBFC, we have to mandatorily obtain a certificate of registration issued by the RBI. We are also required to have minimum net owned funds of ₹ 2.5 million and minimum CRAR of 15 %. We are also required to create a reserve fund and transfer at least 20% of our net profit every year prior to any dividend being declared. We are also subject to regulations relating to the capital adequacy for NBFCs, which determine the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio. As of June 30, 2017, our Company's CRAR was 23.80% on a standalone basis, of which Tier I capital was 18.52%. The RBI through a notification dated November 10, 2014 on 'Revised Regulatory Framework for NBFC' which was superseded by incorporation in the Master Direction-NBFC-Systemically Important Non-Deposit taking Company and Deposit taking Company

(Reserve Bank) Directions, 2016, had announced that the minimum Tier I capital requirements for all NBFCs that have an asset size of ₹ 5,000 million and above is expected to be increased in a phased manner as follows: 8.5% by March 31, 2016 and 10% by March 31, 2017.

Further, prudential norms have been prescribed under the NBFC-SI Master Directions regarding capital adequacy, asset classification and provisioning. For Fiscal 2015, 2016, 2017 and the three month period ended June 30, 2017, our Company has made provisions of ₹ 35.06 million, ₹ 54.70 million, ₹ 86.28 million and ₹ 92.38 million, respectively, entirely relating to standard assets, to maintain provisions in accordance with the regulatory requirement on our gross outstanding loan portfolio (excluding assigned loans). Any change in the regulatory framework affecting NBFCs and in particular those requiring to maintain certain financial ratios, placement restrictions on securitization, accessing funds or lending to financial institutions among others, would adversely affect our results of operations and growth.

Significant Accounting Policies

The restated consolidated financial statements of our Company and Subsidiary have been prepared in accordance with Indian GAAP to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013 /the Companies Act, 1956. The Restated Consolidated Financial Statements have been prepared on accrual basis under the historical cost convention. Further, we follow the prudential norms for income recognition and provisioning for NPAs as prescribed by the RBI / NHB for NBFCs/ HFCs. Loans to customers outstanding at the close of the quarter / year are stated net of amounts written off. We assess all receivables for their recovery and accordingly provisions for non-performing assets are enhanced as considered necessary, based on past experience, emerging trends and estimates. The accounting policies adopted in the preparation of the restated consolidated financial information are consistent with those followed in the previous year.

The Restated Consolidated Summary Statement of Assets and Liabilities as of June 30, 2017, March 31, 2017, 2016, 2015, 2014 and 2013 and Restated Consolidated Summary Statements of Profit and Loss and Cash Flows for the three months ended June 30, 2017, and years ended March 31, 2017, 2016, 2015, 2014 and 2013 (hereinafter collectively referred to as "Restated Summary Statements") relate to our Company and Subsidiary and have been prepared specifically for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), Registrar of Companies and relevant stock exchange/s in connection with the proposed Initial Public Offering and Offer For Sale. These Restated Summary Statements have been prepared to comply in all material respects with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

Principles of Consolidation

The restated consolidated financial statements has been prepared on the following basis:

a) The restated financial statements of the subsidiary Company used in the consolidation are drawn upto the same reporting date as that of the Company.

b) The restated financial statements of the Company and its subsidiary Company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions and resulting unrealised profit or losses, unless cost cannot be recovered.

c) The excess of share of equity of the Group in MRHMFL as on the date of investments over the cost of investments of the Group in MRHMFL is recognised as 'Capital Reserve on Consolidation' and shown under the head 'Reserves & Surplus', in the restated consolidated financial statements.

d) Minority Interest in the net assets of the consolidated subsidiary consists of the amount of equity attributable to the minority shareholders at the date on which investments in MRHMFL were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit for the year/ period of MRHMFL attributable to minority interest is identified and adjusted against the profit after tax in order to arrive at the income attributable to the shareholders of the Company

MRHMFL has been considered in the preparation of the Restated Consolidated Financial Statements:

Name of the entity	Relationship	Country of Incorporation	Ownership held by	Percentage of holding and voting power as of			
				March 31, 2015	March 31, 2016	March 31, 2017	June 30, 2017
MAS Rural Housing & Mortgage Finance Limited	Subsidiary Company	India	MAS Financial Services Limited	59.61%	59.61%	59.61%	59.61%

The Restated Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as our Company's Restated Standalone Financial Statements.

The preparation of the Restated Consolidated Financial Statements in conformity with Indian GAAP requires our management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialize.

Revenue Recognition

Our Company and Subsidiary follow accrual basis of accounting for its income and expenditure except income on assets classified as NPAs, which in accordance with the guidelines issued by the RBI / NHB for NBFCs / HFCs is recognised on receipt basis.

- Income from loans: Interest income on loan transactions is accounted for over the period of the contract by applying the interest rate implicit in such contracts. In respect of MRHMFL, EMIs commence once the entire loan is disbursed. Pending commencement of EMIs, pre-EMI interest is payable every month.

- Service charges, processing fees and stamp and documentation charges are recognised as income at the commencement of the contract. In respect of MRHMFL, processing fees which are refunded on rejection of application are recognised as an expense in the period the same are refunded.

- Income from assignment of receivables:

(a) At premium structure: In case of assignment of receivables “at premium”, the assets are de-recognised since all the rights, title, future receivable principal and interest thereof are assigned to the purchaser. The interest spread arising on assignment is recognised upfront. From Fiscal 2013, our Company has not entered into assignment transactions under “at premium structure”.

(b) At par structure: In case of assignment of receivables “at par”, the assets are de-recognised since all the rights; title and future receivable principal are assigned to the purchaser. The interest spread arising on assignment is accounted over the residual tenor of the underlying assets.

Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

Repossessed Assets

The value of repossessed assets is arrived at by deducting the estimated loss on realisation. The estimation of loss on realisation is done based on past track record of loss on sale of such assets.

Investments

Long term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

Fixed Assets

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

Depreciation and Amortisation

Depreciable amount for assets is the cost of an asset less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method in accordance with the useful life prescribed in Schedule II to the Companies Act, 2013. In respect of fixed assets purchased or put to use during the period, depreciation is provided on a pro-rata basis from the date on which such asset is purchased or put to use. Intangible assets are stated at cost and are amortised equally over a period of five years from the year of purchase. For the period prior to April 1, 2014, depreciation was provided on straight-line method in accordance with the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.

Employee benefits

Defined contribution plans: Contribution to provident fund and employee state insurance scheme by us are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

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

Short-term employee benefits: The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of short-term compensated absences is accounted as following: (i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (ii) in case of non-accumulating compensated absences, when the absences occur.

Borrowing costs

Borrowing costs include interest and amortisation of other ancillary costs incurred in connection with borrowings. The costs incurred in connection with borrowing of funds are charged to the Restated Consolidated Summary Statement of Profit and Loss over the tenure of the loan. Certain share issue expenses are being adjusted against the Securities Premium Account.

Taxes on income

Current tax is determined on the basis of taxable income computed for our Company and Subsidiary are in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as of the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the entity has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Restated Consolidated Summary Statement of Profit and Loss.

Cash and cash equivalents (for purposes of cash flow statement)

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

Provisions and contingencies

A provision is recognised when we have a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the restated consolidated financial statements.

Principal Components of Income and Expenditure

Income

Revenue from Operations

Revenue from operations primarily includes interest income from financing activity, other operating revenues and income from non-financing activity. From Fiscal 2016, the Company has recognised interest income accrued on all retail loans for the period from the date of the last monthly instalment up to the end of the year. As part of the restatement, such unrecognized accrued interest income for earlier fiscals has been adjusted to the corresponding fiscals.

Other operating revenue includes service charges, stamp and documentation charges, interest on deposits placed as collateral towards assets assigned/ securitized.

Expenditure

Total expenditure includes (i) employee benefits expense, (ii) finance cost, (iii) depreciation and amortization expense, (iv) provisions and loan losses and (v) other expenses.

Employee Benefits Expense

Employee benefits expense includes (i) salaries, bonus and allowances, (ii) contribution to provident fund and other funds, and (iii) staff welfare expenses relating to our employees.

Finance Costs

Finance costs include interest expense on (i) bank borrowings; (ii) debentures; and (iii) others. It also includes discounts on commercial papers and other borrowing costs.

Depreciation and Amortization Expense

Depreciation represents depreciation on our fixed assets including land, buildings, improvements, furniture and fittings, vehicle, and office equipment. Amortization represents amortization of intellectual property on proprietary technology- software.

Provisions and loan losses

Provisions and loan losses include loan assets written-off, loss on sale of repossessed assets, provision for non-performing assets and contingency provision against standard assets.

Other Expenses

Commissions paid to our DSAs, dealers, sub-dealers, and other sales and marketing personnel and employees directly engaged with customers as part of our distribution network represents a significant portion of our other expenses. Other expenses also include travel and conveyance expenses, rent, legal and professional charges, repair and maintenance (on buildings and other assets), stationery and printing, rates and taxes, bank charges, electricity charges, insurance, sitting fees paid to directors, advertisement expenses, sales promotion expenses, recovery contract charges and other miscellaneous expenses.

Results of Operations

The following table sets forth certain information with respect to our results of operations for the periods indicated:

	Fiscal 2015	**Fiscal 2016**	**Fiscal 2017**	**Three month period ended June 30, 2017**

	(₹ In million)	Percentage of revenue from operations (%)	(₹ In million)	Percentage of revenue from operations (%)	(₹ In million)	Percentage of revenue from operations (%)	(₹ In million)	Percentage of revenue from operations (%)
Revenue								
Revenue from operations	2,374.31	100.00	3,034.51	100.00	3,637.46	100.00	1,040.19	100.00
Other income	7.71	0.32	7.47	0.25	9.56	0.26	3.15	0.30
Total revenue	**2,382.02**	**100.32**	**3,041.98**	**100.25**	**3,647.02**	**100.26**	**1,043.34**	**100.30**
Expenses								
Employee benefits expense	171.30	7.21	243.78	8.03	293.87	8.08	86.06	8.27
Finance costs	1,117.43	47.06	1,423.01	46.89	1,642.43	45.15	413.21	39.72
Depreciation and amortisation expenses	10.45	0.44	10.94	0.36	13.77	0.38	3.58	0.34
Provisions and loan losses	194.94	8.21	235.94	7.78	272.24	7.48	91.45	8.79
Other expenses	271.09	11.42	343.22	11.31	364.31	10.02	86.37	8.30
Total expenses	**1,765.21**	**74.35**	**2,256.89**	**74.37**	**2,586.62**	**71.11**	**680.67**	**65.44**
Profit before tax	616.81	25.98	785.09	25.87	1,060.40	29.15	362.67	34.87
Less: Tax Expenses								
- Current tax	214.89	9.05	276.80	9.12	377.82	10.39	132.02	12.69
- Deferred tax	(6.10)	(0.26)	(6.23)	(0.21)	(10.73)	(0.29)	(6.37)	(0.61)
Net tax expense	**208.79**	**8.79**	**270.57**	**8.92**	**367.09**	**10.09**	**125.65**	**12.08**
Profit after tax before share of profit attributable to minority interest	408.02	17.18	514.52	16.96	693.31	19.06	237.02	22.79
Less: Share of profit attributable to minority Interest	(8.19)	(0.34)	(6.31)	(0.21)	(7.73)	(0.21)	(2.88)	(0.28)
Profit for the year attributable to the shareholders of the Company	399.83	16.84	508.21	16.75	685.58	18.85	234.14	22.51

Three month period ended June 30, 2017

As of June 30, 2017, we had AUM of ₹ 34,517.41 million with over 500,000 active loan accounts and 98 institutional borrowers. Our results of operation in the three month period ended June 30, 2017 were particularly affected by the following factors:

- Growth in our SME loan segment and a corresponding increase in the loans disbursed under this segment. AUM in this segment increased by 9.48% from ₹ 7,638.37 million as of March 31, 2017 to ₹ 8,362.34 million as of June 30, 2017.

- Growth in our two wheeler loan segment and a corresponding increase in the loans disbursed under this segment. AUM in two wheeler loan segment increased by 11.88% from ₹ 2,853.86 million as of March 31, 2017 to ₹ 3,192.80 million as of June 30, 2017.

Revenue

Total revenue was ₹ 1,043.34 million in the three month period ended June 30, 2017. Our AUM increased by 3.58% from ₹ 33,325.65 million as of March 31, 2017 to ₹ 34,517.41 million as of June 30, 2017. Interest income from financing activities in the three month period ended June 30, 2017 was ₹ 971.00 million and represented 93.35% of our revenue from operations in such period. Other operating revenue was ₹ 69.13 million in the three month period ended June 30, 2017 and represented 6.65% of our revenue from operations in such period.

The growth in our revenue is primarily attributable to the growth of AUM in our various financing products. The following table sets forth certain information relating to our total revenue in such period:

	Three month period ended June 30, 2017	
	Amount	Percentage of Revenue from Operations
	(₹ million)	(%)
Revenue from operations		
Interest income from financing activities	971.00	93.35
Other operating revenue		
Service charges, stamp and document charges	69.13	6.65
Interest on deposits placed as collateral towards assets assigned/ securitised	-	-
Income from non-financing activity	0.06	0.01
Revenue from operations	1,040.19	100.00
Other income	3.15	0.30
Interest on bank deposits	0.13	0.01
Interest on investment - non-current, non-trade, quoted (government securities)	3.02	0.29
Interest income on other deposits	-	-
Dividend Income	-	-
Others	-	-
Profit on Redemption of Long Term Investment	-	-
Income distribution on Pass Through Certificates held as long term investments	-	-
Other non-operating income	-	-
Miscellaneous Income	-	-
Dividend from Current Investments - Mutual Fund Units	-	-
Total revenue	**1,043.34**	**100.30**

Expenditure

Total expenditure was ₹ 680.67 million in the three month period ended June 30, 2017, primarily on account of finance costs, employee benefits expenses, other expenses and provisions and loan losses. The following table sets forth certain information relating to our expenditure items expressed as a percentage of revenue from operations in the three month period ended June 30, 2017:

	Three month period ended June 30, 2017	
	Amount	Percentage of Revenue from Operations
	(₹ million)	(%)
Employee benefits expense	86.06	8.27
Finance costs	413.21	39.72
Depreciation and amortisation expenses	3.58	0.34
Provisions and loan losses	91.45	8.79
Other expenses	86.37	8.30
Total expenses	**680.67**	**65.44**

Employee Benefit Expense

As of June 30, 2017, we had 606 full-time employees. Employee benefits expense were ₹ 86.06 million in the three month period ended June 30, 2017, including salaries, bonuses and allowances of ₹ 81.42 million, contribution to provident fund and other funds of ₹ 3.56 million, and staff welfare expenses of ₹ 1.08 million.

Finance Costs

Finance costs were ₹ 413.21 million in the three month period ended June 30, 2017. In the three month period ended June 30, 2017, interest expense on bank borrowings were ₹ 274.27 million, interest on debentures was ₹ 36.89

million, other interest expense, which comprise of interest expense on loans taken from financial institutions and interest paid on security deposits received from customers was ₹ 82.70 million and other borrowing costs was ₹ 19.35 million.

Our Cost of Borrowing was 9.05% (on an annualized basis) in the three month period ended June 30, 2017 compared to 9.47% in Fiscal 2017.

Depreciation and Amortization Expenses

Depreciation and amortization expenses were ₹ 3.58 million in the three month period ended June 30, 2017, relating primarily to furniture and fittings, vehicles and office equipment.

Provisions and Loan Losses

Provisions and loan losses were ₹ 91.45 million in the three month period ended June 30, 2017, and included loss assets written-off of ₹ 66.28 million, loss on sale of repossessed assets (net) of ₹ 4.76 million, provision for NPAs of ₹ 14.29 million and contingency provision against standard assets of ₹ 6.12 million. Gross NPAs and Net NPAs as a percentage of AUM were 1.14% and 0.96%, respectively, as of June 30, 2017 compared to 1.06% and 0.92%, respectively, as of March 31, 2017.

Other Expenses

Other expenses were ₹ 86.37 million in the three month period ended June 30, 2017. Other expenses during this period comprised primarily of expenses with respect to commissions paid to DSAs, dealers and sub dealers and other sales and marketing personnel were ₹ 24.64 million, professional fees of ₹ 9.17 million, recovery contract charges of ₹ 8.13 million, travelling expense of ₹ 6.52 million, conveyance expenses of ₹ 4.68 million, and rent of ₹ 4.91 million.

Profit before Tax

Profit before tax was ₹ 362.67 million in the three month period ended June 30, 2017.

Tax Expense

Tax expenses were ₹ 125.65 million in the three month period ended June 30, 2017. Current tax was ₹ 132.02 million, while there was deferred tax of ₹ (6.37) million.

Profit for the Period

Following adjustments for net tax expense and profit attributable to minority interest of ₹ 2.88 million, profit after tax in the three month period ended June 30, 2017 was ₹ 234.14 million.

Fiscal 2017 compared to Fiscal 2016

Our AUM increased by 23.44%, from ₹ 26,998.50 million from March 31, 2016 to ₹ 33,325.65 million in March 31, 2017. Our results of operation in Fiscal 2016 were particularly affected by the following factors:

- Growth in our SME loan segment and a corresponding increase in the loans disbursed under this segment. AUM in this segment increased by 78.07% from ₹ 4,289.64 million as of March 31, 2016 to ₹ 7,638.37 million as of March 31, 2017.

- Growth in our micro-enterprise loan segment and a corresponding increase in the loans disbursed under this segment. AUM in micro-enterprise loan segment increased by 14.43% from ₹ 17,345.53 million as of March 31, 2016 to ₹ 19,848.57 million as of March 31, 2017.

- Growth in our housing loan segment and a corresponding increase in the loans disbursed under this segment. AUM in housing loan segment increased by 30.80% from ₹ 1,348.80 million as of March 31, 2016 to ₹ 1,764.25 million as of March 31, 2017.

Revenue

Total revenue increased by 19.89% from ₹ 3,041.98 million in Fiscal 2016 to ₹ 3,647.02 million in Fiscal 2017. AUM increased by 23.44% from ₹ 26,998.50 million from March 31, 2016 to ₹ 33,325.65 million in March 31, 2017, primarily resulting from the growth in the SME, micro-enterprise and housing loan segments.

Interest income from financing activities was ₹ 3,363.77 million in Fiscal 2017, and represented 92.48% of our revenue from operations. Other operating revenue was ₹ 273.69 million and represented 7.52% of our revenue from operations. The following table sets forth certain information relating to our total revenue in the periods specified:

	Fiscal 2016		**Fiscal 2017**	
	Amount	**Percentage of Revenue from Operations**	**Amount**	**Percentage of Revenue from Operations**
	(₹ million)	**(%)**	**(₹ million)**	**(%)**
Revenue from operations				
Interest income from financing activities	2,779.45	91.59	3,363.77	92.48
Other Operating Revenue				
Service charges, stamp and document charges etc.	252.60	8.33	273.38	7.52
Interest on deposits placed as collateral towards assets assigned / securitised	2.11	0.07	-	-
Income from non-financing activity	0.35	0.01	0.31	0.01
Revenue from operations	**3,034.51**	**100.00**	**3,637.46**	**100.00**
Other income				
Interest income on bank deposits	7.43	0.245	8.66	0.24
Interest income on investments - non-current, non-trade, quoted (Government securities)	0.01	0.00	-	-
On Other Deposits	-	-	-	-
Dividend income				
Others	0.00	0.00	0.00	0.00
Profit on redemption of long-term investment	0.03	0.001	-	-
Income distribution on Pass Through Certificates held as Long Term investments	-	-	0.90	0.02
Other non-operating income				
Miscellaneous Income	-	-	-	-
Dividend from Current Investments - Mutual Fund Units	-	-	-	-
Other income	**7.47**	**0.246**	**9.56**	0.26
Total revenue	**3,041.98**	**100.246**	**3,647.02**	**100.26**

Interest income from financing activities increased by 21.02% from ₹ 2,779.45 million in Fiscal 2016 to ₹ 3,363.77 million in Fiscal 2017 and represented 91.59% and 92.48% of our revenue from operations in Fiscal 2016 and Fiscal 2017, respectively. Our interest income increased as a result of significant growth in our SME, micro-enterprise and housing loan segments. There was an increase in the AUM represented by loans extended to our institutional borrowers and corresponding increase in the number of such institutional borrowers in this period. Total other operating revenue increased by 8.23% from ₹ 252.60 million in Fiscal 2016 to ₹ 273.38 million in Fiscal 2017 and represented 8.32% and 7.52% of our revenue from operations in Fiscal 2016 and Fiscal 2017, respectively. The increase in other operating revenue was a result of an increase in service charges, stamp and document charge, resulting from an increase in disbursements. This was marginally offset by interest on deposits placed as collateral towards assets assigned / securitised decreasing from ₹ 2.11 million in Fiscal 2016 to nil in Fiscal 2017 due to repayment of loan facilities.

Expenditure

Total expenses increased by 14.61% from ₹ 2,256.89 million in Fiscal 2016 to ₹ 2,586.62 million in Fiscal 2017, primarily on account of an increase in finance costs and employee benefit expenses. The following table sets forth certain information relating to our expenditure in the periods specified:

	Fiscal 2016		**Fiscal 2017**	
	Amount	**Percentage of Revenue from Operations**	**Amount**	**Percentage of Revenue from Operations**
	(₹ million)	**(%)**	**(₹ million)**	**(%)**
Employee benefits expense	243.78	8.03	293.87	8.08
Finance costs	1,423.01	46.89	1,642.43	45.15
Depreciation and amortisation expenses	10.94	0.36	13.77	0.38
Provisions and loan losses	235.94	7.78	272.24	7.48
Other expenses	343.22	11.31	364.31	10.02
Total expenses	2,256.89	74.37	2,586.62	71.11

Employee Benefit Expenses

Employee benefit expenses increased by 20.55% from ₹ 243.78 million in Fiscal 2016 to ₹ 293.87 million in Fiscal 2017. However, as a percentage of revenue from operations, employee benefit expenses remained relatively steady at 8.03% and 8.08% in Fiscal 2016 and Fiscal 2017, respectively.

Salaries, bonus and allowances increased by 19.76% from ₹ 229.34 million in Fiscal 2016 to ₹ 274.65 million in Fiscal 2017 primarily resulting from an increase in number of employees, increase hiring of skilled mid-management level employees during this period and increased salaries paid to such employees. Contribution to provident and other funds increased by 66.01% from ₹ 8.18 million in Fiscal 2016 to ₹ 13.58 million in Fiscal 2017. This was marginally offset by a decrease in staff welfare expense by 9.90% from ₹ 6.26 million in Fiscal 2016 to ₹ 5.64 million in Fiscal 2017.

Finance Costs

Finance costs increased by 15.42% from ₹ 1,423.01 million in Fiscal 2016 to ₹ 1,642.43 million in Fiscal 2017, reflecting our increased indebtedness and growth of business. Our total borrowings including security deposit received from customers increased by 3.72% from ₹ 16,006.98 million as of March 31, 2016 to ₹ 16,601.82 million as of March 31, 2017.

Interest on bank borrowings increased by 17.08% from ₹ 925.81 million in Fiscal 2016 to ₹ 1,083.94 million in Fiscal 2017. Interest on debentures increased by 8.99% from ₹ 135.76 million in Fiscal 2016 to ₹ 147.97 million in Fiscal 2017. Other interest expense increased by 33.32% from ₹ 241.10 million in Fiscal 2016 to ₹ 321.44 million in Fiscal 2017. Discount on commercial papers decreased by 67.12% from ₹ 53.77 million in Fiscal 2016 to ₹ 17.68 million in Fiscal 2017. Other borrowing costs increased by 7.26% from ₹ 66.57 million in Fiscal 2016 to ₹ 71.40 million in Fiscal 2017.

Depreciation and Amortization Expense

Depreciation and amortization expense increased by 25.87% from ₹ 10.94 million in Fiscal 2016 to ₹ 13.77 million in Fiscal 2017.

Provisions and Loan Losses

Provisions and loan losses increased by 15.39% from ₹ 235.94 million in Fiscal 2016 to ₹ 272.24 million in Fiscal 2017 resulting from a growth in our On-book AUM during this period. Loss assets written-off was ₹ 216.89 million in Fiscal 2017, compared to ₹ 202.01 million in Fiscal 2016, while provisions for NPAs was ₹ 7.44 million in Fiscal 2017 compared to ₹ 2.59 million in Fiscal 2016. Contingent provision against standard assets increased from ₹ 19.65 million in Fiscal 2016 to ₹ 31.56 million in Fiscal 2017 because of an increase in our On-book AUM and the early implementation of revised provisioning norms by RBI. Loss on sale of repossessed assets (net) increased from

₹ 11.69 million in Fiscal 2016 to ₹ 16.35 million in Fiscal 2017.

Gross NPAs and Net NPAs as a percentage of AUM were 1.06% and 0.92% respectively, in Fiscal 2017, compared to 1.03% and 0.89%, respectively, in Fiscal 2016.

Other Expenses

Other expenses increased by 6.14% from ₹ 343.22 million in Fiscal 2016 to ₹ 364.31 million in Fiscal 2017. The increase in other expenses was on account of the following:

- Commission charges paid to DSAs, dealers and sub dealers and other sales and marketing personnel increased by 23.38% from ₹ 82.85 million in Fiscal 2016 to ₹ 102.22 million in Fiscal 2017 reflecting additional business generated through these sources.

- Recovery contract charges decreased by 6.28% from ₹ 34.21 million in Fiscal 2016 to ₹ 32.06 million in Fiscal 2017 reflecting a decrease in recovery of loan amounts through our recovery agents and the corresponding commission charges paid to them.

- Professional fees decreased by 8.17% from ₹ 35.73 million in Fiscal 2016 to ₹ 32.81 million in Fiscal 2017 due to decrease in fees paid to lawyers, accountants, credit information bureaus and other service providers.

- Travel expenses decreased marginally by 2.80% from ₹ 25.03 million in Fiscal 2016 to ₹ 24.33 million in Fiscal 2017 due to decrease in periodic on-site reviews to high-exposure borrowers in our SME and housing loan segments and transit costs of employees from various branches to headquarters for training and other purposes. Conveyance expenses increased by 15.83% from ₹ 21.60 million in Fiscal 2016 to ₹ 25.02 million in Fiscal 2017.

- Miscellaneous expenses which primarily includes site visit charges and other assorted daily expenses increased by 8.64% from ₹ 12.61 million in Fiscal 2016 to ₹ 13.70 million in Fiscal 2017.

Profit before Tax

For the reasons discussed above, profit before tax was ₹ 1,060.40 million in Fiscal 2017 compared to ₹ 785.09 million in Fiscal 2016.

Tax Expense

Tax expenses were ₹ 367.09 million in Fiscal 2017 compared to ₹ 270.57 million in Fiscal 2016. Current tax expenses increased by 36.50% from ₹ 276.80 million in Fiscal 2016 to ₹ 377.82 million in Fiscal 2017, while there was deferred tax of ₹ (6.23) million in Fiscal 2016 and ₹ (10.73) million in Fiscal 2017.

Profit for the Period

For the reasons discussed above, and following adjustments for net tax expense and share of profit attributable to minority interest of ₹ 7.73 million, profit after tax in Fiscal 2017 was ₹ 685.58 million compared to ₹ 508.21 million in Fiscal 2016.

Fiscal 2016 compared to Fiscal 2015

Our AUM increased by 28.59%, from ₹ 20,995.94 million from March 31, 2015 to ₹ 26,998.50 million in March 31, 2016. Our results of operation in Fiscal 2016 were particularly affected by the following factors:

- Growth in our SME loan segment and a corresponding increase in the loans disbursed under this segment. AUM in this segment increased by 99.57% from ₹ 2,149.46 million as of March 31, 2015 to ₹ 4,289.64 million as of March 31, 2016.

- Growth in our micro-enterprise loan segment and a corresponding increase in the loans disbursed under this segment. AUM in micro-enterprise loan segment increased by 25.12% from ₹ 13,863.36 million as of March 31, 2015 to ₹ 17,345.54 million as of March 31, 2016.

- Growth in our housing loan segment and a corresponding increase in the loans disbursed under this segment. AUM in housing loan segment increased by 42.91% from ₹ 943.79 million as of March 31, 2015 to ₹ 1,348.80 million as of March 31, 2016.

Revenue

Total revenue increased by 27.71% from ₹ 2,382.02 million in Fiscal 2015 to ₹ 3,041.98 million in Fiscal 2016. AUM increased by 28.59% from ₹ 20,995.94 million from March 31, 2015 to ₹ 26,998.50 million in March 31, 2016, primarily resulting from the growth in the SME, micro-enterprise and housing loan segments.

Interest income from financing activities was ₹ 2,779.45 million in Fiscal 2016, and represented 91.59% of our revenue from operations. Other operating revenue was ₹ 252.60 million and represented 8.32% of our revenue from operations. The following table sets forth certain information relating to our total revenue in the periods specified:

	Fiscal 2015		**Fiscal 2016**	
	Amount	**Percentage of Revenue from Operations**	**Amount**	**Percentage of Revenue from Operations**
	(₹ million)	**(%)**	**(₹ million)**	**(%)**
Revenue from operations				
Interest income from financing activities	2,163.71	91.13	2,779.45	91.59
Other Operating Revenue				
Service charges, stamp and document charges etc.	204.89	8.63	252.60	8.33
Interest on deposits placed as collateral towards assets assigned / securitised	5.28	0.22	2.11	0.07
Income from non-financing activity	0.43	0.02	0.35	0.01
Revenue from operations	**2,374.31**	**100.00**	**3,034.51**	**100.00**
Other income				
Interest income on bank deposits	7.52	0.32	7.43	0.24
Interest income on investments - non-current, non-trade, quoted (Government securities)	0.09	0.00	0.01	0.00
On Other Deposits	-	-	-	-
Dividend income				
Others	0.00	0.00	0.00	0.00
Profit on redemption of long-term investment	-	-	0.03	0.00
Income distribution on Pass Through Certificates held as Long Term investments	-	-	-	-
Other non-operating income				
Miscellaneous Income	0.10	0.00	-	-
Dividend from Current Investments - Mutual Fund Units	-	-	-	-
Other income	**7.71**	**0.32**	**7.47**	**0.24**
Total revenue	**2,382.02**	**100.32**	**3,041.98**	**100.24**

Interest income from financing activities increased by 28.46% from ₹ 2,163.71 million in Fiscal 2015 to ₹ 2,779.45 million in Fiscal 2016 and represented 91.13% and 91.59% of our revenue from operations in Fiscal 2015 and Fiscal 2016, respectively. Our interest income rose as a result of significant growth in our SME, micro-enterprise and housing loan segments. There was an increase the AUM represented by loans extended to our institutional borrowers and corresponding increase in the number of such institutional borrowers in this period. Total other operating revenue increased by 23.29% from ₹ 204.89 million in Fiscal 2015 to ₹ 252.60 million in Fiscal 2016 and represented 8.63% and 8.33% of our revenue from operations in Fiscal 2015 and Fiscal 2016, respectively. The increase in other operating revenue was a result of increase in service charges, stamp duty and document charges resulting from an increase in disbursements. This was marginally offset by interest on deposits placed as collateral towards assets assigned / securitised decreasing from ₹ 5.28 million in Fiscal 2015 to ₹ 2.11 million in Fiscal 2016 due to repayment of loan facilities.

Expenditure

Total expenses increased by 27.85% from ₹ 1,765.21 million in Fiscal 2015 to ₹ 2,256.89 million in Fiscal 2016, primarily on account of an increase in finance costs and employee benefit expenses. The following table sets forth certain information relating to our expenditure in the periods specified:

	Fiscal 2015		**Fiscal 2016**	
	Amount	**Percentage of Revenue from Operations**	**Amount**	**Percentage of Revenue from Operations**
	(₹ million)	**(%)**	**(₹ million)**	**(%)**
Employee benefits expense	171.30	7.21	243.78	8.03
Finance costs	1,117.43	47.06	1,423.01	46.89
Depreciation and amortisation expenses	10.45	0.44	10.94	0.36
Provisions and loan losses	194.94	8.21	235.94	7.78
Other expenses	271.09	11.42	343.22	11.31
Total expenses	**1,765.21**	**74.34**	**2,256.89**	**74.37**

Employee Benefit Expenses

Employee benefit expenses increased by 42.31% from ₹ 171.30 million in Fiscal 2015 to ₹ 243.78 million in Fiscal 2016. However, as a percentage of revenue from operations, employee benefit expenses remained relatively steady at 7.21% and 8.03% in Fiscal 2015 and Fiscal 2016, respectively.

Salaries, bonus and allowances increased by 41.44% from ₹ 162.15 million in Fiscal 2015 to ₹ 229.34 million in Fiscal 2016 primarily resulting from an increase hiring of skilled mid-management level employees during this period and increased salaries paid to such employees. Contribution to provident and other funds increased by 54.34% from ₹ 5.30 million in Fiscal 2015 to ₹ 8.18 million in Fiscal 2016. In addition, staff welfare expense increased significantly from ₹ 3.85 million in Fiscal 2015 to ₹ 6.26 million in Fiscal 2016.

Finance Costs

Finance costs increased by 27.35% from ₹ 1,117.43 million in Fiscal 2015 to ₹ 1,423.01 million in Fiscal 2016, reflecting our increased indebtedness and growth of business. Our total borrowings including security deposit received from customers increased by 24.66% from ₹ 12,840.90 million as of March 31, 2015 to ₹ 16,006.98 million as of March 31, 2016.

Interest on bank borrowings increased by 15.53% from ₹ 801.35 million in Fiscal 2015 to ₹ 925.81 million in Fiscal 2016. Interest on debentures increased from ₹ 66.01 million in Fiscal 2015 to ₹ 135.76 million in Fiscal 2016. Other interest expense increased by 30.39% from ₹ 184.91 million in Fiscal 2015 to ₹ 241.10 million in Fiscal 2016. Discount on commercial papers increased from ₹ 23.48 million in Fiscal 2015 to ₹ 53.77 million in Fiscal 2016. Other borrowing costs increased by 59.72% from ₹ 41.68 million in Fiscal 2015 to ₹ 66.57 million in Fiscal 2016.

Depreciation and Amortization Expense

Depreciation and amortization expense marginally increased by 4.69% from ₹ 10.45 million in Fiscal 2015 to ₹ 10.94 million in Fiscal 2016.

Provisions and Loan Losses

Provisions and loan losses increased by 21.03% from ₹ 194.94 million in Fiscal 2015 to ₹ 235.94 million in Fiscal

2016 resulting from a growth in our On-book AUM during this period. Loss assets written-off was ₹ 202.01 million in Fiscal 2016, compared to ₹ 157.13 million in Fiscal 2015, while provisions for NPAs was ₹ 2.59 million in Fiscal 2016 compared to ₹ 8.19 million in Fiscal 2015. Contingent provision against standard assets increased from ₹ 10.66 million in Fiscal 2015 to ₹ 19.65 million in Fiscal 2016 because of an increase in our On-book AUM and the implementation of revised provisioning norms by RBI. Loss on sale of repossessed assets (net) decreased from ₹ 18.96 million in Fiscal 2015 to ₹ 11.69 million in Fiscal 2016.

Gross NPAs and Net NPAs as a percentage of AUM were 1.03% and 0.89% respectively, in Fiscal 2016, compared to 0.99% and 0.81%, respectively, in Fiscal 2015.

Other Expenses

Other expenses increased by 26.61% from ₹ 271.09 million in Fiscal 2015 to ₹ 343.22 million in Fiscal 2016. The significant increase in other expenses was on account of the following:

- Commission charges paid to DSAs, dealers and sub dealers and other sales and marketing personnel increased by 18.29% from ₹ 70.04 million in Fiscal 2015 to ₹ 82.85 million in Fiscal 2016 reflecting additional business generated through these sources.

- Recovery contract charges increased by 15.26% from ₹ 29.68 million in Fiscal 2015 to ₹ 34.21 million in Fiscal 2016 reflecting an increase in recovery of loan amounts through our recovery agents and the corresponding commission charges paid to them.

- Professional fees increased by 116.02% from ₹ 16.54 million in Fiscal 2015 to ₹ 35.73 million in Fiscal 2016 due to an increase in fees paid to lawyers, accountants, credit information bureaus and other service providers.

- Travel expenses increased by 42.87% from ₹ 17.52 million in Fiscal 2015 to ₹ 25.03 million in Fiscal 2016 due to increase in periodic on-site reviews to high-exposure borrowers in our SME and housing loan segments and transit costs of employees from various branches to headquarters for training and other purposes. Conveyance expenses increased by 24.93% from ₹ 17.29 million in Fiscal 2015 to ₹ 21.60 million in Fiscal 2016.

- Miscellaneous expenses which primarily includes site visit charges and other assorted daily expenses by 23.39% from ₹ 10.22 million in Fiscal 2015 to ₹ 12.61 million in Fiscal 2016.

Profit before Tax

For the reasons discussed above, profit before tax was ₹ 785.09 million in Fiscal 2016 compared to ₹ 616.81 million in Fiscal 2015.

Tax Expense

Tax expenses were ₹ 208.79 million in Fiscal 2015 compared to ₹ 270.57 million in Fiscal 2016. Current tax expenses increased by 28.81% from ₹ 214.89 million in Fiscal 2015 to ₹ 276.80 million in Fiscal 2016, while there was deferred tax of ₹ 6.10 million in Fiscal 2015 and ₹ 6.23 million in Fiscal 2016.

Profit for the Period

For the reasons discussed above, and following adjustments for net tax expense and share of profit attributable to minority interest of ₹ 6.31 million, profit after tax in Fiscal 2016 was ₹ 508.21 million compared to ₹ 399.83 million in Fiscal 2015.

Financial Position

As of June 30, 2017, our Net Worth was ₹4,385.31 million. Our Net Worth increased by 63.97% from ₹ 2,329.87 million as of March 31, 2016 to ₹ 3,820.26 million as of March 31, 2017.

Assets

The following table sets forth the principal components of our assets as of the dates specified:

(₹ million, except ratios and percentages)

	As of March 31,			As of June 30, 2017
	2015	2016	2017	
Non-Current Assets				
Fixed Assets				
- Tangible Assets	44.80	81.74	86.09	112.76
- Intangible Assets	-	-	1.38	2.50
- Capital Work in Progress	0.99	-	-	4.15
Total fixed assets	**45.79**	**81.74**	**87.47**	**119.41**
Non-current investments	3.49	2.73	0.07	0.07
Deferred tax asset (Net)	22.58	30.09	42.23	49.23
Long term loans and advances	4,190.57	5,863.54	8,844.03	10,315.63
Other non-current assets	101.75	79.42	94.81	94.59
Total Non-Current Assets	**4,364.18**	**6,057.52**	**9,068.61**	**10,578.93**
Current Assets				
Cash and Bank Balances	2,176.72	1,817.02	473.67	1,507.35
Short term loans and advances	9,029.74	11,385.28	12,248.75	12,342.91
Other current assets	149.23	197.73	219.85	219.83
Total Current Assets	**11,355.69**	**13,400.03**	**12,942.27**	**14,070.09**
Total Assets	**15,719.87**	**19,457.55**	**22,010.88**	**24,649.02**

As of June 30, 2017, we had total assets of ₹ 24,649.02 million. As of March 31, 2017, we had total assets of ₹ 22,010.88 million, compared to ₹ 19,457.55 million as of March 31, 2016, and ₹ 15,719.87 million as of March 31, 2015. The significant increase in total assets was primarily on account of substantial growth in our loan portfolio resulting from an increase in our retail customer base of SME customers and the number of institutional borrowers with higher value loans as we expanded our operations.

Fixed Assets

As of June 30, 2017, we had fixed assets of ₹ 119.41 million. As of March 31, 2015, 2016 and 2017, we had fixed assets of ₹ 45.79 million, ₹ 81.74 million and ₹ 87.47 million, respectively. The consistent increase in tangible fixed assets in Fiscal 2016 was principally on account of the increase in vehicles, new furniture and fixtures, office buildings and equipment.

Non-Current Investments

As of June 30, 2017, we had non-current investment of ₹ 0.07 million. As of March 31, 2015, 2016 and 2017 we had non-current investment of ₹ 3.49 million, ₹ 2.73 million and ₹ 0.07 million, respectively. The decrease in non-current investments in Fiscal 2016 and Fiscal 2017 was primarily on account of sale of government bonds.

Long Term Loans and Advances

Long term loans and advances aggregated to ₹ 10,315.63 million as of June 30, 2017. Long term loans and advances were ₹ 4,190.57 million, ₹ 5,863.54 million and ₹ 8,844.03 million as of March 31, 2015, 2016 and 2017, respectively. The increase in long term loans and advances primarily reflected the growth of the business and corresponding increase in our On-book AUM.

Current Assets

Cash and Bank Balances

As of June 30, 2017, cash and bank balances were ₹ 1,507.35 million. Cash and bank balances consist of cash on hand and balances with bank including the balances in our current and cash credit accounts. As of March 31, 2017, cash and bank balances aggregated to ₹ 473.67 million, compared to ₹ 1,817.02 million and 2,176.72 million as of March 31, 2016 and 2015, respectively.

Short Term Loans and Advances

Short term loans and advances were ₹ 12,342.91 million as of June 30, 2017. Short term loans and advances comprise both secured and unsecured loans, other loans and advances that are unsecured and considered good. As of March 31, 2015, 2016 and 2017, short term loans and advances aggregated to ₹ 9,029.74 million, ₹ 11,385.28 million and ₹ 12,248.75 million, respectively.

Other current assets

Other current assets aggregated to ₹ 219.83 million as of June 30, 2017. Other current assets comprise unamortised borrowing costs, interest accrued on investments, on deposits and, on loans and advances, repossessed assets and other receivables. As of March 31, 2015, 2016 and 2017, other current assets were ₹ 149.23 million, ₹197.73 million and ₹ 219.85 million, respectively.

Liabilities and Provisions

The following table sets forth the principal components of our liabilities as of the dates specified:

(₹ million, except ratios and percentages)

	As of March 31,			As of June 30, 2017
	2015	**2016**	**2017**	
Non-Current Liabilities				
Deferred subsidy	-	-	-	-
- Long term borrowings	1,648.08	3,948.44	3,108.91	3,437.14
- Deferred tax liabilities (net)	2.96	4.23	5.65	6.28
- Other long term liabilities	929.24	1,526.66	2,520.46	3,178.71
- Long term provisions	11.92	19.54	37.05	42.01
Total Non-Current Liabilities	**2,592.20**	**5,498.87**	**5,672.07**	**6,664.14**
Current Liabilities				
- Short term borrowings	7,454.01	7,411.16	7,679.89	9,080.09
- Trade payables				
- Total outstanding dues of micro-enterprises and small enterprises	-	-	-	-
- Total outstanding dues of creditors other than micro-enterprises and small enterprises	14.89	46.93	27.62	34.24
- Other current liabilities	3,387.13	3,964.44	4,531.47	4,123.43
- Short term provisions	78.40	88.49	134.11	215.40
Total Current Liabilities	**10,934.43**	**11,511.02**	**12,373.09**	**13,453.16**

Non-Current Liabilities

As of June 30, 2017, our total non-current liabilities aggregated ₹ 6,664.14 million. Non-current liabilities comprise long term borrowings, which represented our unsecured redeemable non-convertible debentures, security deposit received from customers, term loans from banks and other institutions. Total non-current liabilities increased from ₹ 2,592.20 million as of March 31, 2015 to ₹ 5,498.87 million as of March 31, 2016 and to ₹ 5,672.07 million as of March 31, 2017. Such increase in total non-current liabilities was primarily due to an increase in our secured long term borrowings in the form of term loans from banks and other institutions, unsecured redeemable non-convertible debentures and security deposit received from customers.

Current Liabilities

Total current liabilities were ₹ 13,453.16 million as of June 30, 2017. Total current liabilities increased by 7.49% from ₹ 11,511.02 million as of March 31, 2016 to ₹ 12,373.09 million as of March 31, 2017, while it was ₹ 10,934.43 million as of March 31, 2015. Short term borrowings increased by 3.63% from ₹ 7,411.16 million as of March 31, 2016 to ₹ 7,679.89 million as of March 31, 2017, primarily on account of an increase in our borrowings in the form of cash credit facility. Short terms borrowings were ₹ 7,454.01 million as of March 31, 2015. Trade payables were ₹ 14.89 million, ₹ 46.93 million and ₹ 27.62 million as of March 31, 2015, 2016 and 2017, respectively. Other current liabilities were ₹ 3,387.13 million, ₹ 3,964.44 million and ₹4,531.47 million as of March 31, 2015, 2016 and 2017, respectively.

Provisions

Long term provisions were ₹ 42.01 million as of June 30, 2017. Long term provisions comprise contingent provisions against standard assets of our Company and our Subsidiary. Long term provisions were ₹ 11.92 million, ₹ 19.54 million, and ₹ 37.05 million as of March 31, 2015, 2016 and 2017, respectively. Short term provisions were ₹ 215.40 million as of June 30, 2017. Short term provisions comprise provision for employee benefits and other provisions. Provision for employee benefits comprises of compensated absences for employees. Other provisions mainly consist of provision for tax (net of advance tax), provision for NPAs, contingent provision against standard assets, provision for proposed equity and preference dividend, and provision for dividend distribution tax on proposed equity and preference dividend.

The provision for NPAs were ₹ 37.20 million, ₹ 39.78 million, ₹ 47.22 million and ₹ 61.51 million as of March 31, 2015, 2016, 2017 and June 30, 2017, respectively.

Shareholders' Equity

As of June 30, 2017, shareholders' equity was ₹ 3,885.51 million, representing 15.76% of our total assets. As of March 31, 2017, shareholders' equity was ₹ 3,320.46 million, representing 15.09% of our total assets. Shareholders' equity increased by 14.33%, from ₹ 1,600.65 million as of March 31, 2015 to ₹ 1,830.07 million as of March 31, 2016. Shareholders' equity represented 9.41% of our total assets as of March 31, 2016 and 10.18% of our total assets as of March 31, 2015.

Liquidity

The purpose of the liquidity management function is to ensure that we have adequate liquidity to extend loans to our customers across our various financing products, to repay principal, interest on our borrowings and to fund our working capital requirements and other expenses and taxes. We endeavour to diversify our sources of capital. We have funded the growth in our operations and loan portfolio through term loans and assignment or securitization of portfolio to banks and financial institutions and issuance of commercial paper and sub-ordinated non-convertible debentures. In the three month period ended June 30, 2017, we received an aggregate ₹ 2,742.20 million from these sources, and as of June 30, 2017, cash used in our operations was ₹ 1,163.21 million. In Fiscal 2017, we received an aggregate ₹ 3,587.93 million from these sources, and as of March 31, 2017, cash used in our operations was ₹ 1,642.71 million. Based upon our current level of expenditures, we believe our cash flows from operating activities and the proceeds from offerings contemplated herein will be adequate to meet our anticipated cash requirements for capital expenditures and working capital for at least the next 12 months.

We actively manage our liquidity and capital position by raising funds on a continuous basis on terms that, we believe, are favourable to us. We maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements. Liquidity is provided principally by short term and long term borrowings from banks and other financial institutions, debentures, retained earnings and proceeds from assignments and securitizations of loans. Certain of our loan agreements and debentures contain a number of covenants including financial covenants. In addition, some loans may contain provisions which allow lenders, at their discretion to recall the loan at short notice and/or require us to prepay on a pari passu basis if any other loan is being repaid. Such covenants, if acted upon, may have an impact on our liquidity.

Cash Flows

The following table sets forth certain information relating to our cash flows in the periods indicated:

(₹ million, except ratios and percentages)

	Fiscal			Three month period ended June 30, 2017
	2015	2016	2017	
Net cash flow from/(used in) operating activities	(2,669.81)	(2,800.54)	(1,642.71)	(1,163.21)
Net cash flow from/(used in) investing activities	(17.71)	(35.01)	(38.05)	(17.90)
Net cash flow from/ (used in) financing activities	3,031.45	2,514.62	338.01	2,213.67
Net increase/(decrease) in cash and cash equivalents	**343.93**	**(320.93)**	**(1,342.75)**	**1,032.56**

Operating Activities

Net cash used in operating activities was ₹ 1,163.21 million in the three month period ended June 30, 2017 and net profit before tax was ₹ 362.67 million. The difference was primarily attributable to finance costs paid of ₹ 384.85 million. Operating loss before working capital changes was ₹ 172.39 million. The main working capital adjustment was on account of an increase in loans and advances of ₹ 1,649.07 million. This was partially offset by adjustments relating to finance costs charged to statement of profit and loss of ₹ 413.21 million, increase in security deposits from borrowers of ₹ 88.37 million and loss assets written off of ₹ 66.28 million. Taxes paid were ₹ 66.02 million in the three month period ended June 30, 2017.

Net cash used in operating activities was ₹ 1,642.71 million in Fiscal 2017, and net profit before tax was ₹ 1,060.40 million. The difference was primarily attributable to finance costs of ₹ 1,530.23 million. Operating loss before working capital changes was ₹ 658.06 million. The main working capital adjustments was on account of an increase in loans and advances of ₹ 3,998.92 million. This was partly offset by adjustments relating to finance costs charged to statement of profit and loss of ₹ 1,642.43 million, increase in security deposits from borrowers of ₹ 950.27 million and loss assets written off of ₹ 216.89 million. Taxes paid were ₹ 371.73 million in Fiscal 2017.

Net cash used in operating activities was ₹ 2,800.54 million in Fiscal 2016, and net profit before tax was ₹ 785.09 million. The difference was primarily attributable to finance costs of ₹ 1,393.60 million. Operating loss before working capital changes was ₹ 586.39 million. The main working capital adjustment was on account of an increase in loans and advances of ₹ 4,229.44 million. This was partially offset by adjustments relating to finance costs charged to consolidated statement of profit and loss of ₹ 1,423.01 million, increase in security deposits from borrowers of ₹ 355.13 million, loss assets written off of ₹ 202.01 million and other current liabilities of ₹ 250.49 million. Taxes paid were ₹ 285.08 million in Fiscal 2016.

Net cash used in operating activities was ₹ 2,669.81 million in Fiscal 2015, and net profit before tax was ₹ 616.81 million. The difference was primarily attributable to finance costs of ₹ 1,094.73 million. Operating loss before working capital changes was ₹ 442.37 million. The main working capital adjustment was on account of an increase in loans and advances of ₹ 4,149.04 million. This was partially offset by adjustments relating to finance costs charged to consolidated statement of profit and loss of ₹ 1,117.43 million, increase in security deposits from borrowers of ₹ 693.24 million, loss assets written off of ₹ 157.13 million in Fiscal 2015 and other current liabilities of ₹ 202.90 million. Taxes paid were ₹ 223.28 million in Fiscal 2015.

Investing Activities

Net cash used in investing activities was ₹ 17.90 million in the three month period ended June 30, 2017, primarily due to fixed deposits placed of ₹ 210.00 million and capital expenditure on fixed assets, including capital advances of ₹ 19.45 million. However, this was significantly offset by proceeds from matured fixed deposits of ₹ 210.00 million.

Net cash used in investing activities was ₹ 38.05 million in Fiscal 2017, primarily on account of fixed deposits placed of ₹ 484.61 million and capital expenditure on fixed assets, including capital advances worth ₹ 40.60 million. This was partially offset by matured fixed deposits of ₹ 478.50 million, interest income from investments and deposits of ₹ 4.96 million and proceeds from sale of fixed assets of ₹ 0.14 million.

Net cash used in investing activities was ₹ 35.01 million in Fiscal 2016, primarily on account of fixed deposits placed of ₹ 341.31 million and capital expenditure on fixed assets, including capital advances worth of ₹ 49.30 million. This was partially offset by matured fixed deposits of ₹ 336.50 million, interest income from investments and deposits of ₹ 15.61 million and proceeds from sale of fixed assets of ₹ 2.70 million.

Net cash used in investing activities was ₹ 17.71 million in Fiscal 2015, primarily on account of fixed deposits placed of ₹ 158.30million, capital expenditure on fixed assets, including capital advances of ₹ 8.15 million and purchase of long term investments of ₹ 2.66 million. This was significantly offset by matured fixed deposits of ₹ 149.88 million.

Financing Activities

Net cash flow from financing activities in the three month period ended June 30, 2017 was ₹ 2,213.67 million due to proceeds from long term borrowings of ₹ 992.00 million, proceeds of short terms borrowings of ₹ 1,400.20 million, and proceeds from issue of equity shares of ₹ 350.00 million. However, this was partially offset by repayments of long term borrowings of ₹ 507.50 million, share issue expenses of ₹ 13.12 million and dividends paid (including dividend distribution tax) of ₹ 7.91 million.

Net cash flow from financing activities in Fiscal 2017 was ₹ 338.01 million due to proceeds from long term borrowings of ₹ 1,525.00 million, proceeds from issue of commercial papers of ₹ 734.20 million and proceeds of short term borrowings of ₹ 268.73 million. This was significantly offset by repayments of long term borrowings of ₹ 2,240.80 million, redemption of commercial papers of ₹ 750.00 million, and dividends paid (including dividend distribution tax) of ₹ 198.85 million.

Net cash flow from financing activities in Fiscal 2016 was ₹ 2,514.62 million on account of proceeds from long term borrowings of ₹ 3,903.74 million, proceeds from issue of non-convertible debentures of ₹ 400.00 million and proceeds from issue of optionally convertible preference shares of ₹ 20.00 million. This was partly offset by repayment of our long-term borrowings of ₹ 1,486.50 million, repayment of short term borrowings (net) of ₹ 42.85 million, and dividends paid (including dividend distribution tax) of ₹ 279.77 million.

Net cash flow from financing activities in Fiscal 2015 was ₹ 3,031.45 million on account of proceeds from long term borrowings of ₹ 1,688.74 million, proceeds from short term borrowings (net) of ₹ 1,953.08 million and proceeds from issue of non-convertible debentures of ₹ 200.00 million. This was partly offset by repayment of our long-term borrowings of ₹ 760.57 million and dividends paid (including dividend distribution tax) of ₹ 69.80 million.

Cash and cash equivalents

Cash and cash equivalents at the end of the period was ₹ 2,129.01 million, ₹ 1,808.08 million, ₹ 465.33 million and ₹ 1,497.89 million in Fiscal 2015, 2016, 2017 and three month period ended June 30, 2017, respectively. Components of cash and cash equivalents primarily comprise balances with banks of ₹ 2,123.52 million, ₹ 1,803.83

million, ₹ 463.23 million and ₹ 1,496.06 million in Fiscal 2015, 2016, 2017 and three month period ended June 30, 2017, respectively.

Indebtedness

As of June 30, 2017 we had long term borrowings including security deposit received from customers classified as current ₹ 2,970.21 million and non-current ₹ 6,553.02 million and short term borrowings of ₹ 9,080.09 million on a consolidated basis. As of March 31, 2017, we had long term borrowings including security deposit received from customers classified as current ₹ 3,369.98 million and non-current ₹ 5,551.95 million and short term borrowings of ₹ 7,679.89 million. For further information of indebtedness as of August 31, 2017 and certain terms and conditions associated with such borrowings, see "*Financial Indebtedness*" on page 387. The following table sets forth certain information relating to our outstanding indebtedness as of March 31, 2017, and our repayment obligations in the periods indicated:

(₹ million, except ratios and percentages)

	As of March 31, 2017				
	Payment due by period				
	Total	**<1 year**	**1-3 years**	**3 -5 years**	**More than 5 years**
Non-Convertible Debentures					
- Secured	-	-	-	-	-
- Unsecured	600.00	-	-	200.00	400.00
Term loans (secured)	4,432.48	1,923.57	1,879.03	447.01	182.87
Security Deposit received from customers	3,889.45	1,446.41	2,277.13	161.32	4.59
Total long term borrowings	**8,921.93**	**3,369.98**	**4,156.16**	**808.33**	**587.46**
Short Term Borrowings					
- Secured	7,679.89	-	7,679.89	-	-
- Unsecured	-	-	-	-	-
Total Short Term Borrowings	**7,679.89**	**-**	**7,679.89**	**-**	**-**

Some of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. We cannot assure you that we will be able to obtain these consents and any failure to obtain these consents could have significant adverse consequences for our business. Specifically, we require consent for change in our capital structure, change in our shareholding pattern and effecting major changes in our management set up. For further information in relation to covenants contained in our financing agreements, see "*Financial Indebtedness*" on page 387 and *"Risk factors – Our indebtedness and the conditions and restrictions imposed by our financing arrangements could restrict our ability to obtain additional financing, raise capital, conduct our business and operations in the manner we desire."* on page 32.

Commitments and Contingent Liabilities

The following table sets forth certain information relating to future payments due under known commitments and also contingent liabilities not provided for:

(₹ million, except ratios and percentages)

	As of March 31, 2015	**As of March 31, 2016**	**As of March 31, 2017**	**As of June 30, 2017**
Contingent Liabilities				
In respect of disputed Income-tax matters : Future cash outflows in respect of the matter above are determinable only on receipt of decision pending with the authorities.	-	2.82	2.85	2.85
Commitments				

	As of March 31, 2015	As of March 31, 2016	As of March 31, 2017	As of June 30, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for:				
a) Tangible Assets	0.70	1.06	11.48	5.00
b) Intangible Assets	-	0.70	0.90	0.90

For further information, see our "*Financial Statements"* on page 202. Except as disclosed in our Restated Consolidated Financial Statements or elsewhere in this Red Herring Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Securitization and Assignment Arrangements

As of March 31, 2015, 2016 and 2017, and three month period ended June 30, 2017, off-book assets represented by securitized and assigned assets was at ₹ 7,675.40 million, ₹ 9,609.43 million, ₹ 12,143.39 million and ₹ 11,755.05 million, respectively, on a consolidated basis. The following table sets forth information regarding our securitization and assignment activity during Fiscal 2015, 2016 and 2017 and the three month period ended June 30, 2017 on a standalone basis:

(a) Securitization transactions

(₹ million, except ratios and percentages)

	As of March 31, 2015	As of March 31, 2016	As of March 31, 2017	As of June 30, 2017
Number of SPVs sponsored by the company for securitization transactions	3.00	Nil	Nil	Nil
Total amount of securitized assets as per books of the SPVs sponsored by the company	261.49	Nil	Nil	Nil
Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet:				
Off-balance and On-balance sheet exposures				
• First loss	60.51	Nil	Nil	Nil
• Others	114.76	Nil	Nil	Nil

(b) Assignment transactions

(₹ million, except ratios and percentages)

	As at March 31, 2015	As at March 31, 2016	As at March 31, 2017	As at June 30, 2017
Number of SPVs sponsored by the company for assignment transactions	N.A.	N.A.	N.A.	N.A.
Total amount of assigned assets as per books of the company (excluding accrued interest)	8,011.43	10,274.85	13,053.89	12,676.93
Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet:				
Off-balance and On-balance sheet exposures				
• First loss	Nil	Nil	Nil	Nil
• Others	489.58	758.86	1,161.55	1,231.07

The amount of assigned assets outstanding as per books of MRHMFL (excluding accrued interest) as on June 30, 2017 is ₹ 32.48 million. For securitization and assignment norms prescribed by the RBI, see "*Regulations and*

Policies" on page 146. Also see "*Financial Statements*" on page 202.

Capital Expenditures

As of the three month period ended June 30, 2017, our capital expenditure (balance of fixed assets) was ₹ 119.41 million on a consolidated basis. As at March 31, 2015, 2016 and 2017, our capital expenditure (balance of fixed assets) was ₹ 45.79 million, ₹ 81.74 million and ₹ 87.47 million , respectively. The following table sets forth our capital expenditures (balance of fixed assets) as of the three month period ended June 30, 2017 and as of March 31, 2015, 2016 and 2017:

(₹ million, except ratios and percentages)

	As of March 31, 2015	**As of March 31, 2016**	**As of March 31, 2017**	**As of June 30, 2017**
Tangible Assets	44.80	81.74	86.09	112.76
Intangible Assets	-	-	1.38	2.50
Capital Work in Progress	0.99	-	-	4.15
Closing Balance	45.79	81.74	87.47	119.41

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include remuneration to executive directors and KMPs, subscription to CCPS and optionally convertible preference shares and loans and advances. For further information relating to our related party transactions, see Note 34.8 of "*Annexure 34 - Restated Consolidated Summary Statement of Notes to Accounts"* of the Restated Consolidated Financial Statements on page 343.

Changes in Accounting Policies

There have been no changes in our Company's accounting policies during the last five fiscal years. For further information, see "*Financial Statements*" on page 202.

Quantitative and Qualitative Disclosures about Market Risk

Capital to Risk Asset Ratios

The NBFC-SI Master Directions require the Company to maintain a CRAR consisting of Tier I and Tier II capital that is not less than 15% of their aggregate risk-weighted assets. Our capital risk to asset ratio on a standalone basis as of March 31, 2015, 2016 and 2017 and as of June 30, 2017, was 18.14%, 18.27%, 22.96% and 23.80% respectively.

Our capital adequacy information on a standalone basis as of March 31, 2015, 2016 and 2017 and as of June 30, 2017, is follows:

(₹ million, except ratios and percentages)

	As of March 31,			**As of June 30, 2017**
	2015	**2016**	**2017**	
Tier I Capital	1,497.87	1,729.63	3,170.01	3,724.24
Tier II Capital	708.64	1,147.24	1,136.54	1,062.49
Total Capital	2,206.51	2,876.87	4,306.55	4,786.73
Total Risk Weighted Assets	**12,166.33**	**15,740.81**	**18,762.11**	**20,109.09**
Tier I Capital (as a Percentage of Total Risk Weighted Assets (%))	12.32%	10.99%	16.90%	18.52%
Tier II Capital (as a Percentage of Total Risk Weighted Assets (%))	5.82%	7.28%	6.06%	5.28%
Total Capital (as a Percentage of Total Risk Weighted Assets (%))	**18.14%**	**18.27%**	**22.96%**	**23.80%**

Concentration Risk

As of June 30, 2017 we had more than 500,000 active loan accounts, across 3,165 Customer Locations in Gujarat, Maharashtra, Madhya Pradesh, Rajasthan, Karnataka and Tamil Nadu and the NCT of Delhi served through 121 branches. Our organisation network and significant portion of our AUM is managed from our head office in Ahmedabad, Gujarat. Our experience coupled with customised credit policies has enabled us to mitigate concentration risk significantly. As part of our consistent growth strategy, we maintain a geographically diversified portfolio. Further, with a view to mitigate concentration risk, we have fixed the following ceilings for individual and group exposure in accordance with the prudential ceiling norms stipulated by RBI:

	Cap	**RBI guidelines**
Individual Exposure	15% of owned funds	15% of owned funds
Group Exposure	25% of owned funds	25% of owned funds

Operational Risk

Operational risks arise from inadequate or failed internal processes, people and systems or from external events. In order to control our operational risks, we have adopted well-defined loan approval processes and procedures. We also attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures and undertaking contingency planning. In addition, we have appointed audit firms to conduct internal audits to assess adequacy of and compliance with internal controls, procedures and processes. Reports of internal auditors as well as measures proposed on matters reported are discussed and reviewed at Audit Committee meetings.

Asset Risk

Asset risks arise from decrease in the value of collateral over time. Sale price of a repossessed asset may be less than the amount of loan and interest outstanding and we may not be able to realize the full amount lent to our customers due to such a decrease in the value of collateral. Our employees are required to follow legal procedures and take appropriate care in dealing with customers while repossessing assets. We may also face certain practical and execution challenges while seizing collateral.

Credit Risk

Credit risk arises from loss that may occur from defaults by customers under loan agreements. Customer defaults and inability to recover such amount may lead to higher NPA ratios. Our product specific credit policies which include proposal evaluation and investigation procedure for credit appraisal of each applicant are approved by our Board. We manage our credit risk by evaluating the appropriate level of income and creditworthiness of our customers, carrying out cash flow analysis, setting credit limits and prudent LTV ratios. Credit exposure, credit limits and asset quality are regularly monitored at various levels.

Interest Rate Risk

We are subject to interest rate risk, particularly because we lend to customers at fixed interest rates and for periods that may differ from our funding sources, which bear fixed and / or floating interest rates. Interest rates are susceptible to a number of factors beyond our control, including monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. We assess and manage interest rate risk on our balance sheet by managing our assets and liabilities in line with our asset and liability management policy. As of June 30, 2017, 27.87% of our total borrowings were at fixed rates and 72.13% at floating rates.

We have an asset liability management policy, approved and adopted by our Board on recommendation by our Asset Liability Committee. Assets and liabilities are categorized into various buckets based on their maturities and re-pricing options. Efforts are made and action plans are drawn to ensure minimal mismatch, in line with guidelines prescribed by the RBI.

Liquidity Risk

Liquidity risk arises due to unavailability of adequate funds at appropriate prices or tenure. We attempt to minimize this risk through a mix of strategies, including assignment of receivables and short-term funding. We also monitor liquidity risk through adequate bank sanction limits at the beginning of each Fiscal. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. Through our asset and liability management policy, we cap maximum mismatches in various maturities in line with guidelines prescribed by the RBI.

Unusual or Infrequent Events or Transactions

Except as described in this Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Significant Economic Changes that Materially affect or are likely to affect Income from Continuing Operations

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in " – *Significant Factors Affecting our Results of Operations and Financial Condition"* and the uncertainties described in "*Risk Factors"* on pages 357 and 17, respectively.

Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in " – *Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 357 and 17, respectively. To our knowledge, except as discussed in this Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Future Relationship between Cost and Income

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 17, 129 and 355 respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

Segment Reporting

Other than as disclosed in "*Annexure 34 - Restated Consolidated Summary Statement of Notes to Accounts*" of the Restated Consolidated Financial Statements on page 338, we do not follow any other segment reporting.

Significant Dependence on Single or Few Customers

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers.

Seasonality of Business

Our business operations and the financial services industry in general may be affected by seasonal trends in the Indian economy. Generally, the period from October to March is the peak period in India for retail economic activity. This increased, or seasonal, activity is the result of several holiday periods, improved weather conditions and crop harvests. We generally experience higher volumes of business during this period. Any significant event such as unforeseen floods, earthquakes, political instabilities, epidemics or economic slowdowns during this peak season may adversely affect our results of operations. In these periods, we may continue to incur operating expenses, but our income from operations may be delayed or reduced**.**

Competition

We operate in a competitive environment. For further information, see "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 129, 109 and 17, respectively for further information on our industry and competition.

Significant Developments after June 30, 2017 that may affect our Future Results of Operations

Except as disclosed in this Red Herring Prospectus, including as below, to our knowledge no circumstances have arisen since the date of the last financial information disclosed in this Red Herring Prospectus which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

Our Company has entered into an agreement dated July 26, 2017 for the acquisition of certain land at Ahmedabad, Gujarat for a consideration of **₹** 425.00 million. The completion of the acquisition is subject to execution of the sale deed and completion of registration formalities with the land revenue authorities. See, "*Our Business – Property"* on page 145.

For further information on the demonetisation measure introduced by GoI, see *"– Significant Factors Affecting Our Results of Operations and Financial Condition – Economic Conditions in India"* on page 361.

FINANCIAL INDEBTEDNESS

Pursuant to our Articles of Association and subject to applicable laws, our Board is authorised to borrow sums of money for the purpose of our Company, with or without security, upon such terms and conditions as the Board may think fit.

Pursuant to a resolution of the shareholders of our Company passed at the AGM held on June 21, 2017, the Board has been authorised to borrow any sum or sums of money, in any currency, from time to time, at its discretion, for the purpose of the business of our Company, which together with the monies already borrowed by our Company (apart from temporary loans obtained from bankers of our Company in the ordinary course of business) may exceed the aggregate of the paid up capital and free reserves of our Company, provided that the total outstanding amount so borrowed shall not at any time exceed ₹ 35,000 million.

Our Company avails loans in the ordinary course of its business and for funding working capital and capital expenditure requirements. As on the date of this Red Herring Prospectus, our Company has availed necessary consents required under relevant loan documentation for undertaking the Offer.

Facilities availed by us

As on August 31, 2017, our Company has availed secured borrowings of ₹ 14,644.58 million and unsecured borrowings of ₹ 600 million on a consolidated basis. Set forth below is a brief summary of our aggregate outstanding borrowings (both fund based and non-fund based) on a consolidated basis as on August 31, 2017.

Category of borrowing	Sanctioned Amount (in ₹ million)	Outstanding amount (in ₹ million) as on August 31, 2017*
Secured Borrowings		
Term Loans	9,237.14	5,559.34
Cash Credit Facilities (including bank guarantees)	15,570.00	9,085.23
Unsecured Borrowings		
NCDs (Subordinated Debt)	600.00	600.00
Total	25,407.14	15,244.58

* *As certified by M. R. Pandhi & Associates, pursuant to certificate dated September 14, 2017.*

Principal terms of our borrowings availed by our Company and Subsidiary

Some of the principal terms of the borrowings availed by us are set out below.

1. **Interest –** The interest rate for our facilities is typically tied to a base rate as specified by respective lenders, with the effective interest rate ranging from 7.25 % below the base rate to 2.55 % above the base rate. The base rate may vary from lender to lender. With respect to NCDs issued by us, the coupon rate varies from 13.5 % p.a. to 14 % p.a.

2. **Security –** In terms of our borrowings where security needs to be created, we are typically required to:

   (i) create exclusive charge on our standard receivables;
   (ii) create exclusive charge by way of hypothecation of our book debts;
   (iii) create charge on all our tangible movable properties, assets and stocks, both present and future; and
   (iv) procure guarantees from our Promoters in favour of the lenders.

3. **Repayment –** While our cash credit capital facilities are typically repayable on demand, the repayment period for term loans availed by our Company typically ranges from 24 months to 60 months. The term loans availed by our Subsidiary are typically repayable between 36 months to 240 months. Further, the redemption period of the NCDs ranges from 78 to 84 months.

4. **Pre-payment –** Loans availed by us typically have prepayment provisions which allows for pre-payment and re-scheduling of the outstanding loan amount on receiving prior approval from such concerned lender, subject to such prepayment penalties as may be decided by the lender at the time of such prepayment, or as laid down in the facility agreements, as the case may be.

5. **Penalty –** Loans availed by us contain provisions prescribing penalties for delayed payment or delay in submission of documents required under such facility documents, non-creation of security and default in our repayment obligations, which typically range from 1% to 2% of the amounts involved.

6. **Events of Default –** Borrowing arrangements entered into by us contain standard events of default, including:

   (i) non-payment or default of any amounts due on the facility or loan obligations;
   (ii) default in performance of covenants and conditions stipulated in the loan documents;
   (iii) failure to create security as stipulated in the loan documents;
   (iv) default on amounts due to/ facilities extended by any other lenders;
   (v) proceedings relating to winding up, liquidation or insolvency being initiated against us; and
   (vi) our Company, or its Subsidiary, as the case may be, ceasing or threatening to cease to carry on its business.

   The details above are indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us, such as any amendment to our Memorandum and Articles of Association or any change in our management. We are required to ensure that the aforementioned events of default and other events of default, as specified under the various loan documents and agreements entered into by us, are not triggered.

7. **Restrictive Covenants -** Many of our financing arrangements entail various restrictive conditions and covenants restricting certain corporate actions, and we are required to take the prior approval of the lender before carrying out such activities, including for:

   (i) amending our Memorandum and Articles of Association;
   (ii) effecting any change in our capital structure;
   (iii) undertaking guarantee obligations on behalf of any third party;
   (iv) revaluing our assets;
   (v) formulating any scheme of amalgamation or reconstruction;
   (vi) permitting any transfer of our controlling interest;
   (vii) making any drastic change in our management setup;
   (viii) investment by way of share capital or extending loans or advances or placing deposits with any other entity (including our group companies and associate companies);
   (ix) carrying out any change of business; and
   (x) making any repayment of loans and deposits and discharging other liabilities except those shown in the fund flow statements submitted to our lenders from time to time.

The details provided above are indicative and there may be additional terms, conditions and requirements under specific borrowing arrangements entered into by us.

SECTION VI – LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there is no outstanding (i) criminal proceedings involving our Company, Subsidiary, Directors, Promoters or Group Company; (ii) actions taken by statutory or regulatory authorities involving our Company, Subsidiary, Directors, Promoters or Group Company; (iii) claims related to direct or indirect tax involving our Company, Subsidiary, Directors, Promoters or Group Company (disclosed in a consolidated manner giving the total number of claims and total amounts involved); or (iv) other pending litigations involving our Company, Subsidiary, Directors, Promoters, Group Company, as determined to be material by our Board of Directors, in accordance with the SEBI ICDR Regulations.

Further, except as stated in this section, there are no (i) outstanding proceedings initiated against our Company for economic offences; (ii) pending defaults or non-payment of statutory dues by our Company; (iii) material fraud against our Company in the last five years immediately preceding the date of this Red Herring Prospectus; (iv) inquiry, inspection or investigation initiated or conducted under the Companies Act against our Company or Subsidiary during the last five years immediately preceding the year of filing of this Red Herring Prospectus; (v) prosecutions filed against (whether pending or not); fines imposed against; or compounding of offences under the Companies Act done by our Company and our Subsidiary, in the last five years immediately preceding the year of filing of this Red Herring Prospectus; (vi) litigation or legal action, pending or taken against our Promoters by any ministry or Government department or statutory authority during the last five years immediately preceding the date of this Red Herring Prospectus; (vii) outstanding dues to creditors of our Company as determined to be material by our Board of Directors as per the Materiality Policy, in accordance with the SEBI ICDR Regulations; and (viii) outstanding dues to small scale undertaking and other creditors; (ix) overdues or defaults to banks or financial institutions by our Company; and (x) litigation involving any other person whose outcome could have material adverse effect on the position of our Company.

*Our Board, in its meeting held on March 22, 2017 has adopted a policy for identification of group companies, material creditors and material legal proceedings ("**Materiality Policy**") for the purposes of disclosure in the DRHP, the RHP and Prospectus in accordance with the SEBI ICDR Regulations. In terms of the Materiality Policy, all pending litigation involving our Company, Subsidiary, Directors, Promoters and Group Company, other than criminal proceedings (which are to be disclosed individually), statutory or regulatory actions and taxation matters (which would be disclosed in consolidated manner in accordance with the SEBI ICDR Regulations), would be considered 'material' for the purposes of disclosure in this Red Herring Prospectus if: (i) the monetary amount of claim by or against the entity or person in any such pending proceeding exceeds 1% of the consolidated profit after tax of our Company as per our Restated Consolidated Financial Statements for the Fiscal Year 2017, or (ii) such pending proceedings involving the abovementioned persons which are 'material' from the perspective of our Company's business, operations, prospects or reputation.*

Further, in terms of the Materiality Policy, our Company considers creditors to whom the amount due exceeds 5% of the consolidated trade payables of our Company as per our Restated Consolidated Financial Statements for the Fiscal Year 2017, as 'material' creditors for the purpose of disclosures in this Red Herring Prospectus.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Subsidiary, Directors, Promoters or Group Company shall, unless otherwise decided by the Board, not be considered as litigation until such time that our Company or any of its Subsidiary, Directors, Promoters or its Group Company, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.

Unless stated to the contrary, the information provided below is as of the date of this Red Herring Prospectus.

I. Litigation involving our Company

A. Outstanding criminal proceedings involving our Company

Criminal proceedings initiated against our Company

1. Kantilal Tulsidas Vaja filed a criminal inquiry application (3/2013) before the Chief Judicial Magistrate, Junagarh under sections 33, 38 and 42 of the Gujarat Money Lenders' Act, 2011 and sections 406, 409 and 420 of the Indian Penal Code, against our Company and others, including Kamlesh Chimanlal Gandhi and Mukesh Chimanlal Gandhi. It was alleged in the application that the accused, in connivance with each other, charged surplus interest and misused the blank cheques provided by the applicant in relation to a loan availed by the applicant from our Company. This matter is currently pending.

2. Devusingh Udesingh Parmar filed a criminal complaint 3073/2011 before the Chief Judicial Magistrate, Himmatnagar under sections 406 and 420 of the Indian Penal Code, against the manager of our Company and two other employees. It was alleged by the complainant that, our Company having seized a rickshaw belonging to the complainant without due notice, representatives of our Company sought an additional payment of ₹ 15,000 from him to release the rickshaw in good condition. Further, allegedly, the complainant was warned by one of the accused that in the event such payment is not made, the seized rickshaw and blank cheques delivered by the complainant to our Company may not be returned to him. Consequently, the complainant has alleged criminal breach of trust on part of the accused and contended that the accused have cheated him. This matter is currently pending.

3. Manoj Damjibhai Jadav filed a criminal complaint 2572/2007 before the Civil Judge, Rajkot under sections 114, 120 (b), 406, 420, 467, 468, 471 and 506(2) of the Indian Penal Code, against our Company and three others. It was alleged in the complaint that our Company, through the co-accused, had carried out a bogus loan procedure pursuant to which a sanctioned amount of ₹ 20,000 was transferred to the account of the borrower complainant, and withdrawn soon after by one of the accused relying on a signed blank cheque. Consequently, the complainant has contended that he was cheated by the co-accused, including our Company. This matter is currently pending.

4. Vijay Khandu Thakur filed a miscellaneous criminal application (113/ 2017) before the Judicial Magistrate First Class, Parola, under sections 120B, 420, 465, 468, 469 and 471 of the Indian Penal Code, against our Company and others, including Kamlesh Chimanlal Gandhi and Mukesh Chimalal Gandhi. Bala Bhaskaran, Chetan Ramniklal Shah, Darshana Saumil Pandya and Umesh Rajnikant Shah, the Directors of our Company were also made a party to these proceedings. It was alleged in the complaint that despite the complainant having deposited the outstanding loan amount, our Company did not issue a no-objection certificate required acknowledging such payment. Relying on fabricated documents, the accused allegedly also declined to issue loan account statement to the complainant. Pursuant to its order dated July 21, 2017, the Judicial Magistrate First Class rejected the application, highlighting the civil nature of the impugned matter. Aggrieved by the order, the complaint has filed an appeal before the District Judge, Amalner seeking that the aforestated order dated July 21, 2017 be quashed and set aside. Summons issued pursuant to the appeal was received by the Company on September 19, 2017. This matter is currently pending.

Criminal proceedings initiated by our Company

1. Our Company filed a mudammal application (39/2011) dated March 30, 2011 before the Judicial Magistrate First Class, Vadodara, alleging that certain properties mortgaged in favour of the Company were wrongfully seized by the investigating officer, in relation to certain offences allegedly committed by the mortgagors, namely Ketanbhai Pravinbhai Patel and Parinbhai Dineshbhai Patel. Through the application, our Company sought that the impugned properties be returned to our Company, as failure to do so would cause much monetary loss to the Company. This matter is currently pending.

2. Our Company filed an application dated July 19, 2012 under sections 451 and 457 of the Code of Criminal Procedure, 1973 before the Civil Judicial Magistrate First Class, seeking the return of a vehicle hypothecated in favour of the Company, which had subsequently been seized by the police in relation to an offence committed by the borrower, namely Rana Ranjeetsingh. This matter is currently pending.

3. Our Company filed a revision application before the City Sessions Judge, Ahmedabad under section 397 of the Code of Criminal Procedure, seeking that an order dated May 18, 2014 of the Chief

Metropolitan Magistrate, Ahmedabad be set aside and cancelled. Pursuant to the impugned order, a vehicle hypothecated to our Company was auctioned by the Shahibaug police station, without compliance with due process prescribed under law. It was alleged by our Company that the police made no efforts to identify the owner of the vehicle (which was seized in relation to certain offences involving theft), and that the vehicle was auctioned off while the proceedings remained pending. This matter is currently pending.

4. Our Company has, in the ordinary course of its business, initiated 21,339 cases under section 138 of the Negotiable Instruments Act against certain of our borrowers for dishonour of cheques presented by them. These proceedings are currently pending before various courts. The aggregate amount involved in these proceedings is ₹ 1039.17 million.

   Criminal revision petitions/ appeals have been filed by the accused parties in 30 of these proceedings.

B. Pending action by statutory or regulatory authorities against our Company

As on the date of this Red Herring Prospectus, there are no pending actions by statutory or regulatory authorities against our Company.

C. Tax proceedings against our Company

There are two income tax proceedings pending against our Company and the aggregate amount involved in these matters is ₹4.28 million. These proceedings are in respect of alleged mistake on account of calculation of assessed income by the tax department, wherein our Company has filed rectification applications.

D. Material outstanding litigation involving our Company

Material civil litigations initiated against our Company

As on the date of this Red Herring Prospectus, there are no outstanding material civil litigations against our Company.

Material civil litigations initiated by our Company

As on the date of this Red Herring Prospectus, there are no outstanding material civil litigations initiated by our Company.

E. Proceedings initiated against our Company for economic offences

As on the date of this Red Herring Prospectus, there are no proceedings initiated against our Company for any economic offences.

F. Default and non – payment of statutory dues

There are no instances of default or non-payment of statutory dues by our Company.

G. Material frauds against our Company

No acts of material frauds have been committed against our Company during the past five years.

H. Details of any inquiry, inspection or investigation initiated or conducted, prosecutions filed (whether pending or not), fines imposed or compounding of offences done under the Companies Act, 2013 or the Companies Act, 1956

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 against our Company, nor have any prosecutions been filed, fines imposed, or compounding of offences done by our Company under the Companies Act, 2013 or the Companies Act, 1956 in the last five years immediately preceding the year of filing of this Red Herring Prospectus.

I. *Other Compoundings*

Our Company filed a compounding application dated July 25, 2013 with the RBI, seeking compounding for failing to (i) explicitly specify the maximum permissible period within which 7% compulsorily convertible cumulative preference shares ("**7% CCPS**") allotted to FMO in August 2008 and October 2008 would be converted into Equity Shares; and to (ii) fix the conversion price at which the 7% CCPS would convert into Equity Shares. Further, the share subscription and shareholders agreement dated June 30, 2008 entered into with FMO ("**FMO Agreement**") permitted conversion of the 7% CCPS into Equity Shares on any date after March 31, 2014 which was viewed as an optionality clause by the RBI. Our Company was also delayed in filing of Form FC-GPR with the RBI in respect of the two allotments of 7% CCPS to FMO (on August 19, 2008 and October 13, 2008).

Through its order dated January 3, 2014, the RBI compounded the aforementioned non-compliances with FEMA, imposing a compounding fee of ₹ 8.74 million. The compounding fee was subsequently paid by our Company.

For details of issue and allotment of the 7% CCPS, see "*Capital Structure – History of Preference Share Capital of our Company*" on page 80.

J. *Outstanding litigation against any other persons whose outcome could have an adverse effect on our Company.*

There are no outstanding litigation, suits, criminal or civil proceedings, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of Schedule V of the Companies Act, 2013, show cause notices or legal notices against any other person or company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

K. *Outstanding dues to small scale undertakings or any other creditors*

In terms of the Materiality Policy, as of August 31, 2017, our Company had two material creditors, whose details are as follows:

Sr. No.	Name of Creditor	Amount due (In ₹ million)
1	Kamlesh Chimanlal Gandhi	3.17
2	Mukesh Chimanlal Gandhi	3.17

Further, based on available information regarding status of the creditor as defined under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as of August 31, 2017, our Company did not owe any dues to any small scale undertakings. With respect to other creditors, as of August 31, 2017, our Company owed outstanding dues of ₹ 15.71 million to a total of 1,197 creditors.

The details pertaining to amounts due towards such creditors are available on the website of our Company at the following link: http://mas.co.in/institutional-investors/Policy.aspx. The details in relation to such creditors and amount payable to each such creditor available on the website of our Company do not form a part of this Red Herring Prospectus. Persons placing reliance on any other source of information, including our Company's website, would be doing so at their own risk.

II. Litigation involving our Subsidiary

A. Outstanding criminal proceedings involving our Subsidiary

Criminal proceedings initiated against our Subsidiary

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings against our Subsidiary.

Criminal proceedings initiated by our Subsidiary

1. Our Subsidiary filed a first information report (502/09) dated August 23, 2009 before the Ellisbridge police station against Ajay Narayan Joshi, Akshata Ajay Joshi and Rahul Ramdas Humane, alleging offences under sections 34, 406, 420, 467, 468 and 471 of the Indian Penal Code. It was alleged in the first information report that the accused fraudulently obtained financial assistance amounting to ₹ 1.44 million from our Subsidiary on the basis of false and forged documents. The accused subsequently defaulted in the repayment of the aforesaid loan. Pursuant to investigation, a charge sheet dated 83/2010 was filed before the Metropolitan Magistrate, Gheekanta, Ahmedabad. This matter is currently pending.

2. Our Subsidiary, in the ordinary course of its business, has initiated 16 cases under section 138 of the Negotiable Instruments Act against certain of its borrowers for dishonour of cheques presented by them. These proceedings are currently pending before various courts. The aggregate amount involved in these proceedings is ₹ 8.60 million.

B. Pending action by statutory or regulatory authorities against our Subsidiary

As on the date of this Red Herring Prospectus, there are no pending actions by statutory or regulatory authorities against our Subsidiary.

C. Tax proceedings against our Subsidiary

As on the date of this Red Herring Prospectus, there are no tax proceedings pending against our Subsidiary.

D. Material outstanding litigation involving our Subsidiary

Material civil litigations initiated against our Subsidiary

As on the date of this Red Herring Prospectus, there are no outstanding material civil litigations initiated against our Subsidiary.

Material civil litigations initiated by our Subsidiary

As on the date of this Red Herring Prospectus, there are no outstanding material civil litigations initiated by our Subsidiary.

E. Details of any inquiry, inspection or investigation initiated or conducted, prosecutions filed (whether pending or not), fines imposed or compounding of offences done under the Companies Act, 2013 or the Companies Act, 1956 or any other material compoundings

In the last five years immediately preceding the year of filing of this Red Herring Prospectus, there have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 against our Subsidiary, nor have any prosecutions been filed, fines imposed, or compounding of offences done by our Subsidiary under the Companies Act, 2013 or the Companies Act, 1956. Further, no other material compounding of offences has been done by our Subsidiary.

III. Litigation involving our Directors

A. Outstanding criminal proceedings involving our Directors

Criminal proceedings against our Directors

Except as disclosed in the section titled "- *Criminal proceedings initiated against our Company*" on page 389, as on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings against our Directors.

Criminal proceedings initiated by our Directors

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Directors.

B. Pending action by statutory or regulatory authorities against our Directors

As on the date of this Red Herring Prospectus, there are no pending actions by statutory or regulatory authorities against our Directors.

C. Tax proceedings against our Directors

As on date of this Red Herring Prospectus, there are no tax proceedings pending against our Directors.

D. Material outstanding litigation involving our Directors

Material civil litigations initiated against our Directors

As on the date of this Red Herring Prospectus, there are no outstanding material civil litigations initiated against our Directors.

Material civil litigations initiated by our Directors

As on the date of this Red Herring Prospectus, there are no outstanding material civil litigations initiated by our Directors.

IV. Litigation involving our Promoters

A. Outstanding criminal proceedings involving our Promoters

Criminal proceedings against our Promoters

Except as disclosed in the section titled "- *Criminal proceedings initiated against our Company*" on page 389, as on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings against our Promoters.

Criminal proceedings initiated by our Promoters

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Promoters.

B. Pending action by statutory or regulatory authorities against our Promoters

As on the date of this Red Herring Prospectus, there are no pending actions by statutory or regulatory authorities against our Promoters.

C. Tax proceedings against our Promoters

As on date of this Red Herring Prospectus, there are no tax proceedings pending against our Promoters.

D. Material outstanding litigation involving our Promoters

Material civil litigations against our Promoters

As on the date of this Red Herring Prospectus, there are no outstanding material civil litigations initiated against our Promoters.

Material civil litigations initiated by our Promoters

As on the date of this Red Herring Prospectus, there are no outstanding material civil litigations initiated by our Promoters.

E. Litigation or legal action by the Government of India or any statutory authority involving our Promoters in last five years

There is no litigation or legal action pending or taken by a ministry, department of the government or statutory authority during the last five years preceding the date of this Red Herring Prospectus against our Promoters and no direction has been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

V. Litigation involving our Group Company

A. Outstanding criminal proceedings involving our Group Company

Criminal proceedings initiated against our Group Company

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings against our Group Company.

Criminal proceedings initiated by our Group Company

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Group Company.

B. Pending action by statutory or regulatory authorities against our Group Company

As on the date of this Red Herring Prospectus, there are no pending actions by statutory or regulatory authorities against our Group Company.

C. Tax proceedings against our Group Company

As on the date of this Red Herring Prospectus, there are no tax proceedings pending against our Group Company.

D. Material outstanding litigation involving our Group Company

Material civil litigations initiated against our Group Company

As on the date of this Red Herring Prospectus, there are no outstanding material civil litigations initiated against our Group Company.

Material civil litigations initiated by our Group Company

As on the date of this Red Herring Prospectus, there are no outstanding material civil litigations initiated by our Group Company.

VI. Material developments since the last balance sheet date

Except as stated in "*Management's Discussion and Analysis of Financial Condition and Results of Operation – Significant Developments after June 30, 2017 that may affect our Future Results of Operations"* on page 386, there have been no developments subsequent to June 30, 2017 that we believe are expected to have a material impact on the reserves, profits, earnings per share and book value of our Company.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, our Company can undertake this Offer and our Company and Subsidiary can undertake their respective current business activities. Except as mentioned below, no further material approvals (including key approvals pertaining to certain material branches of our Company and our Subsidiary, as set forth in this section) from any governmental or regulatory authority or any other entity are required to undertake this Offer or continue such business activities. Unless otherwise stated, these approvals are valid as on the date of this Red Herring Prospectus. For details of the regulatory and legal framework within which we operate, see "*Regulations and Policies*" on page 146.

A. Approvals relating to the Offer

1. Our Board, pursuant to its resolution dated March 8, 2017, authorised the Offer subject to approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013;

2. The shareholders of our Company have, pursuant to their resolution dated March 10, 2017 under Section 62(1)(c) of the Companies Act, 2013, authorised the Offer;

3. Our Board approved the Draft Red Herring Prospectus pursuant to its resolution dated March 23, 2017;

4. Our Board approved this Red Herring Prospectus pursuant to its resolution dated September 25, 2017.

5. The RBI has, by a letter (bearing DNBS (AH) No. 1453/ 01.10.020/2016-17) dated April 13, 2017, granted its approval (under the Master Directions) for a change in our shareholding by more than 26% pursuant to the Offer and the Pre-IPO Placement.

6. In-principle approval from the NSE dated May 24, 2017; and

7. In-principle approval from the BSE dated April 26, 2017.

B. Approvals relating to Offer for Sale

See "*The Offer*" on page 64 for details of consents provided by the Selling Shareholders for their respective portions of the Offer for Sale.

C. Approvals relating to the Company

1. ***Corporate approvals***

   (i) Certificate of incorporation dated May 25, 1995, issued by the Assistant Registrar of Companies, Gujarat, (Dadra & Nagar Haveli).

   (ii) Certificate for commencement of business dated May 29, 1995 issued by the Assistant Registrar of Companies, Gujarat (Dadra & Nagar Haveli).

   (iii) Corporate identity number – U65910GJ1995PLC026064.

2. ***Regulatory approvals***

   Certificate of registration (bearing registration number B-01-00241) dated January 15, 2007 as a Category B (non-public deposit taking) NBFC, issued by the RBI under Section 45IA of the RBI Act.

3. ***Tax registrations***

   (i) Permanent account number – AABCM0640A, issued by the Income Tax Department, Government of India.

(ii) Tax deduction account number – AHMM00159F, issued by the Income Tax Department, Government of India.

(iii) Professional tax assessment number (State of Gujarat) – PRC015130426, issued by the Ahmedabad Municipal Corporation.

(iv) GST Registration number – 24AABCM0640A1ZD (State of Gujarat).

4. ***Business approvals – Company level***

(i) Employees' state insurance code 37-00-022193-000-1099/ Ins-II, issued by Employees' State Insurance Corporation, Gujarat (regional office).

(ii) Employees' provident fund code GJ/26147, registered with the Employees' Provident Fund Organisation.

5. ***Business approvals – Branch level***

As of June 30, 2017, our Company has 74 branches in India (including its head office at Ahmedabad). Material approvals required by our Company for the functioning of its branches ("**Material Company Approvals**") are:

(i) *Shops and commercial establishment registrations*: In states where our branches are located, registrations under the respective state-level shops and establishment laws, wherever enacted and in force, are required. Apart from registration, such laws also regulate working hours, payment of wages, leave, holidays, terms of service and other conditions of work of persons employed in shops and commercial establishments. Contraventions of provisions of such laws may entail punishment such as imprisonment along with monetary penalty. The term of such registrations and renewal requirements as well as processes may differ under the various state legislations.

(ii) *Tax registrations:* Registrations are required to be obtained from the state commissioners or departments under central or state-level tax legislations, wherever enacted and in force, including for GST registration and professional tax registrations. While the GST registration is required to be obtained at state-level, the professional tax registrations are required in respect of 66 branches out of our 74 branches.

(iii) *Trade Licenses*: Our Company is required to obtain trade licenses to provide motor vehicle finance for our branches located in Rajasthan, Madhya Pradesh and Maharashtra. These licenses are obtained from the respective municipal authorities of areas where such branches are located. These licenses may be subject to renewals from time to time.

Material branches

Out of the 74 branches of our Company, 17 branches (including our head office) individually contribute to more than 1% of the total loan portfolio of our Company as of June 30, 2017. These 17 branches are collectively referred to as the "**Material Branches of the Company**".

Our Company currently holds shops and establishments registrations, professional tax registrations, GST registration and trade licenses, as applicable, for all Material Branches of the Company.

6. ***Intellectual property of our Company***

Details of registered trademarks of our Company are set forth below.

S. No.	Description	Authority	Trademark Number	Date	Validity
1.	Registration of under Class 36 in respect of *inter alia* services of brokerage, insurance, lending against security and loans (financing).	Trade Marks Registry, Ahmedabad	1451627	May 16, 2016 (originally registered on May 16, 2006 with Registrar of Trade Marks, Mumbai)	10 years
2.	Registration of under Class 36 in respect of *inter alia* services of brokerage, insurance, lending against security and loans (financing).	Trade Marks Registry, Ahmedabad	3179511	February 8, 2016	10 years from the date of application dated February 8, 2016

D. Approvals relating to the Subsidiary

1. *Corporate approvals*

(i) Certificate of incorporation dated July 24, 2007 issued by the Assistant Registrar of Companies, Gujarat, (Dadra & Nagar Haveli).

(ii) Certificate for commencement of business dated March 7, 2008 issued by the Assistant Registrar of Companies, Gujarat (Dadra & Nagar Haveli).

(iii) Corporate identity number – U74900GJ2007PLC051383.

2. *Regulatory approvals*

Certificate of registration (bearing registration number 02.0067.08) dated January 7, 2008, issued by National Housing Bank under section 29A of the NHB Act to carry on the business of a housing finance institution without accepting public deposits.

3. *Tax registrations*

(i) Permanent account number – AAFCM6629P, issued by the Income Tax Department, Government of India.

(ii) Tax deduction account number – AHMM09123C, issued by the Income Tax Department, Government of India.

(iii) Professional tax assessment number PE/C015121220, issued by Ahmedabad Municipal Corporation.

(iv) GST Registration number - 24AAFCM6629P1ZX.

4. *Business approvals – Subsidiary level*

(i) Employees' state insurance code 37000281150001099, issued by Employees' State Insurance Corporation, Gujarat (regional office).

(ii) Employees' provident fund code GJ/AHD/55596, registered with the Employees' Provident Fund Organisation, Gujarat.

5. ***Business approvals – Branch level***

As of June 30, 2017, our Subsidiary operates 69 branches in India (including its head office at Ahmedabad). Material approvals required by our Subsidiary for the functioning of its branches ("**Material Subsidiary Approvals**") are:

(i) *Shops and establishments' registrations*: In states where our branches are located, registrations under the respective state-level shops and establishment laws, wherever enacted and in force, are required. Apart from registration, such laws also regulate working hours, payment of wages, leave, holidays, terms of service and other conditions of work of persons employed in shops and commercial establishments. Contraventions of provisions of such laws may entail punishment such as imprisonment along with monetary penalty. The terms of such registrations and renewal requirements as well as processes may differ under the various state legislations.

(ii) *Tax registrations:* Registrations are required to be obtained from the state commissioners or departments under central or state-level tax legislations, wherever enacted and in force, including for GST registration and professional tax registrations. While the GST registration is required to be obtained at state-level, professional tax registrations are required in respect of 58 branches out of our 69 branches.

Material branches

Out of the 69 branches of our Subsidiary, 17 branches (including its head office) individually contribute to more than 1% of the total loan portfolio of our Subsidiary as of June 30, 2017. These 17 branches are collectively referred to as "**Material Branches of the Subsidiary**".

Our Subsidiary currently holds shops and establishments registrations, professional tax registrations, GST registration, as applicable, for all Material Branches of the Subsidiary, except as stated below:

Building development permission for the premises located in Vastral, out of which one of the material branches of the Subsidiary operates, is awaited. Accordingly, we are yet to file applications for shops and establishment license and professional tax registration with respect to the Vastral branch.

6. ***Intellectual property of our Subsidiary***

Our Subsidiary has neither obtained, nor is in the process of obtaining any intellectual property registrations.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Offer

- The Board, pursuant to its resolution dated March 8, 2017, authorised the Offer subject to approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013.

- The shareholders of our Company have, by a special resolution dated March 10, 2017, approved and authorised the Fresh Issue and authorised the Board and the IPO Committee to take decisions in relation to this Offer.

- The Offer for Sale has been authorised by the Selling Shareholders as set forth in "*The Offer*" on page 64.

- The RBI has, by a letter (bearing DNBS (AH) No. 1453/ 01.10.020/2016-17) dated April 13, 2017, granted its approval (under the Master Directions) for a change in our shareholding by more than 26% pursuant to the Offer and the Pre-IPO Placement.

- The Board has approved the Draft Red Herring Prospectus pursuant to its resolution dated March 23, 2017.

- The Board has approved this Red Herring Prospectus pursuant to its resolution dated September 25, 2017.

- In-principle approval for the listing of our Equity Shares from the NSE dated May 24, 2017.

- In-principle approval for the listing of our Equity Shares from the BSE dated April 26, 2017.

Prohibition by SEBI or other Authorities

We confirm that our Company, Promoters, members of the Promoter Group, Directors and Group Company have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any authorities. Each of the Selling Shareholders, severally and not jointly, confirms that it has not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or governmental authority in India.

None of our Directors are associated with the securities market in any manner, including securities market related business and no action have been initiated by SEBI against our Directors, or entities with which our Directors are involved in as promoters and/or directors.

Other confirmations

None of our Company, our Directors, our Promoters, relatives of our Promoters (as defined in the Companies Act, 2013), members of our Promoter Group, Subsidiary or Group Company have been identified as wilful defaulters as defined under the SEBI ICDR Regulations. Further, there have been no violations of securities laws committed by any of them in the past or are currently pending against them.

Each Selling Shareholder, severally and not jointly, specifically confirms that (a) they have not been identified as wilful defaulters by the RBI as defined under the SEBI ICDR Regulations, in India, and (b) there are no violations of securities laws committed by the respective Selling Shareholders in the past or are currently pending against them, in India.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 26(1) of the SEBI ICDR Regulations, which states as follows:

- Our Company has net tangible assets of at least ₹ 30 million in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has a minimum average pre-tax operating profit of ₹ 150 million, calculated on restated and consolidated basis during the three most profitable years out of the immediately preceding five years;
- Our Company has a net worth of at least ₹ 10 million in each of the three preceding full years (of 12 months each);
- The aggregate size of the proposed Offer and all previous issues made in the same financial year in terms of issue size is not expected to exceed five times the pre-Offer net worth of our Company as per the audited balance sheet of the preceding financial year; and
- Our Company did not change its name in the last one year.

Our Company's net worth, net tangible assets and monetary assets derived from our Restated Standalone Financial Statements, as at and for the preceding five Fiscal Years are as given below:

(In ₹ million)

Particulars	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
Net worth[(1)]	3,272.34	1,793.26	1571.22	1259.54	1048.31
Net tangible assets[(2)]	20,078.54	18,009.55	14,787.64	10,714.06	7680.97
Monetary assets[(3)]	443.03	1,819.45	2,255.94	1,930.28	1,854.06
Monetary assets as a % of net tangible assets	2.21%	10.10%	15.26%	18.02%	24.14%

(1) *'Net worth' means the aggregate value of the paid-up share capital and reserves and surplus including securities premium account and surplus in statement of profit and loss.*

(2) *'Restated Net tangible assets' means the sum of total assets (excluding intangible assets as defined in Accounting Standard 26 issued by the Institute of Chartered Accountants of India and deferred tax assets) net of depreciation / amortisation and provisions in respect of the assets.*

(3) *'Restated Monetary assets' comprise of cash and bank balances and deposit accounts with banks.*

Our Company's average pre-tax operating profit derived from our Restated Standalone Financial Statements, as at and for the preceding five Fiscal Years are as given below:

(In ₹ million)

Particulars	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
Pre-tax operating profit [(1)]	1,022.38	754.87	579.28	470.68	388.22
Average pre-tax operating profit based on the three most profitable years (Fiscal Years 2017, 2016 and 2015) out of the immediately preceding five years is ₹ 785.51 million					

(1) *Pre-tax operating profit comprises of profit before tax excluding other income.*

Our Company's net worth, net tangible assets and monetary assets derived from our Restated Consolidated Financial Statements, as at and for the preceding five Fiscal Years are as given below:

(In ₹ million)

Particulars	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
Net worth[(1)]	3,320.46	1,830.07	1600.65	1278.88	1,059.75
Net tangible assets[(2)]	21,833.77	19,332.98	15,625.03	11,264.81	7,980.68
Monetary assets[(3)]	549.95	1,882.68	2,259.37	1,937.34	1,855.23
Monetary assets as a % of net tangible assets	2.52%	9.74%	14.46%	17.20%	23.25%

(1) *'Net worth' means the aggregate value of the paid-up share capital and reserves and surplus including securities premium account, capital reserve on consolidation and surplus in statement of profit and loss.*

(2) *'Restated Net tangible assets' means the sum of total assets (excluding intangible assets as defined in Accounting Standard 26 issued by the Institute of Chartered Accountants of India and deferred tax assets) net of depreciation / amortisation and provisions in respect of the assets.*

(3) *'Restated Monetary assets' comprise of cash and bank balances and deposit accounts with banks.*

Our Company's average pre-tax operating profit derived from our Restated Consolidated Financial Statements, as at and for the preceding five Fiscal Years are as given below:

(In ₹ million)

Particulars	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
Pre-tax operating Profit (before share of profit attributable to minority interest) (1)	1,050.84	777.62	609.10	490.20	396.91
Average pre-tax operating profit based on the three most profitable years (Fiscal Years 2017, 2016 and 2015) out of the immediately preceding five years is ₹ 812.52 million					

(1) *Pre-tax operating profit comprises of profit before tax (before share of profit attributable to minority interest) excluding other income.*

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000 failing which the entire application money shall be refunded. In case of delay, if any, in refund within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

None of the Selling Shareholders shall be liable to reimburse the Company for any interest paid by it on behalf of the Selling Shareholders on account of any delay with respect to Allotment of their respective portion of their respective Offered Shares or otherwise, unless such delay is solely accountable to such Selling Shareholder.

Our Company is in compliance with the following conditions specified under Regulation 4(2) of the SEBI ICDR Regulations:

(i) Our Company, our Promoters, the members of our Promoter Group, persons in control of our Company and our Directors are not debarred from accessing the capital markets by SEBI;
(ii) The companies with which our Promoters, or our Directors or persons in control of our Company are or were associated as promoter or director or as person in control are not debarred from accessing capital markets under any order or direction passed by SEBI;
(iii) Our Company has received the in-principle approvals from the BSE and the NSE pursuant to their letters dated April 26, 2017 and May 24, 2017, respectively. For the purposes of this Offer, the NSE shall be the Designated Stock Exchange;
(iv) Our Company along with the Registrar to the Offer has entered into tripartite agreements dated March 21, 2017 and January 9, 2017 with the NSDL and CDSL, respectively, for dematerialisation of the Equity Shares; and
(v) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Red Herring Prospectus.

Further, the entire requirement of funds towards objects of the Fresh Issue, other than working capital requirements, will be met from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, BEING MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY

RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS RED HERRING PROSPECTUS AND THE SELLING SHAREHOLDERS ARE, SEVERALLY AND NOT JOINTLY, RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN THIS RED HERRING PROSPECTUS IN RELATION TO THEMSELVES FOR THEIR RESPECTIVE PROPORTION OF THE OFFERED SHARES, THE BOOK RUNNING LEAD MANAGER, MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED, HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 24, 2017 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALIZATION OF THE DRAFT RED HERRING PROSPECTUS DATED MARCH 24, 2017 ("DRHP") PERTAINING TO THE SAID OFFER;

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT:

   (A) THE DRHP FILED WITH SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;

   (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

   (C) THE DISCLOSURES MADE IN THE DRHP ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956 (AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE), THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED ("SEBI ICDR REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. WE CONFIRM THAT BESIDES OURSELVES ALL THE INTERMEDIARIES NAMED IN THE DRHP ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID. – <u>COMPLIED WITH AND NOTED FOR COMPLIANCE</u>.

4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS. – <u>NOTED FOR COMPLIANCE</u>.

5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS'

CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRHP WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRHP. COMPLIED WITH.

6. **WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRHP. – COMPLIED WITH AND NOTED FOR COMPLIANCE.**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. – NOT APPLICABLE.**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' (AND OBJECTS ANCILLARY TO THE MAIN OBJECTS) LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION – COMPLIED WITH TO THE EXTENT APPLICABLE.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THIS OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE COMPANY AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE. ALL MONIES RECEIVED FROM THE OFFER SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER SECTION 40(3) OF THE COMPANIES ACT, 2013, AS NOTIFIED.**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRHP THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER HAVE TO BE ISSUED ONLY IN DEMATERIALIZED FORM.**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL-INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRHP:**

(a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND

(b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.

13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE OFFER. – NOTED FOR COMPLIANCE.

14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC. –REFER TO ANNEXURE A.

15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRHP WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. –REFER TO ANNEXURE B.

16. WE ENCLOSE A STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY THE MERCHANT BANKER BELOW (WHO IS RESPONSIBLE FOR PRICING THIS OFFER)', AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR. – REFER TO ANNEXURE C.

17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THIS DRHP, AS CERTIFIED BY M. R. PANDHI & ASSOCIATES, CHARTERED ACCOUNTANTS, BY THEIR CERTIFICATE DATED MARCH 23, 2017.

18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS. (IF APPLICABLE). NOT APPLICABLE.

THE FILING OF THIS RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY AND ANY PERSON WHO HAS AUTHORISED THE ISSUE OF THIS RED HERRING PROSPECTUS FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLM, ANY IRREGULARITIES OR LAPSES IN THIS RED HERRING PROSPECTUS.

The filing of this Red Herring Prospectus does not absolve the respective Selling Shareholders from any liability to the extent of the statements specifically confirmed or undertaken by each Selling Shareholder in respect of their respective portion of the Offered Shares, under Section 34 or Section 36 of Companies Act, 2013.

All legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act, 2013.

Price information of past issues handled by Motilal Oswal Investment Advisors Limited

1. Price information of past issues handled by Motilal Oswal Investment Advisors Limited:

S. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Dixon Technologies (India) Limited	5,992.79	1766.00	18-Sep-17	2,725.00	NA	NA	NA
2.	AU Small Finance Bank Limited	19,125.14	358.00	10-July-17	530.00	53.60% [+1.40%]	NA	NA
3.	GTPL Hathway Limited	4,848.00	170.00	4-July-17	170.00	-13.32% [+4.16%]	NA	NA
4.	PSP Projects Limited	2,116.80	210.00	29-May-17	190.00	21.67% [-1.18%]	68.37% [+2.63%]	NA
5.	Avenue Supermarts Limited	18,700.00	299.00	21-Mar-17	600.00	152.94% [+0.16%]	166.35% [+5.88%]	263.80% [+10.57%]
6.	BSE Limited	12,434.32	806.00	3-Feb-17	1,085.00	10.51% [+1.79%]	24.21% [+7.08%]	32.41% [+15.34%]
7.	S.P. Apparels Limited	2,391.20	268.00	12-Aug-16	275.00	27.33% [+2.24%]	17.09% [-0.54%]	51.94% [+1.11%]
8.	Parag Milk Foods Limited	7,505.37	215.00	19-May-16	217.50	17.07% [+4.97%]	48.67% [+11.04%]	38.93% [+6.59%]
9.	Pennar Engineered Building Systems Limited	1,561.87	178.00	10-Sep-15	177.95	-5.93% [+5.16%]	-11.26% [-1.11%]	-16.71% [-3.89%]

Source: www.nseindia.com

Notes:

i. *The S&P CNX NIFTY is considered as the Benchmark Index.*
ii. *Price on NSE is considered for all of the above calculations.*
iii. *In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered*
iv. *In Parag Milk Foods Limited, the issue price to retail individual investor and employees was ₹203 per equity share after a discount of ₹12 per equity share. The Anchor Investor Issue price was ₹227 per equity share.*

2. Summary statement of price information of past issues handled by Motilal Oswal Investment Advisors Limited:

Financial Year	Total no. of IPOs	Total funds raised (₹ in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2017 – date*	4	32,082.73	NA	NA	1	1	NA	1	NA	NA	NA	NA	NA	NA
2016-2017	4	41,000.89	NA	NA	NA	1	1	2	NA	NA	NA	2	2	NA
2015-2016	2	4,294.07	NA	NA	2	NA	NA	NA	NA	NA	2	NA	NA	NA

Source: www.nseindia.com

** The information is as on the date of the document*
The information for each of the financial years is based on issues listed during such financial year.

Track record of past issues handled by Motilal Oswal Investment Advisors Limited

For details regarding the track record of Motilal Oswal Investment Advisors Limited, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see their website www.motilaloswalgroup.com.

Disclaimer from our Company, the Selling Shareholders, our Directors and the BRLM

Our Company, our Directors and the BRLM accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance. Each of the Selling Shareholders, its respective directors, affiliates, associates, and officers accept no responsibility for any statements made other than those specifically made by the respective Selling Shareholder in relation to itself and its respective proportion of the Offered Shares. Anyone placing reliance on any other source of information, including our Company's website www.mas.co.in or the respective websites of any of our Promoters, Promoter Group, Subsidiary, Group Company or of any affiliate of our Company and the Selling Shareholders, would be doing so at his or her own risk.

Caution

The BRLM accepts no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company and the BRLM to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Syndicate Bidding Centres or elsewhere.

None among our Company, the Selling Shareholders or any of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and that they shall not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, each of the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLM and its respective associates and affiliates may engage in transactions with, and perform services for our Company, each of the Selling Shareholders, Promoters, members of our Promoter Group, Group Company, Subsidiary, or their respective subsidiaries, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, each of the Selling Shareholders, Promoters, members of our Promoter Group, Group Company, Subsidiary or their respective directors, subsidiaries, group companies, affiliates or associates, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from RBI), or trusts under applicable trust law and who are authorised under their respective constitutions to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million and pension funds with minimum corpus of ₹ 250 million, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, FVCIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at Mumbai, India only.

This Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus was filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company and any of the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act ("U.S. Persons") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Our Company has not registered and does not intend to register under the U.S. Investment Company Act. Accordingly, the Equity Shares are only being offered and sold (i) to persons in the United States or to, or for the account or benefit of, U.S. Persons, in each case that are both "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Red Herring Prospectus as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as "QIBs") and "qualified purchasers" (as defined under the U.S. Investment Company Act and referred to in this Red Herring Prospectus as "QPs") in transactions exempt from or not subject to the registration requirements of the Securities Act and in reliance upon section 3(c)(7) of the U.S. Investment Company Act; or (ii) outside the United States to investors that are not U.S. Persons nor persons acquiring for the account or benefit of U.S. Persons in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares may not be re-offered, re-sold, pledged or otherwise transferred except in an offshore transaction in accordance with Regulation S to a person outside the United States and not known by the transferor to be a U.S. Person by pre-arrangement or otherwise. See "*Offer Information – Terms of the Offer – Eligibility and Transfer Restrictions*" beginning on page 418.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Disclaimer Clause of RBI

Our Company holds a valid certificate of registration dated January 15, 2007 issued by the RBI under Section 45IA of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of our Company or for the correctness of any of the statements or representation made or opinions expressed by our Company and for repayment of deposits/ discharge of liabilities by our Company.

Disclaimer Clause of BSE

BSE Limited ("**the Exchange**") has given vide its letter dated April 26, 2017, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinised this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

(a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
(b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
(c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of NSE

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/7021 dated May 24, 2017 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus was filed with SEBI at the Securities and Exchange Board of India, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India.

A copy of this Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 will be delivered for registration to the RoC situated at ROC Bhavan, Opposite Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad 380 013, Gujarat, India.

Listing

Applications will be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares to be Allotted in the Offer. The NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and each of the Selling Shareholders will forthwith repay, all monies received from the applicants in pursuance of this Red Herring Prospectus, in accordance with applicable law. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. In this regard, it is clarified that, none of the Selling Shareholders shall be liable to pay interest for any delay, unless such delay has been caused solely by such Selling Shareholder in relation to their respective proportion of the Offered Shares.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid/Offer Closing Date or within such other period as may be prescribed. If our Company does not allot Equity Shares within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest the application money, failing which interest shall be paid to the Bidders at the rate of 15% per annum for the delayed period. Each of the Selling Shareholders confirms that it shall extend reasonable support required by our Company and the BRLM for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares (including the Offered Shares) pursuant to the Offer, at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, provided that subject to applicable law, a Selling Shareholder shall not be responsible to reimburse any interest unless such delay has been caused solely by such Selling Shareholder, in which case our Company shall be responsible for payment of such interest.

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, the BRLM, legal counsels, bankers to our Company, CRISIL, our Statutory Auditor, the Registrar to the Offer, the Syndicate Member, the Escrow Collection Bank and Refund Bank to act in their respective capacities, have been obtained and will be filed along with a copy of this Red Herring Prospectus with the RoC as required under Sections 26 and 32 of the Companies Act, 2013. Further, consents received prior to filing of this Red Herring Prospectus have not been withdrawn up to the time of delivery of this Red Herring Prospectus with the RoC.

Expert to the Offer

Except as stated below, our Company has not obtained any expert opinions.

Deloitte Haskins & Sells, Chartered Accountants have given their consent to include their name as an "expert" under Section 26 of the Companies Act, 2013 in respect of their reports, both dated September 13, 2017, on the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements, respectively, which have been included in this Red Herring Prospectus. Deloitte Haskins & Sells LLP, Chartered Accountants, have given their consent to include their name as an "expert" under Section 26 of the Companies Act, 2013 in respect of their report dated September 13, 2017 on statement of special tax benefits available for our Company and its shareholders, which have been included in this Red Herring Prospectus. However, the term "expert" and consent thereof does not represent an "expert" or consent within the meaning under the Securities Act.

Such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Offer related expenses

The Offer related expenses include fees payable to the BRLM and legal counsel, fees payable to the auditors, brokerage and selling commission, commission payable to Registered Brokers, SCSBs' fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. For details of the Offer expenses, see "*Objects of the Offer*" on page 99.

The fees and expenses relating to the Offer shall be shared in the proportion mutually agreed between the Company and the respective Selling Shareholders in accordance with applicable law and upon successful completion of the Offer. Further, all expenses incurred by the Company on behalf of the respective Selling Shareholder, in relation to appointment of any intermediary, shall be pre-authorized by the respective Selling Shareholder and shall be reimbursed by such respective Selling Shareholder in the proportion mutually agreed between the Company, the respective Selling Shareholders, in accordance with applicable law and upon successful completion of the Offer.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expenses) will be as per the Syndicate Agreement, a copy of which will be available for inspection at our Registered and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of this Red Herring Prospectus until the Bid/Offer Closing Date. For details of the Offer expenses, see "*Objects of the Offer*" on page 99.

It is clarified that, fees and expenses payable to the Syndicate in terms of the Syndicate Agreement, shall be shared in the proportion mutually agreed between the Company and the respective Selling Shareholders in accordance with applicable law and upon successful completion of the Offer.

Commission payable to SCSBs, Registered Brokers, RTAs and CDPs

For details of the commission payable to SCBS, Registered Brokers, RTAs and CDPs, see "*Objects of the Offer*" on page 99.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer for processing of application, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Registrar Agreement, a copy of which will be available for inspection at our Registered and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of this Red Herring Prospectus until the Bid/Offer Closing Date.

The Registrar to the Offer shall be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment advice by registered post or speed post.

It is clarified that, fees and expenses payable to the Registrar to the Offer in terms of the Registrar Agreement, shall be shared in the proportion mutually agreed between the Company and the respective Selling Shareholders in accordance with applicable law and upon successful completion of the Offer.

Public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the five years immediately preceding the date of this Red Herring Prospectus.

Previous issues of securities otherwise than for cash

Except as disclosed in the "*Capital Structure – Notes to Capital Structure – Share Capital History - History of Equity Share capital of our Company*" on page 76, our Company has not issued any specified securities for consideration otherwise than for cash.

Performance vis-à-vis objects

Our Company has not undertaken any public or rights issue during the last ten years preceding the date of filing of the Draft Red Herring Prospectus. Accordingly, the requirement to disclose performance vis-à-vis objects in respect of earlier offerings does not apply.

Performance vis-à-vis objects – Last issue of Group Company and Subsidiary

Neither our Subsidiary nor our Group Company has undertaken any public or rights issue in the ten years preceding the date of the Draft Red Herring Prospectus. Accordingly, the requirement to disclose performance vis-à-vis objects in respect of earlier offerings does not apply to our Subsidiary or our Group Company.

Underwriting commission, brokerage and selling commission paid on previous issues of the Equity Shares

No sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's incorporation.

Previous capital issue during the previous three years by listed group company and subsidiary

None of our Subsidiary or Group Company is listed on any stock exchange in India or overseas. Accordingly, the requirement to disclose details of previous issues by our listed group companies or subsidiaries does not apply.

Outstanding debentures, bonds, redeemable preference shares or other instruments

Except as stated in the sections titled *"Capital Structure"* and *"Financial Indebtedness"* on pages 76 and 387, respectively, our Company does not have any outstanding debentures, bonds, redeemable preference shares or other instruments as on the date of this Red Herring Prospectus.

Outstanding Preference Shares

Except as stated in *"Capital Structure"* on page 76, our Company does not have any outstanding preference shares as on date of this Red Herring Prospectus.

Partly Paid-up Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least three years from the date of commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Further, with respect to the Bid cum Application Forms submitted with the Registered Brokers, the investor shall also enclose the acknowledgment from the Registered Broker in addition to the documents/information mentioned hereinabove.

Investors may contact the BRLM for any complaints pertaining to the Offer. All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder and the ASBA Account number in which the amount equivalent to the Bid Amount is blocked.

Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as name of the sole or first Bidder, Anchor Investor Application Form number, Bidder DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the relevant BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLM and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of the Designated Intermediaries including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 15 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed a Stakeholders' Relationship Committee comprising Mukesh Chimanlal Gandhi, Bala Bhaskaran and Chetan Ranniklal Shah as members. For details, see "*Our Management*" on page 160.

Our Company has appointed Nirav Prakashchandra Patel as our Company Secretary and Compliance Officer and he may be contacted in case of any pre-Offer or post-Offer related problems at the following address:

Fifth Floor, Narayan Chambers
Behind Patang Hotel, Ashram Road
Ahmedabad 380 009
Gujarat, India
Telephone: +91 79 3001 6638
Facsimile: +91 79 3001 6561
E-mail: secretarial@mas.co.in

Disposal of investor grievances by listed companies under the same management

As on the date of this Red Herring Prospectus, none of our Subsidiary or companies under the same management as that of our Company are listed on any stock exchange. Accordingly, the requirement to disclose details of investor grievances by listed companies under the same management as our Company does not apply.

Changes in Auditors

There have been no changes in the auditors of our Company during the last three years immediately preceding the date of this Red Herring Prospectus.

Capitalisation of Reserves or Profits

Except for issuance of Equity Shares pursuant to bonus issues, as disclosed in "*Capital Structure*" on page 76, our Company has not capitalised its reserves or profits at any time during the last five years preceding the date of this Red Herring Prospectus.

Revaluation of Assets

Our Company has not revalued its assets at any time during the five years preceding the date of this Red Herring Prospectus.

SECTION VII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and transferred pursuant to this Offer are subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, our Memorandum and Articles of Association, the terms of this Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN, the Allotment Advice, the SEBI Listing Regulations and other terms and conditions as may be incorporated in other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the offer of capital and listing and trading of securities offered from time to time by the SEBI, the GoI, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of this Offer and to the extent applicable or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Offer.

Offer for Sale

The Offer consists of a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. All expenses in relation to the Offer will be shared in the proportion mutually agreed among our Company the Selling Shareholders in accordance with applicable law and upon successful completion of the Offer. Each of the Selling Shareholders shall reimburse our Company for all expenses incurred by our Company in relation to the Offer for Sale on behalf of such Selling Shareholder. However, in the event that the Offer is withdrawn or not completed for any reason whatsoever, all Offer related expenses will be borne by our Company.

Ranking of the Equity Shares

The Equity Shares being offered and transferred in the Offer shall be subject to the provisions of the Companies Act, 2013, Companies Act, 1956 (to the extent applicable), our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, see "*Main Provisions of the Articles of Association*" on page 480.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to shareholders of our Company as per the provisions of the Companies Act, 2013, our Memorandum and Articles, the SEBI Listing Regulations and other applicable law. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable law. For further details in relation to dividends, see *"Dividend Policy"* and *"Main Provisions of the Articles of Association"* on pages 199 and 480, respectively.

Face Value and Offer Price

The face value of the Equity Shares is ₹ 10 each. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share. The Price Band, minimum Bid lot size, the rupee amount of the Employee Discount, as applicable for the Offer will be decided by our Company and the Selling Shareholders, in consultation with the BRLM, and advertised in all editions of Financial Express (English), an English daily newspaper, all editions of Jansatta, a Hindi daily newspaper and all editions of Financial Express (Gujarati), a Gujarati daily newspaper (Gujarati being the regional language in the state where our Registered and Corporate Office is located), each with wide circulation, respectively, at least five Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges. The Offer Price shall be determined by our Company and the Selling Shareholders, in consultation with the BRLM, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of our Company shall have the following rights:

- The right to receive dividends, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy or 'e-voting';
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI Listing Regulations, and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, see "*Main Provisions of the Articles of Association*" on page 480.

Option to receive Equity Shares in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through this Red Herring Prospectus can be applied for in the dematerialised form only.

Market Lot and Trading Lot

Further, the trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. See *"Offer Procedure – Part B – General Information Document for Investing in Public Issues - Allotment Procedure and Basis of Allotment"* on page 469.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

The courts of Mumbai, India will have exclusive jurisdiction in relation to this Offer.

Period of operation of subscription list

See "*Offer Structure – Bid/Offer Programme*" on page 428.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debenture) Rules, 2014, as amended, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered and Corporate Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If investors wish to change their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue; (ii) full subscription of each of the DEG Offer Size, the FMO Offer Size and the Sarva Initial Offer Size; and (iii) a subscription in the Offer equivalent to the minimum number of securities as specified under Rule 19(2)(b)(iii) of the SCRR, including through devolvement of Underwriters, as applicable, within sixty days from the date of Bid/ Offer Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable law.

In the event of an under subscription in the Offer, after meeting the minimum subscription requirement of 90% of the Fresh Issue, the balance subscription in the Offer will be met (a) first, through the Offered Shares proportionately to the DEG Offer Size, the FMO Offer Size and the Sarva Initial Offer Size, (b) secondly, through any additional Equity Shares offered by Sarva in the Offer for Sale over and above the Sarva Initial Offer Size, and (c) subsequently, the balance part of the Fresh Issue.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

Except for the lock-in of the pre-Offer Equity Shares, the minimum Promoters' contribution and Allotments made to Anchor Investors pursuant to the Offer, as detailed in "*Capital Structure*" on page 76 and except as provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. See, "*Main Provisions of the Articles of Association*" at page 480.

Option to receive Equity Shares in dematerialised form

Allotment of Equity Shares will only be in dematerialised form. The Equity Shares will be traded on the dematerialised segment of the Stock Exchanges.

Eligibility and Transfer Restrictions

As described more fully below, there are certain restrictions regarding the Equity Shares that affect potential U.S. and non-U.S. investors. These restrictions are (i) prohibitions on participation in the Offer by persons in circumstances which would cause our Company to be required to be registered as an investment company under the U.S. Investment Company Act and (ii) restrictions on the ownership of Equity Shares by such persons following the offer.

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act ("U.S. Persons") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Our Company has not registered and does not intend to register under the U.S. Investment Company Act. Accordingly, the Equity Shares are only being offered and sold (i) to persons in the United States or to, or for the account or benefit of, U.S. Persons, in each case that are both "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Red Herring Prospectus as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as "QIBs") and "qualified purchasers" (as defined under the U.S. Investment Company Act and referred to in this Red Herring Prospectus as "QPs") in transactions exempt from or not subject to the registration requirements of the Securities Act and in reliance upon section 3(c)(7) of the U.S. Investment Company Act; or (ii) outside the United States to investors that are not U.S. Persons nor persons acquiring for the account or benefit of U.S. Persons in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares may not be re-offered, re-sold, pledged or otherwise transferred except in an offshore transaction in accordance with Regulation S to a person outside the United States and not known by the transferor to be a U.S. Person by pre-arrangement or otherwise.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made, by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the Securities Act.

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved.

Our Company is not and will not be registered under the U.S. Investment Company Act, and investors will not be entitled to the benefits afforded to investors under the U.S. Investment Company Act.

Investors may be required to bear the financial risk of an investment in the Equity Shares for an indefinite period. The Equity Shares are not transferable except in compliance with the restrictions described in "*Offer Information – Terms of the Offer – Eligibility and Transfer Restrictions*" on page 418.

Eligible Investors

The Equity Shares are being offered and sold

(i) in the United States or to, or for the account or benefit of, U.S. Persons, in each case that are both U.S. QIBs and QPs, in transactions exempt from or not subject to the registration requirements of the Securities Act and in reliance on section 3(c)(7) of the U.S. Investment Company Act; and

(ii) outside the United States to investors that are not U.S. Persons, nor persons acquiring for the account or benefit of U.S. Persons, in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur;

and in each case who are deemed to have made the representations set forth immediately below.

Equity Shares Offered and Sold within the United States or to U.S. Persons

Each purchaser that is a U.S. Person or acquiring the Equity Shares issued pursuant to this Offer within the United States or for the account or benefit of U.S. Persons, by a declaration included in the Bid cum Application Form and its acceptance of this Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed, on behalf of itself and each person for which it is acting, with the Company and the Book Running Lead Manager that it has received a copy of this Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Equity Shares issued pursuant to this Offer in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Equity Shares issued pursuant to this Offer have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;

(3) the purchaser (i) is a U.S. QIB and a QP, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the Securities Act, (iii) was not formed for the purpose of investing in the Equity Shares and (iv) is acquiring such Equity Shares for its own account or for the account of one or more persons, each of which is a U.S. QIB and a QP, with respect to which it exercises sole investment discretion;

(4) the purchaser acknowledges that the Company has not registered, and does not intend to register, as an "investment company" (as such term is defined under the U.S. Investment Company Act) and that the Company has imposed the transfer and offering restrictions with respect to persons in the United States and U.S. Persons described herein so that the Company will qualify for the exception provided under Section 3(c)(7) of the U.S. Investment Company Act and will have no obligation to register as an investment company. The purchaser, and each person for which it is acting, also understands and agrees that the Company and the Book Running Lead Manager shall have the right to request and receive such additional documents, certifications, representations and undertakings, from time to time, as they may deem necessary in order to comply with applicable legal requirements;

(5) the purchaser is not a broker-dealer which owns and invests on a discretionary basis less than US$25 million in securities of issuers unaffiliated with such broker-dealer;

(6) the purchaser understands that, subject to certain exceptions, to be a QP, entities must have U.S.$25 million in "investments" (as defined in Rule 2a51- l of the U.S. Investment Company Act);

(7) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

(8) the purchaser is not a participant-directed employee plan, such as a 401(k) plan, or a trust holding the assets of such plan, unless the investment decisions with respect to such plan are made solely by the fiduciary, trustee or sponsor of such plan;

(9) the purchaser is not managed as a device for facilitating individual investment decisions of beneficial owners, but rather is managed as a collective investment vehicle;

(10) the purchaser, and each account for which it is purchasing or otherwise acquiring Equity Shares, will purchase, hold or transfer Equity Shares amounting to at least US$250,000 or its equivalent in another currency;

(11) it, and each person for which it is acting, was not formed, reformed or recapitalized for the purpose of investing in the Equity Shares and/or other securities of the Company;

(12) if the purchaser, or any person for which it is acting, is an investment company excepted from the U.S. Investment Company Act pursuant to section 3(c)(1) or section 3(c)(7) thereof (or a foreign investment company under Section 7(d) thereof relying on section 3(c)(1) or 3(c)(7) with respect to its holders that are U.S. persons) and was formed on or before April 30, 1996, it has received the consent of its beneficial owners who acquired their interests on or before April 30, 1996, with respect to its treatment as a QP in the manner required by Section 2(a)(51)(C) of the U.S. Investment Company Act and the rules promulgated thereunder;

(13) the purchaser, and each person for which it is acting, is not a partnership, common trust fund, or corporation, special trust, pension fund or retirement plan, or other entity, in which the partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners, as the case may be, may designate the particular investments to be made, or the allocation thereof unless all such partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners are both QIBs and QPs;

(14) the purchaser, and each person for which it is acting, has not invested more than 40.0% of its assets in the Equity Shares (or beneficial interests therein) and/or other securities of the Company after giving effect to the purchase of the Equity Shares (or beneficial interests therein) (unless all of the beneficial owners of such entity's securities are both QIBs and QPs);

(15) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only outside the United States in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act to a person outside the United States and not known by the transferor to be a U.S. Person by pre-arrangement or otherwise. The purchaser agrees not to effect any sale, pledge or other transfer unless the purchaser first executes a U.S. Resale Letter in the form of Annexure A to this Red Herring Prospectus and delivers such letter to the Company prior to the settlement if any sale, pledge or other transfer of the Equity Shares. The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them;

(16) is not subscribing to, or purchasing, the Equity Shares with a view to, or for the offer or sale in connection with, any distribution thereof (within the meaning of the Securities Act) that would be in violation of the securities laws of the United States or any state thereof;

(17) the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;

(18) the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;

(19) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the Securities Act in the United States with respect to the Equity Shares or any "general solicitation" or "general advertising" (as defined in Regulation D under the Securities Act) in the United States in connection with any offer or sale of the Equity Shares;

(20) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "U.S. INVESTMENT COMPANY ACT"). THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE TRANSFEROR TO BE A US PERSON BY PRE-ARRANGEMENT OR OTHERWISE IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND OTHERWISE IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND THE U.S. INVESTMENT COMPANY ACT.

THIS SECURITY IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH TRANSFEROR OF THIS SECURITY AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE COMPANY'S OFFER DOCUMENTS TO THE TRANSFEREE AND TO ANY EXECUTING BROKER.

(21) the purchaser agrees, upon a proposed transfer of the Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Equity Shares being sold and agrees not to act as a swap counterparty or other type of intermediary whereby any other party will acquire an economic interest or beneficial interest in the Equity Shares acquired or reoffer, resell, pledge or otherwise transfer the Equity Shares or any beneficial interest therein, to any person except to a person that meets all of the requirements above and who agrees not to subsequently transfer the Equity Shares or any beneficial interest therein except in accordance with these transfer restrictions;

(22) the purchaser understands and acknowledges that (i) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; (ii) any acquisition of a beneficial interest in the Equity Shares by any U.S. Person or any person within the United States who is required under these restrictions to be a QP but is not a QP at the time it acquires a beneficial interest in the Equity Shares, shall be null and void ab initio and will not be honored by the Company and in no event will the Company, its directors, officers, employees or agents, including any broker or dealer, have any liability whatsoever to the purchaser by reason of any act or failure to act by any person authorized by the Company in connection with the foregoing;

(23) the purchaser understands and acknowledges that our Company may be considered a "covered fund" for purposes of the Volcker Rule. The definition of "covered fund" in the Volcker Rule includes (generally)

any entity that would be an investment company under the U.S. Investment Company Act, but for the exceptions provided under Section 3(c)(1) or 3(c)(7) thereunder. Because our Company relies on Section 3(c)(7) of the U.S. Investment Company Act for its exclusion from registration thereunder, it may be considered to be a covered fund. Accordingly, banking entities that are subject to the Volcker Rule may be prohibited under the Volcker Rule from, among other things, acquiring or retaining our Equity Shares, absent any applicable exclusion or exemption. Each purchaser must make its own determination as to whether it is a banking entity subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain our Equity Shares;

(24) the purchaser is knowledgeable, sophisticated and experienced in business and financial matters, fully understands the limitations on ownership and transfer and the restrictions on sales of the Equity Shares and is aware that there are substantial risks incidental to the purchase of the Equity Shares and is able to bear the economic risk of such purchase; and

(25) the purchaser acknowledges that the Company, the Book Running Lead Manager, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in this Offer

Each purchaser that is a non-U.S. Person and acquiring the Equity Shares sold pursuant to this Offer outside the United States, by a declaration included in the Bid cum Application Form and its acceptance of this Red Herring Prospectus and of the Equity Shares sold pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with the Company and the Book Running Lead Manager that it has received a copy of this Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Equity Shares sold pursuant to this Offer in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Equity Shares issued pursuant to this Offer have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;

(3) the purchaser is purchasing the Equity Shares issued pursuant to this Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act;

(4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares issued pursuant to this Offer, is a non-U.S. Person and was located outside the United States at each time (i) the offer was made to it and (ii) when the buy order for such Equity Shares was originated, and continues to be a non-U.S. Person and located outside the United States and has not purchased such Equity Shares for the account or benefit of any U.S. Person or any person in the United Sates or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any U.S. Person or any person in the United States;

(5) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

(6) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold,

pledged or otherwise transferred only outside the United States in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act to a person not known by the transferor to be a U.S. Person by pre-arrangement or otherwise. The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them, and confirms that the proposed transfer of the Equity Shares is not part of a plan or scheme to evade the registration requirements of the Securities Act or the U.S. Investment Company Act;

(7) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the Securities Act in the United States with respect to the Equity Shares;

(8) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "U.S. INVESTMENT COMPANY ACT"). THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE TRANSFEROR TO BE A US PERSON BY PRE-ARRANGEMENT OR OTHERWISE IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND OTHERWISE IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND THE U.S. INVESTMENT COMPANY ACT.

THIS SECURITY IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH TRANSFEROR OF THIS SECURITY AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE COMPANY'S OFFER DOCUMENTS TO THE TRANSFEREE AND TO ANY EXECUTING BROKER.

(9) the purchaser agrees, upon a proposed transfer of the Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Equity Shares being sold;

(10) the purchaser understands and acknowledges that (i) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; (ii) any acquisition of a beneficial interest in the Equity Shares by any U.S. Person or any person within the United States who is required under these restrictions to be a QP but is not a QP at the time it acquires a beneficial interest in the Equity Shares, shall be null and void ab initio and will not be honored by the Company and in no event will the Company, its directors, officers, employees or agents, including any broker or dealer, have any liability whatsoever to the purchaser by reason of any act or failure to act by any person authorized by the Company in connection with the foregoing;

(11) the purchaser understands and acknowledges that our Company may be considered a "covered fund" for purposes of the Volcker Rule. The definition of "covered fund" in the Volcker Rule includes (generally) any entity that would be an investment company under the U.S. Investment Company Act, but for the exceptions provided under Section 3(c)(1) or 3(c)(7) thereunder. Because our Company relies on Section 3(c)(7) of the U.S. Investment Company Act for its exclusion from registration thereunder, it may be considered to be a covered fund. Accordingly, banking entities that are subject to the Volcker Rule may be prohibited under the Volcker Rule from, among other things, acquiring or retaining our Equity Shares, absent any applicable exclusion or exemption. Each purchaser must make its own determination as to whether it is a banking entity subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain our Equity Shares; and

(12) the purchaser acknowledges that the Company, the Book Running Lead Manager, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

OFFER STRUCTURE

Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ 4,600.42 million, comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 2,330 million by our Company and an Offer for Sale of up to [●] Equity Shares aggregating up to ₹ 2,270.42 million by the Selling Shareholders, comprising of an offer for sale of up to [●] Equity Shares aggregating up to ₹ 1,126.63 million by DEG, an offer for sale of up to [●] Equity Shares aggregating up to ₹ 793.38 million by FMO and an offer for sale of up to [●] Equity Shares aggregating up to ₹ 350.41 million by Sarva Capital. The Offer also includes a reservation of up to [●] Equity Shares aggregating up to ₹ 70 million for subscription by Eligible Employees. The Offer and the Net Offer would constitute [●] % and [●] % of the post-Offer paid-up Equity Share capital of our Company.

Our Company has, in consultation with the BRLM, undertaken the Pre-IPO Placement after the filing of the Draft Red Herring Prospectus, pursuant to which our Company allotted an aggregate of 3,990,422 Equity Shares to two investors, namely Motilal Oswal Financial Services Limited and Motilal Oswal Securities Limited, by way of private placement (in two tranches). The size of the Fresh Issue, as disclosed in the Draft Red Herring Prospectus dated March 24, 2017, has been reduced accordingly. For further details in relation the Pre-IPO Placement, see "*Capital Structure – Notes to Capital Structure"* on page 76.

The Offer is being made through the Book Building Process.

Particulars	Eligible Employees Bidding in the Employee Reservation Portion#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders#
Number of Equity Shares available for Allotment/allocation(2)	Up to [●] Equity Shares.	[●] Equity Shares.	Not less than [●] Equity Shares or Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than [●] Equity Shares or Offer less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
Percentage of Offer size available for Allotment/allocation	[●]% of the Offer.	Not more than 50% of the Net Offer shall be allocated to QIB Bidders. However, 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available for allocation to QIBs.	Not less than 15% of the Net Offer or the Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than 35% of the Net Offer or the Net Offer less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
Basis of	Proportionate.	Proportionate as	Proportionate.	Allotment to each Retail

Particulars	Eligible Employees Bidding in the Employee Reservation Portion#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders#
Allotment if respective category is oversubscribed(3)		follows (excluding the Anchor Investor Portion): (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above. Our Company and the Selling Shareholders, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only.		Individual Bidders shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis. For further details, see "*Offer Procedure – Part B – General Information Document for Investing in Public Issues – Allotment Procedure and Basis of Allotment – Allotment to RIIs*" on page 469.
Minimum Bid	[●] Equity Shares, and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000.	[●] Equity Shares, and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares (in multiples of [●] Equity Shares) for which the Bid Amount (net of Employee Discount, if any) does not exceed ₹ 500,000.(4)	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceeds the size of the Offer, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceeds the size of the Offer, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Share, subject to availability in the

Particulars	Eligible Employees Bidding in the Employee Reservation Portion#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders#
				Retail Portion.
Trading Lot	One Equity Share.			
Who can Apply(3)	Eligible Employees	Mutual Funds, Venture Capital Funds, AIFs, FVCIs, FPIs (other than Category III FPIs) public financial institution as defined in Section 2(72) of the Companies Act, 2013, a scheduled commercial bank, multilateral and bilateral development financial institution, NBFC-SI (being non-banking financial companies registered with the RBI and having a net-worth of more than ₹ 5,000 million as per its last audited financial statements), state industrial development corporation, insurance company registered with the Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, National Investment Fund, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.	Eligible NRIs, Resident Indian individuals, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies, trusts and Category III FPIs.	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs.
Terms of Payment	The entire Bid Amount shall be payable at the time of submission of Anchor Investor Application Form by Anchor Investors (5). In case of ASBA Bidders, the SCSB shall be authorised to block the Bid Amount mentioned in the ASBA Form.			
Mode of Bidding	Only through the ASBA process.	Only through the ASBA process (except for Anchor Investors).	Only through the ASBA process.	Only through the ASBA process.

Our Company and the Selling Shareholders may, in consultation with the BRLM, offer a discount of up to [●]% (equivalent to up to ₹ [●]) on the Offer Price to the Eligible Employees Bidding under the Employee Reservation Portion. The amount of Employee Discount, as applicable, will be advertised in all newspapers wherein the Pre-Offer Advertisement will be published. For further details, see "Offer Procedure" on page 431.

(1) *Our Company and the Selling Shareholders may, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For details, see "Offer Procedure" beginning on page 431.*

(2) *Subject to valid Bids being received at or above the Offer Price. In terms of Rule 19(2)(b)(iii) of the SCRR, the Net Offer is being made for at least 10% of the post-Offer paid-up equity share capital of our Company. The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs. Our Company and the Selling Shareholders in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis. The Offer also includes a reservation of up to [●] Equity Shares aggregating up to ₹70 million for subscription by Eligible Employees.*

In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation over ₹200,000), shall be added to the Net Offer. In the event of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be allowed from the Employee Reservation Portion. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM, and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

(3) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.*

(4) *Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid under the Net Offer and such Bids will not be treated as multiple Bids.*

(5) *Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Application Form, provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in date as mentioned in the CAN. In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the Bidder that are specified in the Bid cum Application Form.*

Bid/Offer Programme*

OFFER OPENS ON	**OCTOBER 6, 2017**
OFFER CLOSES ON	**OCTOBER 10, 2017**

* *Our Company and the Selling Shareholders may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. Anchor Investors shall Bid on the Anchor Investor Bidding Date.*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Friday, October 13, 2017
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account	On or about Monday, October 16, 2017
Credit of the Equity Shares to depository accounts of Allottees	On or about Tuesday, October 17, 2017
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Wednesday, October 18, 2017

The above timetable is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the BRLM. While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/ Offer Closing Date or such period as may be prescribed, the timetable may change due to various factors, such as extension of the Bid/ Offer Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

The Selling Shareholders confirm that they shall, severally and not jointly, extend reasonable support required by our Company, the BRLM for the completion of the necessary formalities for listing and commencement of trading of their respective proportion of Offered Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time ("**IST**")) during the Bid/Offer Period (except on the Bid/Offer Closing Date) at the Bidding Centres as mentioned on the Bid cum Application Form **except that:**

(i) on the QIB Bid/Offer Closing Date, in case of Bids by QIBs under the Net QIB Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. (IST);

(ii) on the Bid/Offer Closing Date:

  (a) in case of Bids by Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 4.00 p.m. (IST); and

  (b) in case of Bids by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. (IST), which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by BRLM to the Stock Exchanges.

For the avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system will be rejected.

Due to limitation of the time available for uploading the Bids on the Bid/Offer Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Offer. Bids will only be accepted on Working Days. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchanges. Neither our Company, nor the Selling Shareholders, nor any member of the Syndicate is liable for any failure in uploading or downloading the Bids due to faults in any software / hardware system or otherwise.

Our Company and the Selling Shareholders, in consultation with the BRLM, reserve the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations. In such an event, the Cap Price shall not be more than 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price, as advertised at least five Working Days before the Bid/Offer Opening Date.

In case of any revision in the Price Band, the Bid/Offer Period shall be extended for at least three Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Offer Period, if applicable, shall be widely

disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate Member.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

OFFER PROCEDURE

*All Bidders should review the 'General Information Document for Investing in Public Issues' prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI ("**General Information Document**") included below in "– Part B – General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect various enactments and regulations as well as amendments to existing regulations, to the extent applicable to the Offer. The General Information Document is also available on the websites of the Stock Exchanges, the BRLM. Please refer to the relevant portions of the General Information Document which are applicable to this Offer.*

Our Company, the Selling Shareholders and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus and the Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs. Our Company and the Selling Shareholders in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion (other than Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis. The Offer also includes a reservation of up to [●] Equity Shares aggregating up to ₹ 70 million for subscription by Eligible Employees. The Offer and the Net Offer would constitute [●] % and [●] % of the post-Offer paid-up Equity Share capital of our Company.

In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation over ₹ 200,000), shall be added to the Net Offer. In the event of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be allowed from the Employee Reservation Portion. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis, subject to applicable law. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. In terms of Rule 19(2)(b)(iii) of the SCRR, the Net Offer is being made for at least 10% of the post-Offer paid-up equity share capital of our Company.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

All Bidders (other than Anchor Investors) are required to mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

Copies of the ASBA Forms and the Abridged Prospectus will be available with the Designated Intermediaries at the Bidding Centres and at our Registered and Corporate Office. Electronic copies of the ASBA Forms will also be available for download on the websites of the Stock Exchanges, namely, NSE (www.nseindia.com) and BSE (www.bseindia.com), at least one day prior to the Bid/Offer Opening Date. Anchor Investor Application Forms shall be available at the offices of the BRLM at least one day prior to the Anchor Investor Bidding Date.

All Bidders (other than Anchor Investors) shall ensure that their Bids are made on ASBA Forms bearing the stamp of a Designated Intermediary and submitted at the Bidding centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Additionally, ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and ASBA Forms that do not contain such details are liable to be rejected. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Form for various categories of Bidders is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis **	White
Non-Residents including Eligible NRIs, FVCIs, FPIs and registered multilateral and bilateral development financial institutions applying on a repatriation basis **	Blue
Anchor Investors***	White
Eligible Employees Bidding in the Employee Reservation Portion	Pink

* *Excluding electronic Bid cum Application Forms.*

** *Electronic Bid cum Application forms will also be available for download on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com).*

*** *Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLM.*

Designated Intermediaries (other than SCSBs) shall submit/ deliver ASBA Forms to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or the Escrow Collection Bank.

Who can Bid?

In addition to the category of Bidders set forth in "– *Part B – General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue*" on page 448, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- FPIs, other than Category III FPIs;
- Category III FPIs who are foreign corporates or foreign individuals only under the Non-Institutional Portion
- Scientific and/or industrial research organisations in India, which are authorised to invest in equity shares; and
- Any other person eligible to Bid in this Offer, under the laws, rules, regulations, guidelines and polices applicable to them.

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act ("U.S. Persons") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Our Company has not registered and does not intend to register under the U.S. Investment Company Act. Accordingly, the Equity Shares are only being offered and sold (i) to persons in the United States or to, or for the account or benefit of, U.S. Persons, in each case that are both "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Red Herring Prospectus as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as "QIBs") and "qualified purchasers" (as defined under the U.S. Investment Company Act and referred to in this Red Herring Prospectus as "QPs") in transactions exempt from or not subject to the registration requirements of the Securities Act and in reliance upon section 3(c)(7) of the U.S. Investment Company Act; or (ii) outside the United States to investors that are not U.S. Persons nor persons acquiring for the account or benefit of U.S. Persons in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares may not be re-offered, re-sold, pledged or otherwise transferred except in an offshore transaction in accordance with Regulation S to a person outside the United States and not known by the transferor to be a U.S. Person by pre-arrangement or otherwise. See "*Offer Information – Terms of the Offer – Eligibility and Transfer Restrictions*" beginning on page 418.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by associates and affiliates of the BRLM and the Syndicate Member

The BRLM and the Syndicate Member shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM and the Syndicate Member may subscribe to or purchase Equity Shares in the Offer, in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders. Such Bidding and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLM and Syndicate Member, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Other than mutual funds sponsored by entities related to the BRLM, the Syndicate Member, the Promoters, members of the Promoter Group and any persons related to them cannot apply in the Offer under the Anchor Investor Portion.

Bids by Mutual Funds

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, severally and not jointly, reserve the right to reject any Bid in whole or in part, in either case, without assigning any reason thereof.

No Mutual Fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

NRIs may obtain copies of ASBA Forms from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs Bidding on a repatriation basis should authorise their SCSB to block their Non-Resident External ("**NRE**") or Foreign Currency Non-Resident ("**FCNR**") accounts, maintained with banks authorised by the RBI under the Foreign Exchange Management (Foreign Currency Accounts by a person resident in India) Regulations, 2000. Eligible NRIs Bidding on a repatriation basis should authorise their SCSB to block their NRE or FCNR accounts for the full Bid Amount, while Eligible NRIs Bidding on a non-repatriation basis should authorise their SCSB to block their NRO accounts for the full Bid Amount.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form for non-residents, while Eligible NRIs Bidding on a non-repatriation basis are advised to use the Bid cum Application Form for residents.

Bids by FPIs

On January 7, 2014, SEBI notified the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 ("**SEBI FPI Regulations**") pursuant to which the existing classes of portfolio investors, namely, Foreign Institutional Investors and QFIs were subsumed under a new category namely 'foreign portfolio investors' or 'FPIs'. Furthermore, RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by our Board, followed by a special resolution passed by the shareholders of our Company and subject to prior intimation to RBI.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments ("**ODIs**"). Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the GoI from time to time. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents. FPIs are required to Bid through the ASBA process to participate in the Offer.

An FPI shall issue ODIs only to those subscribers which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III FPI and unregulated broad based funds, which are classified as Category II FPIs by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

By its board meeting on June 21, 2017, SEBI has resolved to levy a regulatory fee of US$ 1,000 on each ODI subscriber. This fee is required to be collected and deposited by the ODI-issuing FPI once every three years, commencing April 1, 2017.

Bids by SEBI registered VCFs, Alternative Investment Funds and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than $1/3^{rd}$ of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme or increase the targeted corpus of the fund or scheme after the notification of the SEBI AIF Regulations.

Further, according to the SEBI ICDR Regulations, the shareholding of VCFs, category I AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing of a draft offer document with SEBI.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, severally and not jointly, reserve the right to reject any Bid without assigning any reason therefor.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, severally and not jointly, reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers is prescribed in Regulation 9 of the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (the "**IRDAI Investment Regulations**") are set forth below:

(i) equity shares of a company: the lower of 10% of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/ investment assets in case of a general insurer or a reinsurer;

(ii) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(iii) the industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (a), (b) or (c) above, as the case may be.

Insurer companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time to time.

Bids by provident funds/ pension funds

In case of Bids made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, severally and not jointly, reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, the key terms for participation by Anchor Investors are provided below.

(i) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLM.

(ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.

(iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(iv) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date, i.e., the Anchor Investor Bidding Date, and will be completed on the same day.

(v) Our Company and the Selling Shareholders, in consultation with the BRLM will finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

   (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;

   (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and

   (c) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹.2,500 million, subject to minimum allotment of ₹ 50 million per Anchor Investor.

(vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/ Offer Opening Date, through intimation to the Stock Exchange.

(vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(viii) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.

(ix) Equity Shares Allotted in the Anchor Investor Portion will be locked-in for a period of 30 days from the date of Allotment.

(x) The BRLM, our Promoters, members of the Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.

(xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

(xii) For more information, see *"Offer Procedure - Part B: General Information Document for Investing in Public Issues - Section 7: Allotment Procedure and Basis of Allotment – Allotment to Anchor Investors"* on page 470.

Payment by Anchor Investors into the Escrow Account

Our Company and the Selling Shareholders, in consultation with the BRLM, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS or NEFT) for payment of their Bid Amounts in the Escrow Account in favour of:

(i) In case of resident Anchor Investors: MAS Financial Services LTD IPO Escrow Anchor Investor - R
(ii) In case of non-resident Anchor Investors: MAS Financial Services LTD IPO Escrow Anchor Investor - NR

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections from Anchor Investors.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders, severally and not jointly, reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA Bids.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, severally and not jointly, reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

Our Company and the Selling Shareholders, in consultation with the BRLM, in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney with the Bid cum Application Form, subject to such terms and conditions that our Company and the Selling Shareholders in consultation with the BRLM deem fit, without assigning any reasons therefore.

In accordance with existing regulations, OCBs cannot participate in the Offer.

Bids by Eligible Employees under the Employee Reservation Portion

Bids by Eligible Employees under the Employee Reservation Portion shall be subject to the following:

- Such Bids must be made in the prescribed ASBA Form (*i.e.*, white in colour) and are required to be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The Allotment in the Employee Reservation Portion will be on a proportionate basis.

- Such Bidders should mention their employee identification number at the relevant place in the ASBA Form.

- The Bidder should be an Eligible Employee as defined above. In case of joint bids, the First Bidder shall be an Eligible Employee.

- Such Bidders must ensure that the Bid Amount does not exceed ₹ 500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000.

- Such Bidders have the option to bid at Cut-off Price indicating their agreement to Bid and purchase at the Offer Price.

- Such Bidders can place their Bids by only using the ASBA process.

- An Eligible Employee who Bids in the Employee Reservation Portion can also Bid in the Net Offer and such Bids shall not be treated as multiple Bids. To clarify, an Eligible Employee Bidding in the Employee Reservation Portion for up to ₹ 500,000, can also Bid in the Net Offer and such Bids will not be treated as multiple Bids. The Selling Shareholder and our Company, in consultation with the BRLM reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories. For further details, see "*Offer Procedure – Multiple Bids*" on page 455.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see "*Offer Procedure – Allotment Procedure and Basis of Allotment*" on page 469.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement in all editions of Financial Express (English), an English daily newspaper, all editions of Jansatta, a Hindi daily newspaper and all editions of Financial Express (Gujarati), a Gujarati daily newspaper (Gujarati being the regional language in the state where our Registered and Corporate Office is located), each with wide circulation, respectively. In the pre- Offer advertisement, we shall state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

The above information is given for the benefit of Bidders. Our Company and the Selling Shareholders, our Directors, the officers of our Company and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Information for Bidders

In addition to the instructions provided to Bidders set forth in "*– Part B – General Information Document for Investing in Public Issues*" on page 446, Bidders are requested to note the following additional information in relation to the Offer.

1. The relevant Designated Intermediary will enter each Bid option into the electronic Bidding system as a separate Bid and generate an acknowledgement slip ("**Acknowledgement Slip**"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three Acknowledgement Slips for each Bid cum Application Form. It is the Bidder's responsibility to obtain the TRS from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/ Allotted. Such Acknowledgement will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised TRS from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

2. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the BRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the Selling Shareholders, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus or the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

3. In the event of an upward revision in the Price Band, Retail Individual Bidders or Eligible Employees who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 (for Retail Individual Bidders) or ₹ 500,000 (for Eligible Employees Bidding in the Employee Reservation Portion) if such Bidder wants to continue to Bid at Cut-off Price. The revised Bids must be submitted to the same Designated Intermediary to whom the original Bid was submitted. In case the Bid Amount for any Bid under the Retail Portion or Employee Reservation Portion exceeds ₹ 200,000 and ₹ 500,000, respectively, due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for discount, then such Bid may be rejected if it is at the Cut-off Price. If, however, the Retail Individual Bidder or Eligible Employee does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such

that no additional payment would be required from the Retail Individual Bidder or the Eligible Employee and the Retail Individual Bidder or Eligible Employee is deemed to have approved such revised Bid at Cut-off Price.

4. In the event of a downward revision in the Price Band, Retail Individual Bidders who have bid at Cut-off Price may revise their Bid; otherwise, the excess amount paid at the time of Bidding would be unblocked after Allotment is finalised.

5. Any revision of the Bid shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Bid.

In addition to the information provided in "*Part B – General Information Document for Investing in Public Issues – Interest and Refunds - Mode of Refund*" on page 473.

Signing of the Underwriting Agreement and the RoC Filing

Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters on or immediately after the finalisation of the Offer Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

GENERAL INSTRUCTIONS

In addition to the general instructions provided in "*Part B – General Information Document for Investing in Public Issues*" on page 446, Bidders are requested to note the additional instructions provided below.

***Do's*:**

1. Check if you are eligible to apply as per the terms of this Red Herring Prospectus and under applicable law;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that your Bid cum Application Form, bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time.
6. With respect to the ASBA Bids, ensure that the ASBA Form is signed by the account holder in case the applicant is not the ASBA Account holder. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form;
7. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
8. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;
9. Ensure that you request for and receive a stamped Acknowledgement Slip of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary as proof of registration of the Bid cum Application Form;
10. Ensure that you have funds equal to the Bid Amount in the ASBA Account with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
11. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process until six Working Days from the Bid/ Offer Closing Date;
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised Acknowledgement Slip;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax Act. The exemption

for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;

14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
16. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
17. Ensure that you tick the correct investor category and the investor status, as applicable, in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
18. Ensure that for Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
20. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the electronic system of the Stock Exchanges by the relevant Designated Intermediary match with the DP ID, Client ID and PAN available in the Depository database;
21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and this Red Herring Prospectus;
22. Ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in).
23. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form; and
24. In relation to the ASBA Bids, ensure that you have correctly signed the authorisation/undertaking box in the ASBA Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don’ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid or revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount by cheques and demand drafts or in cash, by money order or by postal order or by stockinvest;
5. Do not send ASBA Forms by post. Instead submit the same to only a Designated Intermediary;
6. Do not Bid on a physical ASBA Form that does not have the stamp of a Designated Intermediary;
7. Anchor Investors should not Bid through the ASBA process;
8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
9. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
11. Do not submit the GIR number instead of the PAN;
12. Do not submit the Bids without instructions to block funds equivalent to the Bid Amount in the ASBA

Account;

13. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
14. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
15. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;
16. If you are a Non-Institutional Bidder or Retail Individual Bidder or an Eligible Employee Bidding under the Employee Reservation Portion, do not submit your Bid after 3.00 p.m. on the Bid/Offer Closing Date;
17. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872;
18. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;
19. Do not submit more than five ASBA Forms per ASBA Account;
20. Do not Bid for a Bid Amount exceeding ₹ 200,000 for Bids if you are a Retail Individual Bidder and ₹ 500,000 if you are an Eligible Employee Bidding under the Employee Reservation Portion;
21. Do not submit ASBA Bids to a Designated Intermediary at a location other than the Bidding Centres;
22. Do not submit ASBA Bids to a Designated Intermediary at a Bidding Centre unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in the relevant Bidding Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in); and

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

In addition to the instructions for completing the Bid cum Application Form provided in " – *Part B – General Information Document for Investing in Public Issues – Applying in the Offer – Instructions for filing the Bid cum Application Form/ Application Form*" on page 449, Bidders are requested to note the additional instructions provided below.

1. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Bids must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).

2. ASBA Bids must be made in a single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant), and completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in this Red Herring Prospectus and in the ASBA Form.

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of Eligible NRIs or FPIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees. Bids by Eligible NRIs for a Bid Amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Designated Date and Allotment

(a) Our Company will ensure that the Allotment and credit to the successful Bidder's depositary account will be completed within six Working Days, or such period as may be prescribed by SEBI, of the Bid/Offer Closing Date or such other period as may be prescribed.

(b) Equity Shares will be Allotted only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act, 2013 and the Depositories Act.

Grounds for Technical Rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in "*Part B – General Information Document for Investing in Public Issues – Issue Procedure in Book Built Issue – Rejection and Responsibility for Upload of Bids – Grounds for Technical Rejections*" on page 466, Bidders are requested to note that Bids may be rejected on the following additional technical grounds.

1. Bid submitted without payment of the entire Bid Amount;

2. Bids submitted by Retail Individual Bidders which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids by HUFs not mentioned correctly as given in " – *Who can Bid?*" on page 432;

5. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

6. Bids submitted without the signature of the First Bidder or sole Bidder;

7. With respect to ASBA Bids, the ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

8. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are 'suspended for credit' in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;

9. GIR number furnished instead of PAN;

10. Bids by Retail Individual Bidders or Eligible Employees Bidding in the Employee Reservation Portion with Bid Amount for a value of more than ₹ 200,000 or ₹ 500,000, respectively;

11. Bids by Retail Individual Bidders with Bid Amount for a value of more than ₹ 200,000;

12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

13. Bids by Bidders (who are not Anchor Investors) accompanied by cheques or demand drafts;

14. Bids accompanied by stockinvest, money order, postal order or cash;

15. Bids by persons in the United States other than 'qualified institutional buyers' (as defined in Rule 144A of the Securities Act) who are also "qualified purchasers"; and

16. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/Offer Closing Date, and Bids by Retail Individual Bidders and Eligible Employees uploaded after 5.00 p.m. on the Bid/Offer Closing Date, unless extended by the Stock Exchanges.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, two agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated March 21, 2017 among NSDL, our Company and the Registrar to the Offer.
- Agreement dated January 9, 2017 among CDSL, our Company and Registrar to the Offer.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- That if our Company and/or the Selling Shareholders withdraw the entire or portion of the Offer after the Bid/Offer Closing Date, our Company shall be required to file an updated offer document or a fresh offer document with the RoC/ SEBI, as the case may be, in the event our Company or the Selling Shareholders (or any other Selling Shareholders) subsequently decides to proceed with the Offer;

- That the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed;

- if Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 15 days from the Bid/Offer Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Bidders as per applicable laws;

- That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within 15 days from the Bid/Offer Closing Date or such lesser time as specified by SEBI, giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit for the refund;

- That the certificates of the securities or refund orders to Eligible NRIs shall be despatched within specified time;

- That no further Offer of Equity Shares shall be made until the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc; and

- That we shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

UNDERTAKINGS BY THE SELLING SHAREHOLDERS

The Selling Shareholders, severally and not jointly, undertake the following:

- That they are the legal and beneficial owners of the respective Offered Shares;

- the respective Offered Shares are free and clear of any encumbrances and shall be transferred to the Bidders within the time specified under applicable law;

- it has authorised the Company to take such necessary steps in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of its Offered Shares;

- the Selling Shareholders have authorised the Compliance Officer and Registrar to the Offer to redress such investor grievances. They shall provide reasonable support as may be required by our Company and the BRLM in redressal of such investor grievances that pertain to the Equity Shares held by it and its Offered Shares;

- they shall not have any recourse to the proceeds of the Offer for Sale until final listing and trading approvals have been received from the Stock Exchanges; and

- it shall comply with all applicable laws, in India, including the Companies Act, the SEBI ICDR Regulations, the FEMA and the applicable circulars, guidelines and regulations issued by SEBI and RBI, each in relation to the respective portion of the Offered Shares in the Offer to the extent that such compliance is the obligation of the respective Selling Shareholder.

Utilisation of Offer proceeds

Our Company specifically declares that all monies received out of the Offer for Sale shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. Each Selling Shareholder, along with our Company, specifically declares that all monies received out of its component of the Offer for Sale shall be credited / transferred to a separate bank account pursuant to sub-section (3) of Section 40 of the Companies Act, 2013.

Withdrawal of the Offer

Our Company and the Selling Shareholders, severally and not jointly, in consultation with the BRLM, reserve the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid/Offer Opening Date but before the Allotment.

Each Selling Shareholder has the right to cause the withdrawal of the Offer in its entirety if the Offer Price is not acceptable to it. Further, notwithstanding anything contained in any document in relation to the Offer, the Offer shall be withdrawn forthwith by the Company and the BRLM without further delay or requirement for consent from any other Selling Shareholder or the Company, in the event that the aggregate demand for Equity Shares from Bids received in the Offer (calculated at the DEG Conversion Price, the FMO Conversion Price and the Sarva Conversion Price, as the case may be) is less than the aggregate of (A) 90% of the size of the Fresh Issue, (B) the DEG Offer Size (C) the FMO Offer Size, and (D) the Sarva Initial Offer Size.

In the event that the Company or the Selling Shareholders decide not to proceed with the Offer at all, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company. The BRLM, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. In the event of withdrawal of the Offer and subsequently, plans of a fresh offer by our Company, a fresh draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is filed with the RoC and the Stock Exchanges.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, as amended or replaced by the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations, 2009").

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus ("RHP")/Prospectus filed by the Issuer with the Registrar of Companies ("RoC"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Offer is available on the websites of stock exchanges, on the website(s) of the BRLM to the Offer and on the website of Securities and Exchange Board of India ("SEBI") at www.sebi.gov.in.

For the definitions of capitalised terms and abbreviations used herein Bidders/Applicants may refer to the section "Glossary and Abbreviations".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 (the "Companies Act") as amended or replaced by the Companies Act, 2013, the Securities Contracts (Regulation) Rules, 1957 (the "SCRR"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues - Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Offer Price through the Book Building Process **("Book Built Issue")** or undertake a Fixed Price Issue **("Fixed Price Issue").** An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-Offer advertisement was given at least five Working Days before the Bid/ Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/ Offer Opening Date, in case of an FPO.

The Floor Price or the Offer Price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

2.5 OFFER PERIOD

The Offer may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/ Offer Period. Details of Bid/ Offer Period are also available on the website of Stock Exchange(s).

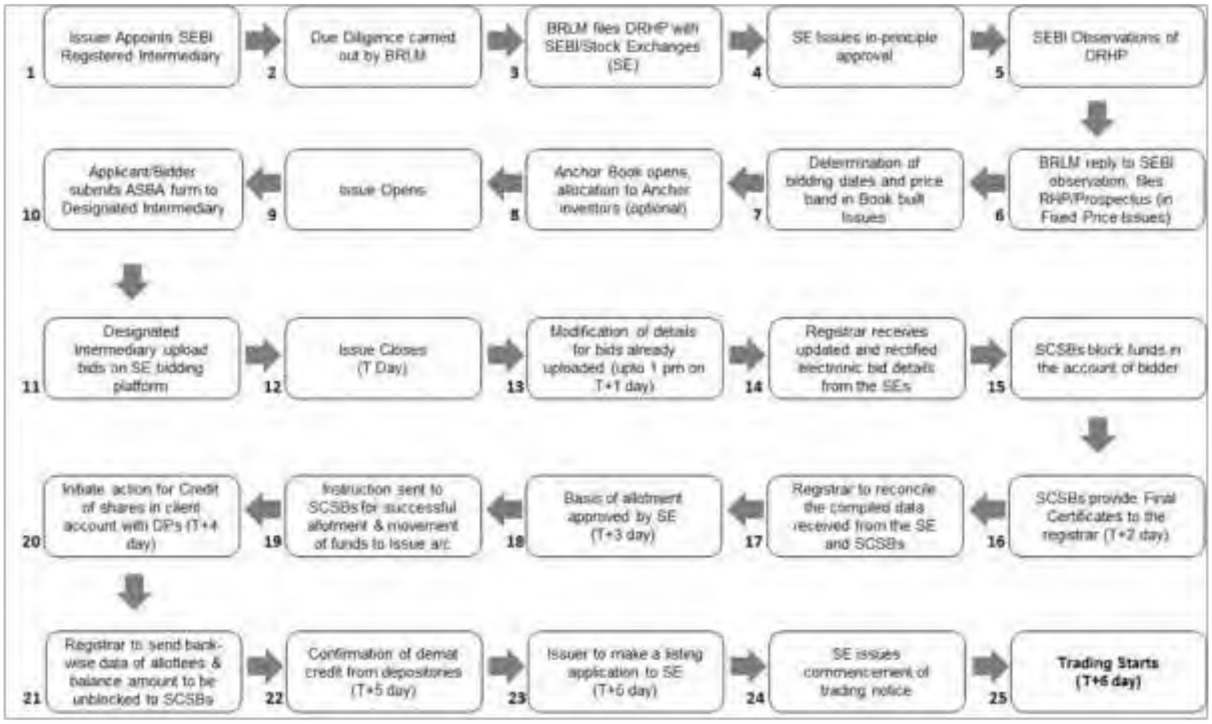
In case of a Book Built Issue, the Issuer may close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/ Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM, and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows [Bidders/Applicants may note that this is not applicable for Fast Track FPOs.]:

- In case of Offer other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

  (i) Step 7 : Determination of Offer Date and Price
  (ii) Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries.



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law.

Furthermore, certain categories of Bidders/Applicants, such as NRIs, FPIs, and FVCIs may not be allowed to Bid/Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta.* The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FPIs (other than Category III FPIs) bidding in the QIBs category;
- Category III FPIs bidding in the Non Institutional Bidders category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Offer, under the laws, rules, regulations, guidelines and policies

applicable to them and under Indian laws.

- As per the existing regulations, OCBs are not allowed to participate in the Offer.

SECTION 4: APPLYING IN THE OFFER

Book Built Issue: Bidders should only use the specified Bid cum Application Form (*i.e.*, in case of Anchor Investors, the Anchor Investor Application Form, and in case of Bidders other than Anchor Investors, the ASBA Forms) either bearing the stamp of a Designated Intermediary or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/ Offer Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified cum Bid cum Application Form, bearing the stamp of the Designated Intermediary or downloaded from the websites of the Stock Exchanges. Application Forms are available with Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Color of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs and FPIs	Blue
Anchor Investors (where applicable)	As specified by the Issuer

Securities issued in an IPO can only be in dematerialised form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM / APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : .... Contact Details: .... CIN No ....

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures): Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
Option 1					
(OR) Option 2					
(OR) Option 3					

5. CATEGORY

- Retail Individual Bidder
- Non-Institutional Bidder
- QIB

6. INVESTOR STATUS

- Individual(s) - IND
- Hindu Undivided Family* - HUF
- Bodies Corporate - CO
- Banks & Financial Institutions - FI
- Mutual Funds - MF
- Non-Resident Indians - NRI (Non-Repatriation basis)
- National Investment Fund - NIF
- Insurance Funds - IF
- Insurance Companies - IC
- Venture Capital Funds - VCF
- Alternative Investment Funds - AIF
- Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with individual)

7. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE / FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date :	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue 1) 2) 3)	

TEAR HERE

LOGO

XYZ LIMITED

INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures) Bank & Branch

Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile Email

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE — PLEASE FILL IN BLOCK LETTERS — TEAR HERE

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - NR Address : ________ Contact Details: ________ CIN No ________	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : ____________

Bid cum Application Form No. ____________

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms. ____________

Address ____________

Email ____________

Tel. No (with STD code) / Mobile ____________

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✔ tick)
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

6. INVESTOR STATUS

- NRI — Non-Resident Indian(s) (Repatriation basis)
- FII — FII or Sub-account not a Corporate/Foreign Individual
- FIISA — FII Sub-account Corporate/Individual
- FVCI — Foreign Venture Capital Investor
- FPI — Foreign Portfolio Investors
- OTH — Others (Please Specify) ________

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) ____________ (₹ in words) ____________

ASBA Bank A/c No. ____________

Bank Name & Branch ____________

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date : ________	1) 2) 3)	

TEAR HERE

LOGO

XYZ LIMITED INITIAL PUBLIC ISSUE - NR	Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No. ____________

DPID / CLID ____________

PAN of Sole / First Bidder ____________

Amount paid (₹ in figures)		Bank & Branch		Stamp & Signature of SCSB Branch
ASBA Bank A/c No.				
Received from Mr./Ms.				
Telephone / Mobile		Email		

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No. ____________

Bank & Branch ____________

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder ____________

Acknowledgement Slip for Bidder

Bid cum Application Form No. ____________

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer and the Designated Intermediaries only for correspondence(s) related to the Offer and for no other purposes.

(c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders

(d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who –

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialised form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT

(a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms which provide the General Index Register Number instead of PAN may be rejected.

(e) Bids/Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and demographic details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.

(c) Bidders/Applicants should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to the Offer.

(d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/ Offer Opening Date in case of an IPO, and at least one Working Day before Bid/ Offer Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))

(c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

(d) **Minimum Application Value and Bid Lot:** The Issuer, in consultation with the BRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer and the Selling Shareholders on basis of such minimum application value.

(e) **Allotment:** The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For details of the Bid Lot, bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Bidders and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000. Bids by Employees must be for such number of shares so as to ensure that the Bid Amount less Employee Discount (if applicable), payable by the Bidder does not exceed ₹500,000. Retail Individual Bidders or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

In case the Bid Amount for any Bid under the Retail Portion or Employee Reservation Portion exceeds ₹ 200,000 and ₹ 500,000, respectively, due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount, then such Bid may be rejected if it is at the Cut-off Price.

(b) For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.

(d) RII may revise or withdraw their bids till closure of the bidding period. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.

(e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bidding Date and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.

(g) A Bid cannot be submitted for more than the Offer size.

(h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the highest number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of bidders may refer to (Section 5.6 (e))

4.1.4.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:

(i) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

(ii) For Bids from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

(i) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

(ii) Bids by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

(iii) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 **FIELD NUMBER 5: CATEGORY OF BIDDERS**

(a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of

Bidding, allocation and allotment in the Offer are RIIs, NIIs and QIBs.

(b) Upto 60% of the QIB Category can be allocated by the Issuer and the Selling Shareholders, on a discretionary basis [subject to the criteria of minimum and maximum number of anchor investors based on allocation size], to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, bidders may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in the Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

(a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Offer is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in a Bidder's ASBA Account based on the authorisation provided by the Bidder in the ASBA Form. If the Discount is applicable in the Offer, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked in respect of the Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e., Bid price less Discount offered, if any.

(b) Bidders who Bid at Cut-off price shall deposit the Bid Amount based on the Cap Price.

(c) QIBs and NIIs can participate in the Offer only through the ASBA mechanism.

(d) All Bidders (except Anchor Investors) are required to Bid through the ASBA process.

(e) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 **Instructions for Anchor Investors:**

(a) Anchor Investors may submit their Bids with a BRLM.

(b) Payments by Anchor Investors are required to be made through direct credit, RTGS or NEFT.

(c) The Escrow Collection Bank shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2 **Payment instructions for ASBA Bidders**

(a) Bidders may submit the ASBA Form either

(i) in electronic mode through the internet banking facility offered by an SCSB authorising blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

(iii) in physical mode to a Designated Intermediary at a Bidding Centre.

(b) ASBA Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

(c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;

(d) Bidders shall note that that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bid cum Application Forms can be submitted.

(f) Bidders should submit the Bid cum Application Form only at a Bidding Centre i.e to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.

(g) ASBA Bidders bidding through a Designated Intermediary other than an SCSB should note that the ASBA Forms submitted to the Designated Intermediary may not be accepted by the Designated Intermediary, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary to deposit Bid cum Application Forms.

(h) **ASBA Bidders bidding directly through the SCSBs** should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids on the Stock Exchange platform and such bids are liable to be rejected.

(l) Upon submission of a completed Bid cum Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorised the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Offer Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Offer Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Offer Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Offer Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/ Offer Closing Date.

4.1.7.3 **Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.4 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Offer, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Offer may make payment for an amount i.e., the Bid Amount less Discount (if applicable).

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh rupees (under the RII category) or more than five lakh rupees (under the Employee Reservation Portion), the bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category nor the Employee Reservation Portion.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

(a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the ASBA Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.

(c) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.

(d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

(a) Bidders should ensure that they receive the Acknowledgment Slip duly signed and stamped by the relevant Designated Intermediary for submission of the ASBA Form.

(b) All communications in connection with Bids/Applications made in the Offer should be addressed as under:

  (i) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders/Applicants should contact the Registrar to the Offer.

  (ii) In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.

  (iii) In case of queries relating to uploading of Bids by a Designated Intermediary other than an SCSB, the Bidders/Applicants should contact the relevant Designated Intermediary.

  (iv) Bidder/Applicant may contact the Company Secretary and Compliance Officer or BRLM in case of any other complaints in relation to the Offer.

(d) The following details (as applicable) should be quoted while making any queries –

  (i) full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount blocked on application.

  (ii) name and address of the Designated Intermediary where the Bid was submitted; and

  (iii) The ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/ Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

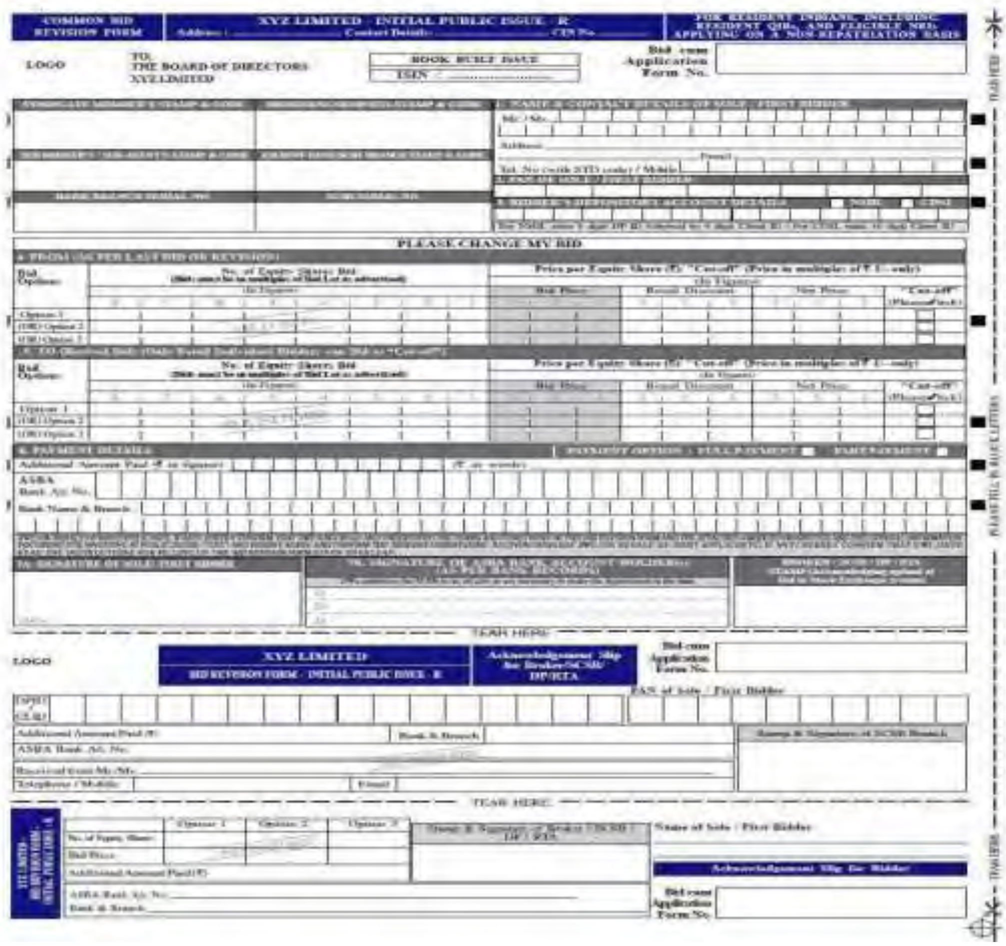
(a) During the Bid/ Offer Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RII may revise or withdraw their bids till closure of the bidding period.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder/Applicant can make this revision any number of times during the Bid/ Offer Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:



COMMON BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN

Bid cum Application Form No.

PLEASE CHANGE MY BID

TEAR HERE

XYZ LIMITED

BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/DP/RTA

Acknowledgement Slip for Bidder

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT AND DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 AND 5: BID OPTIONS REVISION 'FROM' AND 'TO'

(a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000 (₹ 500,000 in case of Employees). In case the Bid Amount for any Bid by the RIIs exceeds ₹ 200,000 (₹ 500,000 in case of Employees) due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIIs who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding may be unblocked after finalisation of the basis of allotment.

4.2.3 FIELD 6: PAYMENT DETAILS

(a) All Bidders/Applicants are required to authorise that the full Bid Amount (less Discount (if applicable) is blocked in the ASBA Accounts. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e., Bid price less discount offered, if any.

(b) Bidder/Applicant may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount blocked at the time of bidding may be unblocked after finalisation of the basis of allotment.

4.2.4 **FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT AND DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY AND AMOUNT**

(a) The Issuer may mention Price or Price band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot:** The Issuer, in consultation with the Lead Manager to the Offer (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIIs, Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000 and applications by Employees must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 500,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Offer size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:

(i) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.

(ii) For applications from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

(i) Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

(ii) Applications by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5: CATEGORY OF APPLICANTS**

(a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Offer are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in the Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

(a) All Applicants (other than Anchor Investors) are required to make use of ASBA for applying in the Offer.

(b) Application Amount cannot be paid through cheques and demand drafts or in cash, through money order or through postal order or through stock invest.

4.3.5.1 **Payment instructions for ASBA Applicants**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

4.3.5.2.1 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.1.

4.3.5.2 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Offer, applicants may refer to the Prospectus.

(c) The Applicants entitled to the applicable Discount in the Offer may authorise blocking of an amount i.e., the Application Amount less Discount (if applicable).

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS AND ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 and 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM

4.4.1 **Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Application by Anchor Investors	To the Book Running Lead Manager at the locations specified in the Anchor Investor Application Form
Applications by other Bidders	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres, or the RTA at the Designated RTA Location or the DP at the Designated CDP Locations. (b) To the Designated branches of the SCSBs

(a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.

(c) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorised the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(d) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid-cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Offer Price is finalised after the Bid/ Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/ Offer Period, Bidders/Applicants may approach the Designated Intermediaries to submit and register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager to register their Bids.

(b) In case of Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(d) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediaries may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.

(b) On the Bid/ Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Draft Red Herring Prospectus and the Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The Designated Intermediaries are given up to one day after the Bid/ Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Offer Period after which the Stock Exchange(s) send the bid information to the Registrar for validation of the electronic bid details with the Depository's records.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Offer Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/ Offer Period.

5.4 WITHDRAWAL OF BIDS

(a) RIIs can withdraw their Bids until the Bid/ Offer Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account upon or after finalisation of the basis of allotment. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION AND RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to

(i) the Bids accepted by the Designated Intermediaries,

(ii) the Bids uploaded by the Designated Intermediaries, or

(iii) the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.

(b) The BRLM and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) the BRLM and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIIs and RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the Designated Intermediaries or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various placed in this GID:-

(a) Bid/Applications accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB;

(b) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(c) Bids/Applications by OCBs;

(d) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(e) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form;

(f) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

(h) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;

(i) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(j) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(k) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(l) Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;

(m) Bids/Applications at Cut-off Price by NIIs and QIBs;

(n) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

(o) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(p) Submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;

(q) Bids not uploaded in the Stock Exchanges bidding system;

(r) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;

(s) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

(t) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/ Offer Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;

(u) Inadequate funds in the bank account to block the Bid/Application Amount specified in the ASBA Form at the time of blocking such Bid/Application Amount in the bank account;

(v) Where no confirmation is received from SCSB for blocking of funds;

(w) Bids/Applications by Bidders (other than Anchor Investors) that are not submitted through ASBA process;

(x) ASBA Bids/Applications submitted to a Designated Intermediary at locations other than the Bidding Centres, submitted to the Escrow Collection Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Offer;

(y) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

(z) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in the Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.

(b) Under-subscription in any category (except for the QIB Portion) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB category is not available for subscription to other categories.

(c) A Bid by an Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Employee not exceeding ₹ 500,000. For further details on allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

Bidders should *note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes bidding by Anchor Investors.*

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding ("Alternate Book Building Process").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/ Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Offer Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through a Designated Intermediary.

ASBA Applicants may submit an Application Form either in physical form to the Syndicate Members or Registered Brokers or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/ Offer Opening Date.

In a fixed price Offer, allocation in the offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor is will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("Maximum RII Allottees"). The Allotment to the RIIs will then be made in the following manner:

(a) In the event the number of RIIs who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e., who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIIs who have submitted valid Bids in the Offer is more than Maximum RII Allottees, the RIIs (in that category) who will then be allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Offer Price may be grouped together to determine the total demand under this category. The allotment to all successful NIIs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP / Prospectus. Bids received from QIBs bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:

  (i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;

  (ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

  (iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:

  - a maximum number of two Anchor Investors for allocation up to ₹ 10 crores;
  - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor; and
  - a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor.

(b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(c) **In the event that the Offer Price is higher than the Anchor Investor Offer Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Offer Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(d) **In the event the Offer Price is lower than the Anchor Investor Offer Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS) AND NIIs IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorised according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate allotment is less than the minimum bid lot decided per Bidder, the allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Bank shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Offer Account with the Bankers to the Offer. The balance amount after transfer to the Public Offer Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Offer shall instruct the SCSBs to unblock funds represented by allocation of Equity Shares from ASBA Accounts into the Public Offer Account.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/ Issue Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING AND COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/ Offer Closing Date. The Registrar to the Offer may initiate corporate action for credit to Equity Shares the beneficiary account with the Depositories, and dispatch the Allotment Advice within six Working Days of the Bid/ Offer Closing Date.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at rates prescribed under applicable law.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer may be punishable with a fine which shall not be less than five lakh rupees but which may extend to fifty lakh rupees and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than fifty thousand rupees but which may extend to three lakh rupees, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCIPTION

If the Issuer does not receive a minimum subscription of 90% of the Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, without interest take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Offer Closing Date and repay, without interest, all subscription amounts received from Anchor Investors. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

If such money is not refunded to the Bidders/Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to allot at least 75% of the Offer to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) **In case of ASBA Bids:** Within six Working Days of the Bid/ Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Accounts of unsuccessful Bidders and also for any excess amount blocked on Bidding/Application.

(b) **In case of Anchor Investors:** Within six Working Days of the Bid/ Offer Closing Date may dispatch refunds for all amounts payable to unsuccessful Anchor Investors.

(c) In case of Anchor Investors, the Registrar to the Offer may obtain from the Depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Selling Shareholders, the Registrar to the Offer, the Escrow Collection Bank, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

(d) In the case of Bids from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer and the Selling Shareholders may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

8.3.1 Electronic modes of making refunds to Anchor Investors

The payment of refund to Anchor Investors, if any, may be done through various modes as mentioned below:

(a) **NACH—**Payment of refund would be done through NACH for Bidders/Applicants having an account at any of the centres specified by the RBI where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Bidders/Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where the Bidder/Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;

(b) **NEFT—** Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investor's bank is NEFT enabled and has been assigned the Indian Financial System Code **("IFSC"),** which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **Direct Credit—** Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account; and

(d) **RTGS—** Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc, Anchor Investors may refer to RHP/Prospectus.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted by the Anchor Investor to the Escrow Collection Bank.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at rates prescribed under applicable laws if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the six Working days of the Bid/Issue Closing Date.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time. In case of inconsistency in the description of a term mentioned herein below and the description ascribed to such term in the Red Herring Prospectus, the description as ascribed to such term in the Red Herring Prospectus shall prevail.

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009.
Anchor Investor Application	The form used by an Anchor Investor to make a Bid in the Anchor Allotment in terms of the

Term	Description
Form	Red Herring Prospectus and Prospectus.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by the Issuer, in consultation with the BRLM, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by ASBA Bidders/Applicants to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB.
Application Supported by Blocked Amount Form/ASBA Form	An application from, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/Applicant
ASBA Bidder/Applicant	Prospective Bidders/Applicants in the Offer who Bid/apply through ASBA
Banker(s) to the Offer/ Escrow Collection Bank(s)/ Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Escrow Account may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Offer
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bidding Date by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid /Offer Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Offer Closing Date
Bid/Offer Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Offer Opening Date
Bid/Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Offer Period for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Offer Period
Bidder/Applicant	Any prospective investor (including an ASBA Bidder/Applicant) who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
Book Running Lead Manager/	The Book Running Lead Manager/ Book Running Lead Manager to the Offer as disclosed in

Term	Description
BRLM/ Book Running Lead Manager/ Lead Manager/ LM	the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	Note or intimation of allocation of Equity Shares sent to each Anchor Investor who have been allocated Equity Shares after the Anchor Investor Bidding Date.
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Category III FPI	FPIs who are registered as "Category III foreign portfolio investors" under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Collecting Depository Participant(s) or CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Companies Act	The Companies Act, 1956 or the Companies Act, 2013, as the context requires.
Cut-off Price	Offer Price, finalised by the Issuer, in consultation with the Book Running Lead Manager, which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (other than Anchor Investors) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated CDP Locations	Such locations where Bidders can submit the ASBA Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account in terms of the Red Herring Prospectus or the amounts blocked by the SCSBs are transferred from the ASBA Accounts of successful Allottees to the Public Offer Account, following which the board of directors may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale.
Designated Intermediaries	The Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated RTA Locations	Such locations where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity shares of the Issuer
Escrow Account	An account opened with the Escrow Collection Bank and in whose favour the Anchor

Term	Description
	Investors may transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPI	Foreign portfolio investor registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NACH	National Automated Clearing House, a consolidated system of ECS.
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Non-Institutional Investors or NIIs	All Bidders/Applicants, Category III FPIs that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FVCIs registered with SEBI, and FPIs.
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholders
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price The Offer Price may be decided by the Issuer, in consultation with the Book Running Lead Manager
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961

Term	Description
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer, in consultation with the Book Running Lead Manager and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer, in consultation with the Book Running Lead Manager, finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price ,the size of the Offer and certain other information
Public Offer Account	A bank account opened with the Banker to the Offer to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Portion	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013 which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The RHP may be filed with the RoC at least three days before the Bid/Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Refunds through electronic transfer of funds	Refunds through NACH, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer/RTI	The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ₹ 200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centres
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager and the Syndicate Member(s)
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of ASBA Forms by Syndicate Members
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus

Term	Description
Underwriters	The Book Running Lead Manager and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	“Working Day” means all days, other than the second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to the time period between (a) announcement of Price Band; and (b) Bid/Offer Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

SECTION VIII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to the Companies Act, 1956 (to the extent applicable), Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of our Articles relating to, inter alia, voting rights, dividend, lien, forfeiture, share capital or debentures are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles.

The Articles of Association of the Company comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency between Part A and Part B, the provisions of Part B shall be applicable. Part B of the Articles shall automatically terminate and cease to have any force and effect and deemed to fall away on and from the date of upon the consummation of the Offer (that is, receipt of final listing and trading approval by the Company from the Stock Exchanges).

Part A of the Articles of Association

Article	Heading	Description
4.	Share Capital	The authorized share capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum with power to increase or reduce the capital and divide the shares in capital of the Company for the time being into equity share capital and preference share capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these present and modify or abrogate any such rights, privileges or conditions in such manner as may be permitted for the time being by the Act.
6.	Minimum Paid-Up Capital	The paid up capital of the Company shall be minimum of ₹ 5,00,000.
7.	Preference Shares	The Company shall have power to issue preference shares carrying right to redemption out of profits which would otherwise be available for dividend, or out of the proceeds of a fresh issue of shares made for the purpose of such redemption, or out of security premium account of the Company or liable to be redeemed at the option of the Company, and the Board may, subject to the provisions of the Act, exercise such power in such manner as it thinks fit and also classify and determine the terms and conditions of such preference shares, including without limitation the coupon rate, premium on issue and redemption, conversion terms, accumulation of dividend.
8.	Redemption of Preference Shares	If the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares, may by resolution of the Board be applied only in paying up in full or in part any new securities then remaining unissued to be issued to such Members of the Company as the Board may resolve up to an amount equal to the nominal amount of the securities so issued.
12.	Further issue of capital	Subject to the provisions of the Act: (A) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, whether out of unissued share capital or out of the increased share capital, such shares shall be offered: i. to persons who, at the date of the offer, are holders of equity shares of the Company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:— (A) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined; (B) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in Article 12(a)(i)(A) shall contain a statement of this right;

Article	Heading	Description
		(C) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not dis-advantageous to the shareholders and the Company; ii. to employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to such conditions as may be prescribed under the Act; or iii. to any persons whether or not those persons include the persons referred to in Article 12(a)(i) or (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the Act. (B) Nothing in Article 12(a) shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company; Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in a general meeting.
15.	Shares under control of Board	Subject to the provisions of the Act as applicable to the Company and subject to the provisions of these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons in such proportions and on such terms and conditions and with such right preferential or otherwise as to dividends or as to repayment of capital or such other rights and either at a premium or at par, or subject to compliance with Section 53 of the Act at a discount, and at such time as they from time to time think fit and with the sanction of the Company in general meeting to give to any person the right or option of any shares either at par or at premium during such time and for such consideration as the Board think fit, and the Board may also issue and allot shares in the capital of the Company in payment or part payment of any property sold or transferred or for services rendered to the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid up and, if so issued, shall be deemed to be fully paid up shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the general meeting.
20.	Partial payment not to preclude for forfeiture	Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.
21.	Members not entitled to privileges of membership until all calls paid	In addition to provisions of Table F, no Member shall be entitled to receive any dividend or to exercise any privilege as a Member (including exercise any voting rights) until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person together with interest and expenses, if any.
23.	Payment of Dividends on party paid shares	The Company may, if Board deems fit, elect to pay dividends in respect of any partly-paid shares in proportion to the amount paid-up on any such shares.
24.	Payment of Dividends on Forfeited Shares	Any forfeiture of shares in accordance with the Act and Table F shall deem to include forfeiture of all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
25.	Forfeited shares to become property of the Company	Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot and otherwise dispose of the same in such manner as it thinks fit.
26.	Power to annul	The Board may, at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof as a matter of grace and favour but not as of right

Article	Heading	Description
	forfeiture	upon such terms and conditions as it may think fit.
27.	Arrears to be paid notwithstanding forfeiture	Any Member whose shares shall have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, instalments, interest and expenses, owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment at the rate of 12% (twelve per cent) per annum and the Board may enforce the payment of such moneys or any part thereof if they think fit, but shall not be under any obligation so to do.
28.	Power to Forfeit for Other Reasons	The Company may forfeit the shares for any other reason or purpose as may be agreed between the Company and such person who is concerned with the shares sought to be forfeited either under any agreement or pursuant to any condition of allotment.
29.	Effect of forfeiture	The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share and all other rights incidental to the share except only such of those rights as by these presents are expressly saved.
30.	Board may issue new Certificates	Where any shares under the powers in that behalf herein contained are sold by the Board after forfeiture or for enforcing a lien and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares, the Board may issue a new certificate of such shares distinguishing it in such manner as it may think fit from the certificate not so delivered.
31.	Authority to dematerialize the securities	Notwithstanding anything to the contrary contained in these Articles, the Board may at any time decide to permit holding of and dealings in any or all the shares or debentures or other securities of the Company (hereinafter referred to as "**securities**") in dematerialized form under the provisions of the Depositories Act and may offer the securities of the Company for subscription/ allotment in dematerialized form in the manner provided by the Depositories Act.
32.	Option to hold securities in certificates or with Depository	When any securities of the Company are held or dealt in dematerialized form –
33.	Beneficial owner may opt out of a Depository	a) Every person holding any securities of the Company through allotment or otherwise shall have the option to receive and hold the same in the form of certificates or to hold the same with a Depository.
		b) Every person holding securities of the Company with Depository, being the Beneficial Owner thereof, may at any time opt out of the Depository in the manner provided under the provisions of the Depositories Act and on exercise of such option and on fulfilment of the conditions and payment of fees prescribed under the said Depositories Act, the Company shall rematerialize the relevant securities and issue to the Beneficial Owner thereof the requisite certificates of such securities.
	Securities with Depository to be dematerialised	(c)All securities held with a Depository shall be dematerialised and the Depository shall hold the same for the Beneficial Owners thereof in a fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.
	Intimation to Depository	(f)The Company shall make available to the Depository, copies of the relevant records in respect of securities held by such Depository for the Beneficial Owner thereof. When a holder or an allottee of securities opts to hold the same with Depository, the Company shall intimate such Depository the details of such holdings or allotment of securities and thereupon the Depository shall enter in its record the names of the holders/ allottees as the Beneficial Owners of such securities.
	Register and Index of Beneficial Owners	(g)The Register and Index of Beneficial Owners of securities maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be and forming part of the Register and Index of Members or of holders of securities of the Company.
	Transfer of securities held in a Depository	(h)Transfers of securities held in a Depository will be governed by the provisions of the Depositories Act. Every Depository shall furnish to the Company information about the transfer of securities, the name of Beneficial Owners at such intervals and in such manner as may be specified under the

Article	Heading	Description
		provisions of the Depositories Act. Section 56 of the Act shall not apply to transfer of securities effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the records of a Depository.
	Service of Documents	(i)Notwithstanding anything contrary contained in these Articles, when securities are held in Depository, the records of the beneficial ownership may be served by such Depositories on the Company by means of electronic mode or by deliveries of floppies or discs.
	Allotment of Securities dealt with in a Depository	(j)Notwithstanding anything contrary contained in these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.
	Distinctive numbers of Securities held in a Depository	(k) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company, shall apply to securities held with a Depository.
33.	Issue of share Certificates (where shares are not in dematerialised form)	(a) Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Board so approves (upon paying such fee as the Board so determines) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within fifteen days of the receipt of application of registration of transfer, sub-division, consolidation or renewal of any of its shares as the case may be. Further, transmissions requests for securities held in dematerialized mode and physical mode will be processed within seven days and twenty one days respectively, after receipt of the specified documents. Every certificate of shares shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe and approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate; and delivery of a certificate of shares to one or several joint-holders shall be a sufficient delivery to all such holders. (b) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of shares, then upon production and surrender of the relevant share certificates to the Company, new certificates may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Board so decides, or on payment of such fees (not exceeding Rs.50 (Rupees Fifty) for each certificate) as the Board shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of shares. Notwithstanding the foregoing provisions of this Article 36(b), the Board shall comply with applicable law including the rules or regulations or requirements of any stock exchange, the rules made under the Act and the rules made under the Securities Contracts (Regulation) Act, 1956, or any statutory modification or re-enactment thereof, for the time being in force. The provisions of this Article 36(b) shall mutatis mutandis apply to debentures of the Company. The Company shall issue certificates or receipts or advices, as applicable, of subdivision, split, consolidation, renewal, exchanges, endorsements, issuance of duplicates thereof or issuance of new certificates or receipts or advices, as applicable, in cases of loss or old decrepit or worn out certificates or receipts or advices, as applicable within a period of thirty days from the date of such lodgement.
	Nomination	Notwithstanding anything stated in these Articles, a holder or joint holders of shares/debentures may nominate, in accordance with the provisions of Section 72 of the Act and in the manner prescribed thereunder, a person to whom all the rights in the Shares or Debentures of the Company shall vest in the event of death of such holder/s. Any nomination so made shall be

Article	Heading	Description
		dealt with by the Company in accordance with the provisions of Sections 56 and 72 of the Act..
35.	Transfer of shares	Subject to the provisions of Sections 58 and 59 of the Act, Article 35 hereof and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmissions by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. Further, subject to the provisions of Section 56 of the Act and of the Securities Contracts (Regulation) Act, 1956, as amended, the Directors may, at their absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of Shares whether fully paid or not, and the right of refusal shall not be affected by the circumstances that the proposed transferee is already a member of the Company. The Company shall within from the date of which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmissions, as the case may be, giving reason for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares. Further provided that a common form of transfer shall be used, the instrument of transfer shall be in writing and all the provisions of the Act for the time being shall be duly complied with in respect of all transfers of shares and registration thereof. The securities held by any Member in the Company shall be freely transferable; provided that any contract or arrangement between two or more persons in respect of transfer of securities shall be enforceable as a contract.
36.	To accept surrender of shares	Subject to the provisions of the Act, the Company may accept from any Member, on such terms and conditions as shall be agreed, a surrender of his shares or any part thereof.
37.	No fee for registration for transfer etc.	No fee shall be charged for registration of transfer, transmission, probate, succession certificate, letters of administration, certificate of death or marriage, power of attorney or similar other instrument.
41.	Maximum and Minimum number of Directors	The number of Directors shall not be less than three and shall not be more than fifteen, excluding nominee Directors appointed by any Financial Institutions or any other Institutions or Banks. Provided, that the Company may appoint a director in excess of the limit provided above by passing a special resolution.
42.	Directors	The first Directors of the Company are :- 1. Shri Mukesh Chimanlal Gandhi 2. Shri Kamlesh C. Gandhi 3. Shri Saurabh C. Chokshi
44.	Qualification Shares	A Director shall not be required to hold any qualification shares.
47.	Appointment & Retirement	At the first annual general meeting of the Company all the Directors save and except the Directors who are not liable to retire by rotation shall retire from office and at the annual general meeting in every subsequent year, one-third of such Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to the one-third, shall retire from office. The Directors to retire in every year shall be those who have been longest in the office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-appointment. The Company at the meeting at which a Director retires in manner aforesaid, may fill the vacated office by appointing a person thereto, and in default the retiring Director shall, if offering himself for re-appointment, be deemed to have been re-appointed, unless at such meeting, it is expressly resolved not to fill such vacated office or unless a resolution for the re-appointment of such Director shall have been put to the meeting and lost.
48.	Vacation of the office of a Director	In addition to the circumstances enumerated in the Act, as applicable to this Company, the office of a Director shall be vacated if he resigns by notice in writing to the Company.
49.	Power to	(a) Subject to the provisions of the Act, the Board may, from time to time, appoint one or more

Article	Heading	Description
	appoint Managing Director/ Executive Director	Directors to be managing Director/ executive Director or managing Directors/ executive Directors of the Company and may, from time to time (subject to the provisions of any contract between him or them and the Company), remove or dismiss him or them from office, appoint another or others in his place or their places. Without prejudice to the foregoing, any person appointed as a chairperson of the Company may also be appointed as the managing Director or Chief Executive Officer of the Company at the same time as his appointment as the chairperson of the Company.
	To what provisions Managing Director shall be subjected	(b) Subject to the provisions of the Act, a managing Director/ executive Director shall, while he continues to hold that office, be subject to retirement by rotation and subject to the provisions of any contract between him and the Company, he shall be subject to the same provisions as to resignation and removal as the other Directors and if he ceases to hold the office of a Director, he shall, ipso facto and immediately cease to be a Managing Director for any cause.
	Remuneration of Managing Director/ Executive Director	(c) Subject to the provisions of the Act, a Director (including any managing Director/ executive Director) shall receive such remunerations as may, from time to time be sanctioned by the Company.
	Power to Managing Director/Executive Director	(d) Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in Sections 179 and 180 of the Act, the Board may, from time to time, entrust to and confer upon a managing Director/ executive Director for the time being such of the powers exercisable under these presents by the Board as it may think fit and may confer such powers for such time and be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks fit and the Board may confer such powers, either collaterally, with, or to the exclusion of and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.
50.	Power of Board	The management of the business of the Company shall be vested in the Board and the Board shall have all the powers and be entitled to take all such acts and do all such things as has been prescribed under the Act, or as the Company is by its Memorandum of Association, these Articles or otherwise authorised to do and are not hereby or by any statute directed or required to be exercised or done by the Company in a general meeting, but such exercise of the power shall be nevertheless subject to the provisions of the Act and of the Memorandum of Association, these Articles and to any regulations not being inconsistent with the Memorandum of Association and these Articles from time to time made by the Company in general meeting, provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.
52.	Contracts with Directors, officers, & employees	Subject to the restrictions, if any, imposed by the Act, no Director or other officer or employee of the Company shall be disqualified by his office from contracting with the Company either as vendor, purchaser, broker, agent or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director or any officer or employee of the Company is interested in any manner, be avoided nor shall the Director or officer or employee of the Company so contracting or so being interested be liable to account to the Company for any benefits arising from any such contract or arrangement, by reason only of such Director or officer or employee holding that office or being interested or the fiduciary relation thereby established; provided that the nature of interest or concern of each is disclosed in accordance with the provisions of the Act as applicable to the Company.
53.	The Seal	The Board shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Board shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by or under the authority of the Board or a Committee of Directors previously given and every deed or other instrument to which the Seal of the Company is required to be affixed, shall be affixed in the presence of at least one Director or the Chief Operating Officer/ Chief Executive Officer/ Head of all Departments/ or the Manager or the Secretary or such other person as the Board/ Committee of the Board may appoint for the purpose, who shall sign every instrument to which the Seal is so affixed in his presence for the said purpose provided that the Certificate of Shares or Debentures shall be sealed in the manner and in conformity with the provisions of the Act.
54.	Unpaid or Unclaimed Dividend etc.	The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company. Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration to any shareholder entitled to payment of the dividend, the Company shall, within seven days from the date of expiry of the thirty (30) day period, transfer the total amount of dividend which remains so unpaid or

<table>
<tr><th>Article</th><th>Heading</th><th>Description</th></tr>
<tr><td></td><td></td><td>unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called “Unpaid Dividend of MAS Financial Services Limited”. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under the Act. No unclaimed or unpaid dividend shall be forfeited by the Board until the claim becomes barred by law.

The Company shall comply with the provisions of the Act in respect of any money remaining unpaid with the Company in the nature of:

(a) application moneys received by the Company for allotment of any securities and due for refund has remained unclaimed for a period of seven years;
(b) deposits received by the Company and due for repayment has remained unclaimed for a period of seven years;
(c) debentures issued by the Company and matured for redemption has remained unclaimed for a period of seven years;
(d) the interest, if any, accrued on the amount referred at items (i), (ii) and (iii) respectively;
(e) sale proceeds of fractional shares arising out of issuance of bonus shares, merger and amalgamation for seven years or more;
(f) redemption amount of preference shares remaining unpaid or unclaimed for seven or more years; and
(g) such other amount that may be prescribed under the Act.</td></tr>
<tr><td>55.</td><td>Borrowing Powers</td><td>The Board may from time to time at its discretion raise or borrow or secure the payment of or may itself lend any sum or sums of money for the purposes of the Company. The Board may raise money and secure the repayment of such money in such manner and on such terms and conditions in all respects, as it thinks fit and proper and in particular by the issue of debenture and bonds of the Company or by the creation of debenture stock, subject to the limitations and restrictions in the Act or by making, drawing, accepting or endorsing on behalf of the Company, promissory note or bills of exchange, or giving or issuing any other securities of the Company or mortgage or charge of all or any part of the property of the Company, both present and future, including its uncalled capital for the time being and the Board may on behalf of the Company guarantee all or any part of any loan or debt, incurred by the Company with power for them to secure the guarantors against liability in respect of such loans by means of mortgage or change of the Company’s property moveable or immoveable or otherwise.</td></tr>
<tr><td>56.</td><td>Capitalisation</td><td>Notwithstanding anything contained in Table F, but subject to the provisions of the Act, at any general meeting of the Members of the Company, the Company may resolve that any amount standing to the credit of the Securities Premium Account or the Capital Redemption Reserve Account or Profit & Loss Account or any monies, investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realization and where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other fund of the Company or in the hands of the Company and otherwise available and set free for distribution amongst the Members who would have been entitled thereto in such proportions as may be permitted under the Act:

(i) by the issue and distribution as fully paid shares, debentures, debenture stock, bonds of obligations of the Company; or

(ii) by crediting the shares of the Company which may have been issued and or not fully paid-up with the whole or any part of the sum remaining unpaid thereon.</td></tr>
<tr><td>57.</td><td></td><td>Subject to the Act, any amounts standing to the credit of the Securities Premium Account may be applied in:

(a) paying up unissued shares of the Company to be issued to Members of the Company as fully paid bonus shares;
(b) in writing off the preliminary expenses of the Company;
(c) in writing off the expenses of or the commission paid or discount allowed on any issue of shares or debentures or the Company; or
(d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.</td></tr>
</table>

Article	Heading	Description
		(e) for the purchase of its own shares or other securities under Section 68 of the Act. Provided further that subject to provisions of the Act, any amount standing to the credit of the Capital Redemption Reserve Account may be applied in paying up unissued shares of the Company to be issued to the Members of the Company as fully paid bonus shares.
58.		Such issue and distribution under Article 60(i) and such payment to the credit of unpaid share capital under Article 60(ii) above shall be made thereto on the floating that such Members become entitled thereto as capital.

Part B of the Articles of Association

Part B of the Articles include all rights and obligations of the parties to the FMO-Sarva Agreement, as amended and the DEG Agreement, as amended. In the event of any inconsistency between Part A and Part B of the Articles, the provisions of Part B shall prevail over Part A. Part B of the Articles shall automatically terminate and cease to have any force and effect and deemed to fall away on and from the date of upon the consummation of the Offer (that is, receipt of final listing and trading approval by the Company from the Stock Exchanges).

Article	Heading	Description
4.	Increase in capital	The Company in general meeting may, from time to time, by an ordinary resolution •increase the capital by the creation of new shares, the increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or the increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company in conformity with provisions of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of the Act.
		Subject to the provisions of this Article and the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.
6.	Power to issue redeemable preference shares	(1) Subject to the provisions of the Act subject to the provisions of which any shares may have been issued and that of this Article, the Company may issue preference shares which are or at the option of the Company are to be liable to redeem provided that, (a) No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption. (b) No such shares shall be redeemed unless they are fully paid; (c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's share premium account before the shares are redeemed. (d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the capital redemption reserve account", a sum equal to the nominal amount of the shares redeemed and the provisions of the share capital of the Company shall accept as provided in the Act, apply as if the capital redemption reserve account were paid up share capital of the Company. (2) Subject to the provisions of the Act and subject to the provisions on which any shares may have been issued, the redemption of preference shares may be effected on such terms and in such manner as may be provided by the Articles of the Company or the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit. (3) The redemption of preference shares under this provision by the Company shall not be taken as reducing the amount of its Authorised Share Capital. (4) Where in pursuance of this Article, the Company has redeemed or is about to redeem any preference shares, it shall have power to issue shares up to the nominal amount of the shares redeemed or to be redeemed as if those have never been issued, and accordingly the Share

Article	Heading	Description
		Capital of the Company shall not, for the purpose of calculating the fees payable under the Act be deemed to be increased by the issue of shares in pursuance of this clause. Provided that where new shares are issued before the redemption of the old shares the new shares shall not so far as relates to stamp duty be deemed to have been issued in pursuance of this clause unless the old shares are redeemed within one month after the issue of the shares. (5) The Capital redemption reserve account may notwithstanding anything in this Article, be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.
8.	Reduction of Share Capital	The Company may (subject to the provisions of the Act from time to time by Special Resolution reduce its capital and any capital Redemption Reserve Account or Premium Account in any manner for the time being authorised by law, and in particular capital may be paid off the footing that it may be called upon again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.
9.	Sub-division, consolidation and cancellation of shares	Subject to the provisions of the Act, the Company in general meeting may, from time to time, consolidate all or any of its share capital into shares of larger amount than its existing shares or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the memorandum and the resolution whereby any share is sub-divided, may determine that, as between the holders, of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantages as regards dividend, capital or otherwise over or as compared with the others or other. Subject to as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
10.	Modification of rights	If at any time share capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act and whether or not the Company is being wound-up be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. This Article shall not derogate from any power which the Company would have if these Articles were omitted. The provisions of these Articles relating to general meetings shall, mutatis mutandis, apply to every such separate meeting but so that if at any adjourned meeting of such holders a quorum as defined above is not present, those persons who are present shall be the quorum.
11.	Surrender of Shares	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering those on such terms as they think fit.
12.	Register of Members	(1) The Company shall cause to be kept Register of Members and an Index of Members in accordance with the Act and Register and Index of Debenture holders in accordance with the Act. The Company may also keep a Register of Foreign Members and Debenture holders in accordance with the Act. (2) The Company shall also comply with the provisions of the Act as to filing of Annual Returns. (3) The Company shall duly complied with the provisions of the Act in regard to keeping of Registers, Indexes, copies of Annual Returns and giving inspection thereof and furnishing copies thereof.
14.	Further issue of Capital	Where it is proposed to increase the subscribed Capital of the Company by allotment of further shares the provisions of the Act in so far as the same be applicable shall be complied with.
15.	Shares under control of Directors	Subject to the provisions of these Articles and of the Act, the shares (including any shares forming part of any increased capital of the Company) shall be under the control of Directors, who may allot or otherwise dispose, of the same to such persons in such proportion and on such terms and conditions and at such times as the Directors think fit and subject to the sanction of the Company in General Meeting with full power to give any person the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of the Act) at a premium or at par, such option being exercisable at such time and for such consideration as may be directed by such General Meeting or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.
16.	Power to Company in General Meeting to issue shares	In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 14 and 15, the Company in General Meeting subject to provisions of the Act and that of this Article, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of

Article	Heading	Description
		the Act) at a premium or at par, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.
17.	Issue of Shares for Consideration other than cash	Subject to these Articles and the provisions of the Act and that of this Article, the Board may issue and allot shares in the capital of the Company as payment or in consideration of the purchase or acquisition of any property or for services rendered to the Company in the conduct of its business and shares which may be so issued or allotted shall be credited or deemed to be credited as fully paid up shares.
20.	Liability of Members	Every member, or his heirs, executors or administrators, shall pay the Company the portion of the capital represented by his shares or shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Company's regulations require or fix for the payment thereof.
21.	Share Certificates	(a) Every member or allottee of shares shall be entitled without payment, to receive one or more certificates in marketable lot certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid-up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letters of acceptance or renunciation or in case of issue of bonus shares. Every such certificate shall subject to the provisions of the Act be issued within a period of two months from the date of allotment under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose, and two Directors or their Attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or a Whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue. (b) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound to prescribe charge not exceeding Rupee twenty. The Company shall comply with the provisions of the Act. (c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means,- such as engraving in metal or lithography, but not by means of rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for this purpose.
22.	Renewal of Share Certificates	(a) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out or where the cages on the reverse for recording transfer have been duty utilised, unless the certificate in lieu of which it is issued is surrendered to the Company. (b) When a new share certificate has been issued in pursuance of clause(a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "issued in lieu of share certificate No. sub-divided/replaced/on consolidation of shares. (c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any, as to evidence and indemnity as to the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit. (d) When a new share certificate has been issued In pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "duplicate issued in lieu of share certificate No........" The word Duplicate shall be stamped or punched in bold letters across the face of the share certificate. (e) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against the names of the persons to whom the certificate is

Article	Heading	Description
		issued, ‘the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the “Remarks” column. (f) All blank forms to be issued for issue of share certificate shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine numbered and the forms and the blocks, engravings, fascimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of those forms to the Board. (g) The Managing Director of the Company for the time being or if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificate referred to in clause (f) of this Article. (h) All books referred to in clause (g) of this Article shall be preserved in good order permanently.
23.	The first named of joint-holders deemed sole holder	If any share stands in the names of two or more person first named in the Register shall, as regards receipts of dividends or bonus or service of notice and all or any other matter connected with the Company, except voting at meetings, and the transfer of the shares, be deemed the sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share and for all incidents thereof according to the Company’s regulations.
24.	Company not bound to recognize any interest in share other than that of registered holder	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share, (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
25.	Declaration by person not holding beneficial interest in any share	(a) Notwithstanding anything herein contained, a person whose name is at any time entered in the Register of Members of the Company as the holder of a share in the Company, but who does not hold the beneficial interest in such share, shall within such time and in such form as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such share in such manner as may be provided in the Act. (b) A person who holds a beneficial interest in a share or a class of shares of the Company shall, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the share stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act. (c) Whenever there is a change in the beneficial interest in a share referred to above, the beneficial owner shall, within the time prescribed from the date of such change make a declaration to the Company in such form and containing such particulars as may be prescribed as provided in the Act. (d) Notwithstanding anything contained in the Act and Article 21 hereof, where any declaration referred to above is made to the Company, the Company shall make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.
30.	Directors may make calls	The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at the meeting of the Board (and not by circular resolution) make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every calls so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by installments.
33.	Call may be	A call may be revoked or postponed at the discretion of the Board.

Article	Heading	Description
	revoked or postponed	
34.	Liability of joint-holders	The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
36.	Calls to carry interest	If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board, but nothing in the Article shall render it obligatory for the Board to demand or recover any interest from any such member.
37.	Sums deemed to be calls	Any sum, which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account or the nominal value of the share or by way of premium, shall for the purpose of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue of the same becomes payable and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
39.	Payment in anticipation of calls may carry interest	(a) The Directors may, if they think fit, subject to provisions of the Act, agree to and receive from any member willing to advance the same all or any part of the money due upon the share held by him beyond the sums actually called for and upon the money so paid or satisfied in advance, or upon so much thereof as from time to time exceeds the amount of the call then made upon the shares in respect of which such advances has been made, the Company may pay interest at such rate as the member paying such sum in advance and the Directors agree upon. Money so paid in excess of the amount of call shall not rank for dividends or confer a right to participate in profits. The Directors may at any time re-pay the amount so advanced upon giving to such member not less than three months' notice in writing. (b) No member paying any such sum in advance shall be entitled to voting rights in respect of the money so paid by him until the same would but for such payment become presently payable.
40.	Company to have lien on shares	The Company shall have a first an paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereon, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares, and no equitable interest in any shares shall be created except upon the footing and upon the condition that Article 24 hereof is to have effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate* as a waiver of the Company's lien, if any, on such shares.
42.	Application of proceeds of sale	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of the which the lien as is presently payable and the residue, if any shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the amount in respect of which the lien exists.
43.	If money payable on share not paid notice to be given to Member	If any member fails to pay any calls or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during the such time as the call or installment remains unpaid give notice to him requiring to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the company by reason of such non-payment.
44.	Form of notice	The notice shall name a day (not being less than thirty days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment, or such part or other money is or are payable will be liable to be forfeited.
45.	Partial payment not to preclude forfeiture	Neither a judgment in favour of the Company for call or other moneys due in respect of any shares nor any past payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any member to the company in respect of its shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of payment of any such money, shall preclude the Company from proceeding to enforce a forfeiture of such shares as hereinafter provided.
46.	In default of payment	If the requirements of any such notice as aforesaid shall not be complied with , every or any share in respect of which such notice has been given, may at any time thereafter before payment of all calls

Article	Heading	Description
	share to be forfeited	or installments, interest and expenses in respect thereof be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.
47.	Notice for forfeiture to a member	When any share shall have been so forfeited notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
48.	Forfeited share to be the property of the Company and may be sold etc.	Any share so forfeited shall be deemed to be property of the Company and may be sold, re-allotted, or otherwise dispose of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.
49.	Liability on forfeiture	Any member whose share has been forfeited shall cease to be a member in respect of the share, but shall notwithstanding such forfeiture, remain liable to pay, and shall forthwith pay to the company all calls, or installments, interest and expenses, owing upon or in respect of such share, at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as the Board may determine, and the Board may enforce payment thereof, or any part thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.
50.	Effect of Forfeiture	The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.
53.	Cancellation of share Certificate in respect of forfeited shares	Upon any sale, re-allotment or other disposal under the provisions of the proceeding Articles, the certificates or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect and the directors shall be entitled to issue a duplicate certificate in respect of the said shares to the person or persons entitled thereto.
54.	Power to annul forfeiture	The Board may at any time before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit
54A	Share retention by Promoters	The Promoters shall, at all times till conversion of the CCPS into Equity Shares of the Company, own at least 75% (seventy five percent) of the total paid up Equity Shares of the Company. The Promoters shall not Transfer, or create any Lien in relation to the legal or beneficial ownership of Shares held by them without the prior permission of Investors.
55.	Register of transfers	The Company shall keep a Register of Transfer and therein shall fairly and distinctly enter particulars of every transfer or transmission of any share.
56.	Instrument of transfer	A transfer of shares in the Company shall be by an instrument of transfer in writing in the prescribed form and shall be duly stamped and delivered to the Company in accordance with the provisions of the Act.
57.	Transfer form to be completed and presented to the Company	The instrument of transfer shall be accompanied by such evidence as the Board may require to prove the title of transferor and his right to transfer the shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board. The transferor shall be deemed to be the holder of such shares until the name of the transferee shall have been entered in the Register of Members in respect thereof. Before the registration of transfer the certificate of the shares must be delivered to the Company.
59.	Directors may refuse to register transfer	1) Subject to the provisions of the Act and that of this Article, the Directors may at their own absolute and uncontrollable discretion and without assigning any reason, decline to register or acknowledge any transfer of shares and the right of refusal shall not be affected by the circumstances that the proposed transferee is already a member of the Company. "Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares." 2) Nothing in the Act shall prejudice this power to refuse to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a member in, or debentures of, the Company,

Article	Heading	Description
		3) If the Company refuses, whether in pursuance of any power under these Articles or otherwise, to register any such transfer or transmission of right, it shall, within one months from the date on which the instrument of transfer of the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving Intimation of such transmission as the case may be.
60.	Transfer of shares	1) An application of registration of the transfer of shares may be made either by the transferor or the transferee provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected, unless the Company gives notice of the application to the transferee and subject to the provisions of clause (4) the Company shall unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register of Members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee. 2) For the purpose of clause (1) notice to the transferee shall be deemed to have been duly given if sent by prepaid registered post to the transferee at the address given in the instrument of the transfer and shall be deemed to have delivered to him in the ordinary course of post. 3) It shall not be lawful for the Company to register a transfer of any shares unless the proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation of the transferee has been delivered to the Company along with the certificate relating to the shares and if no such Certificate is in existence, along with the letter of allotment of the shares, the Directors may also call for such other evidence as may reasonably be required to show the right of the transferor to make the transfer. Provided that where it is proved to the satisfaction of the Directors of the Company that an instrument of transfer signed by the transferor and transferee has been lost, the Company may, If the Directors think fit on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer, register the transfer on such terms as to indemnity as the Directors may think fit. 4) If the Company refuses to register the transfer of any shares, the Company within one months from the date on 5) Nothing in clause (3) above shall prejudice any power of the Company which the instrument of transfer is lodged with the Company send to the transferee and the transferor notice of the refusal as provided in Article 59.to register as shareholder any person to whom the right to any share has been transmitted by operation of law. 6) Nothing in this Article shall prejudice any power of the Company to refuse to register the transfer of any share.
63.	Death of one or more joint holders of shares	In case of the death of any one or more of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognized by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.
64.	Title of shares of deceased Member	The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two or more joint-holders) shall be the only persons recognized by the Company as having any title to the shares registered in the name of such member and the Company shall not be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives unless they have first obtained Probate Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India, provided that in any case where the Board in its absolute discretion, thinks fit, it may dispense with production of Probate or Letters of Administration or Succession Certificate upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under Article 65, register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member.
65.	No transfer to insolvent, etc.	No share shall be transferred to any insolvent, person of unsound mind, or partnership firm.
69.	Company not liable for	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner

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	disregard of a notice prohibiting registration of a transfer	thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title of interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or to be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.
70.	Refusal to register nominee	Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.
71.	Board may require evidence of transmission	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless/an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.
78.	Shares may be converted into stock	The Company in general meeting may convert any paid-up shares into stock, and when any share shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as and subject to the which shares from which the stock arose might have been transferred, as if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid-up shares of any denomination.
116.	Number of Directors	The number of Directors of the Company shall not be less than three and not to be more than fifteen,.
117.	First Directors	The following persons shall be the First Directors of the Company. 1. Shri Mukesh Chimanlal Gandhi 2. Shri Kamlesh C. Gandhi 3. Shri Saurabh C. Chokshi
118.	Directors of the Company	Not less than two-thirds of total number of Directors of the Company shall: (a). be persons whose period of office is liable to determination by retirement of Directors by rotation; and (b). save as otherwise expressly provided in the Act, be appointed by the Company in General Meeting.
119.	Nominee Director	Notwithstanding anything to the contrary contained in these Articles, so long as any moneys shall be owing by the Company to the any financial institutions, corporations, banks or such other financing entities, or so long as any of the aforesaid banks, financial institutions or such other financing entities hold any shares/debentures in the Company as a result of subscription or so long as any guarantee given by any of the aforesaid financial institutions or such other financing entities in respect of any financial obligation or commitment of the Company remains outstanding then in that event any of the said financial institutions or such other financing entities shall, subject to an agreement in that behalf between it and the Company, have a right but not an obligation, to appoint one or more persons as Director(s) on the Board of Director as their nominee on the Board of Company. The aforesaid financial institutions or such other financing entities may at any time and from time to time remove the Nominee Director appointed by it and may in the event of such removal and also in case of the Nominee Director ceasing to hold office for any reason whatsoever including resignation or death, appoint other or others to fill up the vacancy. Such appointment or removal shall be made in writing by the relevant corporation and shall be delivered to the Company shall have no power to remove the Nominee Director from office. Each such Nominee Director shall be entitled to attend all General Meetings, Board Meetings and meetings of the Committee of which he is a member and he and the financial institutions or such other financing entities appointing him shall also be entitled to receive notice of all such meetings. The Nominee Directors shall be paid such fees, allowances, expenses and other moneys to which other Directors are entitled. The Board of Directors of the Company shall have no power to remove from the office the Nominee Director/s. Such Nominee Director/s shall not be required to hold any share qualification in the Company and shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/ s shall be entitled to the same rights and privileges and subject to the same obligations as any other Director of the Company.

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		The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the financial institutions, corporations, banks or so long as the financial institutions, corporations, banksholds or continues to hold or continues to hold Debentures/shares in the Company. as a result of direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Directors so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to financial institutions, corporations, banks are paid off or on the financial institutions, corporations, banks ceasing to hold the debentures/ shares In the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission, monies or remuneration in any form is payable to the Director/s of the Company, the fees, commission monies or remuneration in the relation to such Nominee Director/s shall accrue to the financial institutions, corporations, banks and the same shall accordingly be paid by the Company directly to financial institutions, corporations, banks. Any expenses that may be Incurred by the financial institutions, corporations, banks or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the financial institutions, corporations, banks or as the case may be, to such Nominee Director/s. Provided that if any such Nominee Director/s is an officer of the financial institutions, corporations, banks, the sitting fees in relation to such Nominee Director/s shall also accrue to the financial institutions, corporations, banks and the same shall accordingly be paid by the Company directly to the financial institutions, corporations, banks. Provided also that in the event of the Nominee Director/s being appointed as whole time Director/s, such Nominee Director/s shall exercise such power and duties as may be approved by the financial institutions, corporations, banks and have such rights as are exercised or available to whole time Director in the management of the affairs of the company. Such whole time Director/s shall be entitled to receive such remuneration, fee, commission, and monies as may be approved by the financial institutions, corporations, banks.
122.	Appointment of Alternate Director	The Board may in accordance with and subject to the provisions of the Act, appoint and Alternate Director to act for a Director during the latter's absence for a period of not less than three months from India. And Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to India. If the time of office of the Original Director is determined before he so returns to state any provision in the Act or in these Articles for the automatic reappointment of a retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.
125.	Share qualification of Directors	A Director of the Company is not required to hold any qualification shares.
126.	Remuneration of Directors	(a) Until otherwise determined by the Company in General Meeting, each Director other than the Managing Director and Whole time Director shall be entitled to receive out of the funds of the Company for his services in attending meeting of the Board or committees thereof, such fee as may from time to time be determined by the Board but not exceeding such sum as may from time to time be prescribed by or under the Act and applicable to the Company. (b) Subject to the provisions of the Act, a Managing Director or Director in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other. (c) Subject to the provisions of the Act, a Director who is neither in the whole-time employment of the Company nor a Managing Director, may be paid remuneration either; (i) by way of a monthly, quarterly or annually payment with the approval of the Central Government: or (ii) by way of commission if the Company by special resolution authorised such payment.
129.	Directors & Officers	The company shall procure a suitable Directors and Officers liability insurance to cover all the members of the Board (including nominee directors) as determined by the Board from time to time

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	Liability Insurance	in accordance with the applicable laws of India.
135.	Interested Directors not to participate or vote in Board's Proceedings	No Directors shall as a director take any part in the discussion of, or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is, in any way, whether directly or indirectly concerned or interested in such contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote, and if he does vote, his vote shall be void. Provided, however, that nothing herein contained shall apply to : a. any contract of indemnity against any loss which the. Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company; b. any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Directors consists solely; i. in his being; a. a director of such company; and b. the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a director thereof, he having been nominated as such director by the Company, or ii. in his being a member holding not more than 2 percent of its paid-up share capital.
137.	Directors may be Directors of the Companies promoted by the Company	A Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise, and no such director shall be accountable for any benefits received as a director or shareholder of such company except in so far as provisions of the Act may be applicable.
138.	Retirements and rotation of Directors	Subject to the provisions of the Act, at every Annual General Meeting of the Company, one third of such of the Directors, for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. In the following Articles 'a Retiring Directors' means a Director retiring by rotation.
148.	Meeting of Directors	1. The Directors may meet together as a Board for dispatch of business from time to time, and shall hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board:. The Directors may adjourn and otherwise regulate their meetings as they think fit.
	Notice of meetings	2. Notice of every meeting of the Board shall be given in writing to every Director for the time being in India and at his usual address in India to every other Director provided however that in the case of a Director resident outside India, notice of every meeting of the board shall also be given to such Director at his usual address in India. Such notice shall be accompanied by the agenda setting out the business proposed to be transacted at the meeting of the Board.
149.	Quorum	Subject to the Act and that of this Article, the Quorum for a meeting of the Board shall be one third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher, provided, that where at any time the number of interested Director exceeds or is equal to two thirds of the total strength in number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time.
160.	Powers of Directors	The Board of Directors of a company shall be entitled to exercise all such powers, and to do all such acts and things, as the company is authorised to exercise and do: Provided that in exercising such power or doing such act or thing, the Board shall be subject to the provisions contained in that behalf in this Act, or in the memorandum or articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the company in general meeting: Provided further that the Board shall not exercise any power or do any act or thing which is directed or required, whether under this Act or by the memorandum or articles of the company or otherwise,

Article	Heading	Description
		to be exercised or done by the company in general meeting. The Board of Directors of a company shall exercise the following powers on behalf of the company by means of resolutions passed at meetings of the Board, namely:— a. to make calls on shareholders in respect of money unpaid on their shares; b. to authorise buy-back of securities under section 68; c. to issue securities, including debentures, whether in or outside India; d. to borrow monies; e. to invest the funds of the company; f. to grant loans or give guarantee or provide security in respect of loans; g. to approve financial statement and the Board's report; h. to diversify the business of the company; i. to approve amalgamation, merger or reconstruction; j. to take over a company or acquire a controlling or substantial stake in another company;
161.	Certain powers of the Board	Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power: 1. To pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company. 2. To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of the Act. 3. Subject to the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorised to acquire at or for such price or consideration. and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition to accept such title as the Directors may be believe or may advised to be reasonably satisfactory. 4. At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures, mortgages, or other securities of the Company, and such shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon, and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged. 5. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they think fit. 6. To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed. 7. To appoint any person to accept and hold in trust for the Company any property belonging to the Company or in which it is interested, or for any other purpose, and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees. 8. To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon. 9. To act on behalf of the Company in all matters relating to bankrupts and insolvents. 10. To make and give receipts, releases and other discharges for moneys payable to the Company

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		and for the claims and demands of the Company. 11. Subject to the provisions of the Act, to invest and deal with any money of the Company not immediately required for the purpose thereof upon such security (not being shares of this Company), or without security and in such manner as they may think fit and from time to time to vary or realize such investments, save as provided in the Act, all investments shall be made and held in the Company's own name. 12. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability, whether as principal or surety, for the benefit of the Company, such mortgage of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements shall be agreed upon. 13. To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend, warrants, releases, contracts and documents and to give the necessary authority for such purpose. 14. To distribute by way of bonus amongst the staff of the Company a share or shares in the profit of the Company, and to give to any officer or other persons employed by the Company a commission on the profits of any particular business or transactions and to charge such bonus or commission on the profits of any particular business or transactions and to charge such bonus or commission as part of the working expenses of the Company. 15. To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company, and to give to any officer or other persons employed by the Company a commission on the profits of any particular business or transactions and to charge such bonus or commission as part of the working expenses of the Company. 16. Before recommending any dividend, to set aside out of the profits of the Company, such sum as they may think proper for depreciation fund or to an Insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies or to repay debentures or debenture stock or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause) as the Board may, in their absolute discretion think conducive to title Interest of the Company and subject to the Act to invest the several sums so set aside or so much thereof as require to be invested, upon such Investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion think conducive to the Interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof may be matter to or upon which the capital moneys of the Company might rightly be applied or expended, to divide the reserve fund into such special fund as Board may think fit with full power to transfer the whole or any portion of a reserve fund or division of a reserve fund to another reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the funds including the depreciation funds or debentures or debenture stock and without being bound to pay interest on the same with power, however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper. 17. To appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.

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		18. To comply with the requirements of any local law which in their opinion it shall in interest of the Company be necessary or expedient to comply with. 19. From time to time and at any time to establish any local board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such local boards, and to fix their remuneration. 20. Subject to the Act, from time to time and at any time to delegate to any person so appointed any powers, authorities and discretions for the time being vested in the Board, other than their power to make call or to make loans or borrow moneys, and to authorize the members for the time being of any such local board, or any of them, to fill up any vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed and may annul or vary any such delegation. 21. At any time and from time to time by power of attorney under the seal of the Company, to appoint, any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow money) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the members of any local board, established as aforesaid or in favour of any company, or the shareholders, directors, nominee, or managers, of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them. 22. Subject to the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient. 23. From time to time to make , vary and repeal by-laws for the regulation of the business of the Company, its officers and servants.
162.	Power to appoint Managing or Whole time Directors	(1) Subject to the provision of the Act and of these Articles, the Board shall have power to appoint from time to time any of its members as Managing Director or Managing Directors and / or Whole time Directors and / or Special Director like Technical Director, Financial Director, etc. of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director or Managing Directors / Whole time Director(s), Technical Directors), Financial Directors) and Special Directors) such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. The remuneration of such Directors may be by way of monthly remuneration and/ or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act. (2) The Directors may whenever they appoint more than one Managing Director, designate one or more of them as “Joint Managing Director” or “Joint Managing Directors” or “Deputy Managing Directors” as the case may be. (3) If a Nominee Director discharges the duties of Managing Director enjoying substantial powers of management or is in the whole time service of the Company, the Company shall, where required, obtain the necessary approval of the Central Government under the Act.
163.		Subject to the provisions of the Act, a Managing Director shall not while he continues to hold office be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of

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		determining the rotation of retirement of Directors or in fixing the number of Directors to retire. Subject to the revisions of any contract between him and the Company a Managing Director shall be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be a Managing Directors if he ceases to hold the office of Director from any cause save that if he shall retire by rotation under the provisions of the Act or otherwise vacates office as a Director at an Annual General Meeting and be reappointed a Director at the same meeting he shall not, by reason only of the such retirement, or vacation cease to be a Managing Director.
164.		If at any time the total number of Managing Directors is more than one third of the total number of Directors not liable to retire by rotation the Managing Directors who shall retire be determined by and in accordance with their respective seniorities. For the purpose of this Article the seniorities of the Managing Directors shall be determined by the date of their respective appointments as Managing Directors by the Board. As between persons who became Managing Directors on the same day those to retire shall in default of or subject to any agreement among themselves be determined by lot.
165.		Subject to the provisions of the Act a Managing Director shall in addition to the remuneration payable to him as a Director of the Company under these Articles receive such additional remuneration as may from time to time be sanctioned by the Board.
166.		Subject to the provisions of the Act and in particular to the prohibitions and restrictions contained thereto, Board may, from time to time, entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presented by the Board as it may think fit, and may confer such powers, for such time and to be exercised for such objects and purposes and upon such terms and conditions, and with such restrictions as it thinks fit, and the Board may confer such powers either collaterally with, or to the exclusion of and in substitution for all or any of the powers of the Board in that behalf and may from time to time, revoke, withdraw, alter or vary all or any of such powers.
168.	The Secretary	The Directors may from time to time appoint, and at their discretion, remove the Secretary provided that where the paid-up capital share capital of the Company is rupees twenty five lakhs or more it shall have a whole-time Secretary. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the register required to be kept by the Company.
172.	The Company in General Meeting may declare a dividend	The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but The Company in General Meeting may declare a smaller dividend.
173.	Dividends only to be paid out of profits	No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both, provided that: a. if the Company has not provided for depreciation for any previous financial year or years it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years; b. if the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year which the dividend is proposed to be declared or paid or against the profits of any other previous financial year or years; c. if the Company has Incurred any loss In any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividends is proposed to be declared or paid or against the profits of the company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of the Act or against both.
174.	Interim Dividend	The Board may, from time to time, pay to the members such interim dividend as in their judgment the position of the Company justifies.
177.	Transfer of	A transfer of shares shall not pass the right to any dividend declared thereon before the registration

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	share must be registered	of the transfer.
180.	Unclaimed dividend	Dividends unclaimed will be dealt with in. accordance with the provisions of the Act as may be applicable from time to time.
182.	Capitalisation	(a) The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the reserve fund, or any capital redemption reserve accounts, or in the hands of the Company and available for dividend (representing premium received on the issue of shares and standing to the credit of the share premium account) be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares of the Company which shall be distributed accordingly or in or towards payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum provided that a share premium account and a capital redemption reserve account may, for the purpose of this Article, only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares. (b) A General Meeting may resolve that any surplus money arising from the realization of any capital assets of the Company or any investment representing the same or any other undistributed profits of the Company not subject to charge for income tax be distributed among the members on the footing that they receive the same as capital. (c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates.
200.	Liquidator may divide assets in specie	The liquidator on any winding-up (whether voluntary, under supervision of the Court or compulsory) may, with the sanction of Special Resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction shall think fit.
201.	Directors' and others' right of indemnity	Subject to the provisions of the Act, every officer or an agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under the Act in which relief is granted to him by the Company.
202.		(a) Every Director, Auditor, Trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company and all matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained. (b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or any matters which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matters which may relate to the conduct of the business of the Company and which, in the opinion of the Director, it would be inexpedient in the interest of the Company to disclose.
203.		**A. Terms of CCPSs held by FMO:** a. **Rate of Dividend:** The CCPS will carry a right to be paid a fixed, cumulative, preferential dividend at the rate of 0.01 percent (zero decimal point zero one percent) per annum. b. **Annual Payment of Dividend:** Dividends will be paid annually and not later than

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		30 (thirty) days after approval of the Shareholders at an Annual General Meeting for the preceding Financial Year's annual accounts. In the event of the Company not having sufficient profits to distribute dividends in a particular year, it shall pay the unpaid dividend amount in the next year and so on. All unpaid dividend shall accumulate and accrue to FMO and shall be taken into account for conversion of CCPS into Equity Shares. c. **Conversion:** Notwithstanding anything contained herein, the CCPS ("**FMO CCPS**") held by FMO shall be mandatorily converted into Equity Shares prior to the filing of the RHP. d. The amount outstanding on the CCPS eligible for conversion shall include balance amount of outstanding investment (after deducting the principal amount realised on Sale Shares (as defined in SPA) and accrued dividend, if any. e. **Conversion of the FMO CCPS** (i). The FMO CCPSs will be converted into Equity Shares ("**FMO Equity Shares**") prior to filing of the Red Herring Prospectus by the Company, at the FMO Conversion Price in terms of a formulation agreed by the parties to the FMO – Sarva Termination Agreement. In case the Offer Price is higher than the conversion price for the FMO CCPS, the parties to the FMO – Sarva Termination Agreement have agreed to the delivery of certain FMO Equity Shares by FMO to the Mukesh Chimanlal Gandhi and Kamlesh Chimanlal Gandhi subject to certain conditions and applicable law. See "*History and Certain Corporate Matters*" on page 151. B. **Terms of CCPSs held by Sarva:** **a.** **Rate of Dividend**: The CCPS will carry a right to be paid a fixed, cumulative, preferential dividend at the rate of 13.31% (thirteen and decimal point thirty one percent) per annum till the date of conversion of CCPS. **b.** **Annual Payment of Dividend**: Dividends will be paid annually and not later than 30 (thirty) days after approval of the shareholders at an Annual General Meeting for the preceding Financial Year's annual accounts. In the event of the Company does not have sufficient profits to distribute dividends in a particular year it shall pay the unpaid dividend amount in the next year and so on. All unpaid dividend shall accumulate and accrue to Sarva and shall be taken into account for conversion of CCPS into Equity Shares. **c.** **Conversion**: Notwithstanding anything contained herein, the CCPSs held by Sarva shall be mandatorily converted into Equity Shares prior to the filing of the RHP. **d**. **Conversion of the Sarva CCPS** The Sarva CCPSs will be converted into Equity Shares ("**Sarva Equity Shares**") prior to filing of the Red Herring Prospectus by the Company, at the FMO Conversion Price in terms of a formulation agreed by the parties to the FMO – Sarva Termination Agreement. In case the Offer Price is higher than the conversion price for the Sarva CCPS, the parties to the FMO – Sarva Termination Agreement have agreed to the delivery of certain Sarva Equity Shares by Sarva to the Mukesh Chimanlal Gandhi and Kamlesh Chimanlal Gandhi subject to certain conditions and applicable law. See "*History and Certain Corporate Matters*" on page 151. C. **Occurrence of Liquidation Event and Tag along Right** I. In the case of occurrence of a Liquidation Event, the Parties hereto agree to distribute to

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		the Sarva & FMO in priority to the other Shareholders, the applicable entitlements of FMO and Sarva, if the CCPS would have been converted immediately prior to such Liquidation Event applying the mechanism as set forth in Clause 5. e. or 5. f. (of the FMO-Sarva Agreement) in the case of FMO and Article 6. d. or 6. e (of the FMO-Sarva Agreement) in the case of Sarva dependent upon the date of such Liquidation Event. In case of any other Liquidation Event, Sarva & FMO shall have the right to Transfer its CCPS to the acquirer/transferee in precedence to the Promoters. The Company shall not record and give effect to Transfer of any Equity Share held by the Promoters until the Transfer of CCPS by Sarva & FMO is recorded and given effect to. II. Without prejudice to the priority granted to Sarva & FMO under Clause 203(D)(I) above, in the event of a Transfer of more than 15% (fifteen percent) Equity Shares by the Promoters in a non-Liquidation Event to a proposed transferee/s, Sarva & FMO may, at their sole discretion elect to "tag along" the Equity Shares held by them obtained on conversion of the CCPS with the Promoters' Equity Shares proposed to be sold by providing a notice in writing to the Promoters. The Promoters shall be obliged to give prior notice ("**Offer Notice**") to the Sarva & FMO before any Transfer of Equity Shares. In the event that the Sarva & FMO fail to respond to the Offer Notice by the expiration of the offer period which shall be a period of 6 (six) weeks, Sarva & FMO shall be deemed to have waived its rights to the "tag along" provided herein. If Sarva & FMO elects to "tag along", the Promoters shall be obliged to procure the sale of all of the Equity Shares of Sarva & FMO to the proposed transferee and the sale of the Equity Shares of the Promoters shall not be completed unless the proposed transferee purchases the said Equity Shares from Sarva & FMO on the same terms and conditions as offered to the Promoters. D. **Sarva & FMO Right to Transfer Equity Shares and CCPS** After first right of refusal to the Promoters, Sarva & FMO shall be free and fully entitled to Transfer any or all of the CCPS or Equity Shares obtained on conversion of the CCPS to any Person including Affiliates and independent third parties. A transferee who acquires any interest on Transfer by Sarva & FMO as provided herein, shall be entitled to all rights, obligations and benefits available to Sarva & FMO under the FMO-Sarva Agreement. The Promoters shall have the option for a period not exceeding 15 (fifteen) days from the date of receipt of such offer in writing from the Sarva & FMO(s) to purchase the CCPS or the Equity Shares held by the Sarva & FMO(s) at the same price and terms at which such Sarva & FMO(s) is proposing to Transfer the CCPS/Equity Shares to any other transferee, provided, the right of first refusal of the Promoters as provided herein shall not be available if the Transfer is made to an Affiliate of such Sarva & FMO(s). E. **Special Covenants by the Company, the Promoters and the Sarva & FMO** Till such time the Sarva & FMO hold any CCPS in the Company, the Company shall give and the Promoters shall cause the Company to give the following covenants: i. The Company shall make best efforts to undertake an IPO no later than March 31, 2018 ("**Long Stop Date**"). The Long Stop Date can be extended to such other date as may be mutually agreed between the Parties in writing. ii. The Company at all times ensure that capital adequacy ratio ("**CAR**") is 11% (eleven percent) or higher. Similarly, the Company shall also ensure that all times its cost to income ratio ("**CIR**") is less than 60 % (sixty percent). iii. Sarva & FMO shall be entitled to nominate 1 (one) director each ("**Nominee Directors**") to the Board and the Board and the Company shall formally appoint such director(s) by undertaking all necessary corporate actions in this regard. The Directors nominated by Sarva & FMO shall not be liable to retire by rotation. Provided, in the event of (i) the Company not being able to pay dividend to the Sarva & FMO on or before the due date as agreed upon herein; (ii) conversion of CCPS in Equity Shares, and (iii) any other situation provided under Applicable Law, Sarva & FMO shall be able to nominate such number (which may be greater than 1 (one) of Directors to the

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		Board as its voting strength may permit in accordance with Applicable Law in this regard. iv. The Company shall reimburse the actual expenses incurred by the Nominee Directors towards reasonable travel, accommodation and related expenses for attending Board meetings of the Company subject to a maximum limit of ₹ 2,00,000 per annum. v. The right of appointment of Nominee Director by Investor conferred on it vide Clause (iii) above shall include the right to remove from office any such Person appointed by them. Sarva & FMO shall also have the right to nominate a replacement in the event of a vacancy due to the removal, resignation, death, termination of employment of such Nominee Director or for any other reason. vi. Each Investor may remove any Nominee Director nominated by it without assigning any reason and nominate another Person as a Director in his/her place with prior notice to Parties. It is clarified that a Nominee Director may be removed only by the Investor who nominated such Nominee Director. In the event of the resignation, retirement, death, removal or vacation of office, of any Director, the Shareholder who had appointed such Director shall be entitled to appoint any other Person as Director to fill such vacancy. vii. The Nominee Directors shall be entitled to receive all notices, agenda, etc. and to attend all Board and committee meetings of which such Nominee Director is member. The Board shall meet a minimum of 4 (four) times in a year, at least once in each quarter and notice of the meetings and detailed agenda for the same shall be provided at least 7 (seven) days in advance. viii. Till such time Sarva & FMO remain as Shareholders in the Company, the annual budget of the Company for next Financial Year shall be submitted to the Sarva & FMO within a period of 30 (thirty) days prior to close of each Financial Year. ix. The Company shall procure a suitable Director and Officers Liability Insurance to cover all the members of the Board (including Nominee Directors) as determined by the Board from time to time in accordance with the Applicable Law. x. Till such time that the Sarva & FMO hold the CCPSs (and they are not converted into Equity Shares) the Company shall not issue any other Preference Shares without first offering to the Sarva & FMO in writing. F. **Strategic Matters requiring consent of the FMO & Sarva:** As long as the FMO & Sarva hold any CCPS or Equity Shares that result from conversion of CCPS in the Company, any decision on any of the following matters ("**Strategic Matters**") either by the Shareholders or the Board or of any committee thereof shall require the prior written consent of both of FMO & Sarva. i. Acquisition of shares or assets of other businesses for the purpose of acquiring other business, creation of joint ventures / partnership, mergers, de-mergers and consolidations, save and except actions relating to repossessing of assets and foreclosure of loans and facilities in the normal course of business; ii. Divestment of shares of any Subsidiary in excess of 24% (twenty four percent) of the shareholding as at the Effective Date; iii. Creation or investment in Subsidiaries other than investment in MRHMFL or any other long term investments (other than liquid investments in Mutual Funds, investments/deposits with banks) including acquisition of any division, corporation, entity or business in excess of 15% (fifteen percent) of the capital for the subsidiary company in the aggregate;

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		iv. Affiliated party transactions, agreements or arrangements between the Company and the Promoters or their Affiliates and any transaction, agreement or arrangement between the Company and the Promoters or their Affiliates and any transaction, agreement or arrangement between the companies and any entity or firm in which any of the Promoters or any of their Affiliates has a financial interest in excess of 26% (twenty six percent) involving the transaction value of more than ₹ 1,00,00,000; Provided that the provision of this Clause shall not be applicable for transactions, agreement or arrangement between the Company and MRHMFL; v. Commencement of any new line of business, which is unrelated to the Business of the Company; vi. Any change in the accounting year for preparation of audited accounts; vii. Recommendation and Payment of dividend on Equity Shares in excess of 20% (twenty percent) of the net profit available for appropriation as provided in the last audited annual accounts of the Company, in cash or kind to be distributed to the Shareholders of the Company and/or the shareholders of the Subsidiary or any change in the dividend policy on Equity Shares of the Company and/or the Subsidiary; viii. If the remuneration payable to the directors exceeds the statutory limits prescribed under the Act; ix. Creating any Lien or charges or proposing the acquisition, sale, lease, transfer, license or in any other way proposing to dispose off any assets or undertaking of the Company and / or its Affiliates or substantially all the assets or undertaking of the Company and / or its Affiliates, other than in the normal course of Business; x. Winding up and / or liquidation of the Company and / or their Subsidiaries; xi. Any agreement, arrangement, transaction or assignment of intellectual property rights including those relating to copyrights, trademarks, patents and designs except within the group company; xii. Any increase in the issued, subscribed or paid up equity or preference share capital of the Company, or re-organization of the share capital of the Company, including new issue of Shares of the Company or any preferential issue of Shares or redemption of any Shares, or warrants, or grant of any options over its Shares by the Company except increase by way of issue of bonus shares to the Equity Shareholders or conversion of existing Preference Shares or debentures; xiii. Giving of security for or guaranteeing the debts of any third person (other than Subsidiary Company or its Affiliates) exceeding ₹ 1,00,00,000; xiv. Changing the rights and preferences of securities; xv. Any related party transactions involving amount of more than ₹ 1,00,00,000; xvi. Any Transfer of Equity Shares more than 15% (fifteen percent) of the total paid up equity capital by the Promoters; xvii. Alteration of the capital structure including but not limited to change of the authorized share capital, issuance, allotment, buy-back or redemption of the Shares and/or share equivalents of the Subsidiary, excluding issue of Shares and/or share equivalent in the Subsidiary to the Promoters at the face value the Shares and/or share equivalents for a period of 3 (three) years from the date of the FMO-Sarva Agreement and after the expiry of this time period the Share and/or share

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		equivalents can be issued at the Fair Value based on prevailing book multiple at that time, provided the Company continues to be in Control of the Subsidiary and holds least 51% (fifty one percent) shareholding of the Subsidiary; xviii. Approval of annual budget and business plan of the Company and/or the Subsidiary and any material alteration of the business plan and/or adoption/material alteration of any other annual business plan by 15% (fifteen percent) of the agreed amounts in the business plan; xix. Any material change in the accounting or tax policies or accounting reference period and/or Financial year other than as required by Applicable Law; xx. Delegation of any of the powers of the Board to a committee or a sub- committee of the Board or change in terms of reference to such committees or sub-committees; xxi. Altering or varying the rights of the Shareholders; xxii. Appointment / removal of any Nominee Director on the Board or varying the terms and conditions of their appointment; xxiii. Transfer of Shares and/or share equivalents (other than in a manner expressly contemplated by the FMO-Sarva Agreement); xxiv. Distribution of monies from the redemption account of the Company and/or the Subsidiary, except for issue of bonus shares by the Company; xxv. Appointment or change in Auditors of the Company and adoption of annual audited accounts of the Company; xxvi. Approval of the timing, structure, pricing and other details relating to any IPO, or any other action leading to an IPO of the Company and/or the Subsidiary, including appointment of investment/merchant banker; xxvii. Entering into any material agreement (excluding raising of loans required for the ordinary course of business of the Company) or acquisition of any material assets by the Company and/or the Subsidiary; xxviii. Creation of any Lien on the assets of the Company other than in the ordinary course of business; xxix. Incurrence of any capital expenditure in excess of 1% (one percent) of the total assets as per the last audited consolidated balance sheet of the Company, other than forming part of the annual budget; xxx. Utilization of the Investment Amount other than as provided in the FMO-Sarva Agreement; xxxi. Any rematerialization of any Shares and/or share equivalents; xxxii. The appointment of the chief executive officer, president or chief financial officer ("**Key Official**") or any member of the senior management of the Company if the remuneration payable to such Key Official for appointment in India is more than ₹ 2,00,00,000 per annum and for appointment outside India is more than INR 5,00,00,000 (Rupees Five crores only) per annum; xxxiii. Any alteration or amendment of the terms and conditions of the FMO & Sarva s' Shareholding (including any action that would result in a dilution of the respective shareholding of the FMO & Sarva (computed on an as-if-converted-basis); and

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		xxxiv. Change in registered office of the Company or the Subsidiary. The Company and the Promoters agree that the FMO & Sarva s' consent shall be required for any action by a Subsidiary Company with respect to a Strategic Matter in the same manner as if such action was being taken by the Company. The Company agrees that unless it has received the FMO & Sarva s' consent, it shall use its voting rights in respect of the shares held by the Company in the Subsidiary or through its Nominee Director on the Board of Directors or any Board committee of such Subsidiary to ensure that no action is taken by a Subsidiary with respect to a Strategic Matter. The Company shall provide adequate notice to the FMO & Sarva s regarding any proposal by any Subsidiary in relation to a Strategic Matter.
205.		
(c)	Transfer/ Assignment Of Shares And Share Equivalents	i. DEG shall be entitled to Transfer the Investor Securities and any right, title, interest and benefits under the DEG Agreement to any third party (**"Transferee"**); ii. The rights and benefits available to DEG under Article 205(c) are by virtue of the Investor Securities held by DEG. Upon Transfer of any portion of the Investor Securities held by DEG, the rights and benefits so available to DEG, in respect of such Investor Securities, may be transferred to such Transferee based on the mutual understanding of DEG and the Transferee. iii. Article 205(c) (i) and (ii) are subject to the restrictions specified under Article 205(d) below. However the restrictions specified under Article 205(d) shall not be applicable to Article 205(e) and Article 205(f). iv. In the event the Promoters desire to sell any of the Share and/or Share Equivalents held by them to a third party (the **"Promoter Transferee"**), the Promoters shall only act jointly and intimate DEG at least 30 Business Days prior to the transfer of Share and/or Share Equivalents to the Promoter Transferee, specifying (i) the number and percentage of Share and/or Share Equivalent being transferred, (ii) the identity of the Promoter Transferee, and (iii) the terms and conditions of the said transfer. Notwithstanding anything stated above, in the event the Promoters wish to transfer 15 (fifteen) % or more of their shareholding in the Company, the provisions of Article 205(f) shall apply. None of the Promoters shall transfer their entire shareholding in the Company to any third party without prior consent of DEG.
(d)	Right Of First Offer	i. In the event DEG desires to sell any of the Investor Securities, DEG shall offer to sell the same to the Promoters by sending a written notice (the **"Offer Notice"**) to the Promoters specifying (i) the number of Investor Securities proposed to be sold (the **"Offer Securities"**), (ii) Offer Price (as defined hereinafter) and (iii) other terms and conditions as required by DEG (the **"Offer Terms"**). The Offer Price shall be the Price which ensures that DEG receives the Required Return. Each Promoter agrees that receipt of the Offer Notice by any one of the Promoters shall be deemed to be notice to each of the Promoters. ii. The Promoters shall be entitled to purchase all (and not part) of the Offer Securities either through themselves or their nominees (**"Right of First Offer"**) within a period of 15 (fifteen) Business Days from the date of receipt of the Offer Notice (the **"Offer Period"**) by delivering a written notice (the **"Promoters' Acceptance Notice"**) and the Promoter shall within 10(ten) Business Days of deliver of Promoters' Acceptance Notice shall make payment of the Offer Price to DEG. Any written rejection by either of the Promoters of the Right of First Offer or the failure by the Promoters to deliver the Promoters' Acceptance Notice within the Offer Period shall be deemed to be a waiver by all the Promoters of the Right of First Offer. iii. On receipt of the Offer Price, DEG shall within 15 Business Days transfer the Offer Securities to the Promoters. Immediately on transfer of the offer Securities, the Promoters shall duly inform the Company on the Transfer and the Offer Terms. iv. In the event the Promoters do not elect to exercise the Right of First Offer with respect to all of the Offer Securities within the Offer Period, DEG may sell all the Offer Securities to a third person (the **"Proposed Seller"**) on terms and conditions mutually acceptable to DEG and the Proposed Seller. The Company shall take all actions as may be required to register such transfer.

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		v. The restriction on assignment and Transfer of the DEG Securities by DEG as stated in this Article 205(d) shall not be applicable in case of (i) participation by DEG in the offer for sale component of an IPO; (ii) any Transfer of DEG Securities effected on any stock exchange and (iii) on occurrence of an Event of Default.
(e)	Drag Along Rights	i. Upon the occurrence of (i) an Event of Default or ii) failure by the Company to provide a Liquidity Event to DEG in accordance with the terms of the Transaction Documents, DEG upon any proposed Transfer of any of the Investor Securities held by it at the relevant time to a proposed transferee (**"Investor Transferee"**). DEG shall have the right to require the Promoters to sell the Requisite Promoters Shares (as defined hereinafter) to the Investor Transferee (**"Drag Along Right"**). For the purposes of this Article 205(e), the term **"Requisite Promoters Shares"** shall not exceed 15% of the total subscribed share capital of the Company. The price of the Promoters Requisite Shares shall be as agreed between DEG and the Investor Transferee (the **"Agreed Price"**) ii. DEG shall serve upon the Promoters a notice (the **"Drag Along Notice"**), in writing stipulating(i) that they have exercised their Drag Along Right, (ii) the number of Investor Securities proposed to be Transferred by DEG to the Transferee (the **"Drag Along Securities"**), and (iii) the number of Requisite Promoters Shares to be transferred by the Promoters pursuant to Article 205(e)(i) above. Each Promoter agrees that receipt of Drag Along Notice by any one of the Promoters shall be deemed to be notice to each of the Promoters and the Company; iii. Within a period of 10 (ten) Business Days from the receipt of the Drag Along Notice, the Promoters shall Transfer the Requisite Promoters Shares to the Investor Transferee at the Agreed Price or the Balance Price (whichever is higher) simultaneously with a transfer of the Investor Securities; iv. In the event the total consideration for (a) Requisite Promoters Shares sold at the Agreed Price to DEG and (b) the Drag Along Securities (the **"Total Consideration Amount"**), exceeds the Required Return, the Total Consideration Amount minus the Required Return shall constitute as **"Excess Consideration"** and the same shall be paid out to the Promoters as consideration for Requisite Promoters Shares. Notwithstanding anything stated in this Clause, in the event there is no Excess Consideration received, the Requisite Promoters Shares will be deemed to be sold at the **"Balance Price"**. The Balance Price shall mean the minimum price required to be paid to the Promoters for the transfer of the Requisite Promoters Shares; and v. The Promoters shall provide to the Investor Transferee, suitable representations and warranties in relation to their respective right, title and interest in the Shares and/or Share Equivalents proposed to be offered for transfer to the Investor Transferee and if required, indemnify the Investor Transferee from and against all damages arising due to breach of such representations and warranties.
(f)	Tag Along Rights	i. Pursuant to Article 205(e) above, in the event any Promoter proposes to transfer any Share and/or Share Equivalents which results in 15 (fifteen) % decrease in the Promoters Shareholding (**"Offered Shares"**), to a third party (the **"Purchaser"**), the Promoter shall jointly within 10 (ten) Business Days of making the proposal (as mentioned above) serve upon DEG a notice in writing (the **"Tag Along Notice"**), stipulating the terms and conditions of the proposed transfer including (i) the price per Offered Share; (ii) the number of Offered Shares proposed to be transferred; (iii) the name, address and identity of the Purchaser; and (iv) other material terms and conditions of the proposed transfer to enable DEG to determine whether or not to transfer the Investor Securities as per Article 205 (f) (ii) held by it to such Purchaser; ii. Within a period of 30 (thirty) Business Days of the receipt of the Tag Along Notice (**"Tag Notice Period"**), DEG shall have the right, but not the obligation, to sell, all or any of the Investor Securities held by it (**"Tag Along Right"**), on the price which ensures that DEG receives the Required Return and on terms and conditions as acceptable to DEG (**"Tag Along Acceptance Notice"**). It is also clarified that the Promoters will be required to complete such transfer of Share and/or Share Equivalents within 30 (thirty) Business Days of receipt of the Tag Along Acceptance Notice, failing which the Promoter will need to seek fresh consent for transfer of their Shares and/or Share Equivalents from DEG;

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		iii. If DEG exercises the Tag Along Right, the Investor Securities in respect of which DEG exercises the Tag Along Right will be Transferred to the Purchaser in priority to the Offered Shares; iv. In the event of a failure by DEG to issue the Tag Along Acceptance Notice within the Tag Notice Period, the Promoters shall be entitled to complete the transfer to the Purchaser within 30 (thirty) Business Days of the Tag Notice Period, on the terms and conditions which are not more favourable than those set out in the Tag Along Notice, failing which they will have to comply in full with the provisions of Article 205(f); v. In the event the Promoters transfer any Shares and/or Share Equivalents to any Purchaser pursuant to Article 205(f), the Promoters shall deliver to DEG (a) evidence to the satisfaction to DEG that the Transfer has been effected in compliance with the provisions of 205(f); and (b) a copy of Deed of Adherence executed by such Purchaser, in the event DEG continues to hold any Investor Securities in the Company; and vi. It is hereby clarified that on receipt of the Tag Along Notice, DEG shall have the right but not the obligation to exercise Conversion of the CCDs before the Final Conversion Date in accordance with the terms and conditions of DEG Agreement. It is hereby agreed by the Parties that the time period for the Conversion shall be excluded from computing the Tag Notice Period as specified under 205(f)(ii) above. vii. Nothing in this 205(f) shall be construed as deemed consent by DEG to the Promoters ceasing to be in Control of the Company or ceasing to own less 51% of the issued, subscribed and paid up equity share capital of and/or voting rights in the Company on a Fully Diluted Basis.
(g)	Pre-Emption Rights	i. In the event the Company proposes to issue any Shares and/or Share Equivalents (the **"New Securities"**) after the execution of DEG Agreement, the following procedure shall be followed: A. The Company shall issue a notice stating the number, type and unit price of the New Securities and the terms and conditions on which the Company proposes to issue the New Securities, to the Shareholders within 15 (fifteen) Business Days of passing of the Board resolution authorizing the issuance of the New Securities (**"Pre-Emption Notice"**); B. Upon receipt of the Pre-Emption Notice, the Shareholders shall have the right but not the obligation to subscribe for up to its Pro Rata Entitlement of the New Securities on the terms and conditions specified in the Pre-Emption Notice (**"Pre-Emption Right"**); and C. DEG shall be entitled to nominate any other person to subscribe to the New Securities with prior written consent of the Company and the Covenantors, and giving the Company 15 (fifteen) Business Fays' notice for the same. The Promoters hereby agrees not to unreasonably withhold their consent; ii. The Shareholders shall exercise the Pre-Emption Right within 30 (thirty)Business Days of receipt of the Pre-Emption Notice (**"Pre-Emption Right Acceptance Period"**) by sending a notice in writing to the Company of its acceptance to purchase up to its Pro Rata Entitlement of the New Securities (**"Pre-Emption Right Acceptance Notice"**). The failure by the Shareholders to send the Pre-Emption Right Acceptance Notice to the Company within the Pre-Emption Right Acceptance Period shall constitute a waiver of its Pre-Emption Right. On exercise by the Shareholder of its Pre-Emption Rights by delivery of the Pre-Emption Right Notice such Shareholder shall have a period of 30 (thirty) Business Days, from receipt by the Company of the Pre- Emption Right Acceptance Notice, to effect payment in return for the allotment by the Company of the New Securities; iii. If the Shareholders do not exercise its Pre-Emption Rights within the Pre-Emption Right Acceptance Period or do not take up their entire Pro Rata Entitlement, the Company shall have a period of 90 (ninety) days after the expiry of the Pre-Emption Right Acceptance Period to allot the New Securities not taken up, at the same price and upon the same terms and conditions being not more favourable than those stated in the Pre-Emption Notice (**"Pre-Emption Period"**) to one or more bona fide third party purchasers, on the condition that such third party

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		purchasers shall agree to be bound by the terms and conditions contained in the Deed of Adherence; and iv. In the event the Company fails to comply with the provisions of this Article 205(g), then the provisions of Article 205(g) (i) to 205(g)(iii) shall again be applicable as if there was a new proposal for allotment of New Securities.
(h)	Anti-Dilution	i. If any of the events specified in Article 205 (h) (ii) occurs (each an **"Adjustment Event"**) after the execution of the DEG Agreement, such adjustments shall be made as may be required to the number and/or description of the Shares and/or Share Equivalents held by DEG (to be agreed between the Parties within 10 (ten) Business Days of the occurrence of an Adjustment Event), so as to preserve the shareholding of DEG on a Fully Diluted Basis, immediately prior to the Adjustment Event; ii. An Adjustment Event means: (i) A sub-division, consolidation or reclassification of any of the Shares and/or Share Equivalents; or (ii) A share-split, bonus issue, recapitalization or recombination and/or any other transaction having the effect of any of the foregoing; iii. Any adjustment made pursuant to any Adjustment Event shall have effect from the date of the Adjustment Event, or, if earlier, the record date for that Adjustment Event; and iv. In case of a merger, acquisition, consolidation, reorganization (including without limitation an acquisition of Shares and/or Share Equivalents of the Company) resulting in the Promoters ceasing to hold Control or ceasing to own less than 51% of the issued, subscribed and paid-up share capital and/or voting rights of the Company on a Fully Diluted Basis, DEG shall be entitled to receive as consideration for the Investor Securities an amount which is equivalent to the applicable Required Return as per the term of the DEG Agreement if the Company were to achieve an IPO at the time of such merger, acquisition, consolidation or reorganization.; v. Nothing in this Article 205(g) (iv) shall be construed as deemed consent by DEG to the Promoters ceasing to be in Control of the Company or ceasing to own less than 51% of the issued, subscribed and paid up equity share capital and/or voting rights of the Company on a Fully Diluted Basis.
(i)	Directors	i. DEG Director and Observer On and from the First Closing Date DEG shall be entitled to appoint: (A) one permanent non-retiring Director as the DEG Director on the Board; and (B) one non-voting observer on the Board of the Company (**"Observer"**). The Observer shall be entitled to attend all the meetings of the Board, but will not vote on any item put to vote thereat but can put forth his suggestion and views; ii. The DEG Director shall be a non-executive and non-retiring Director (not liable to retire by rotation) and shall not be responsible for the day-to-day management of the Company. The Company shall ensure that the DEG Director is not included within the scope of "officer who is in default" under applicable Law. The DEG Director shall not be required to hold any qualification shares. iii. The voting and quorum requirements for committees and/or sub-committees of the Board shall be the same as for the meetings of the Board (as *detailed below).* iv. Appointments (A) All appointments and/or nominations made by DEG to appoint the DEG Director shall be in writing to the Company, signed by or on behalf of DEG and served on the Company at its registered office and shall take effect as on the date he is appointed by the Board. The Company shall forthwith either (i) convene a meeting of the Board; or (ii) pass a Board resolution by way of circular resolution, in each case, to approve such appointment forthwith; (B) The right of nomination and appointment of the DEG Director shall include the right at any time to remove from office any such person nominated by DEG (without any

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		approval or ratification of the Board) and also replace the DEG Director appointed by it with suitable nominees; and (C) DEG shall have the right to nominate an alternate DEG director to act for the DEG Director and nominate any person to fill a casual vacancy caused in the office of the DEG Director. The appointment of any person to replace the DEG Director, to act as alternate director to the DEG Director or to fill the casual vacancy caused in the office of the DEG Director shall be effected in the manner stated in Article 205(i)(iv)(A) above. The Promoters shall exercise their voting rights in favour of the election of the DEG Director so nominated by DEG. v. Chairman The Chairperson of the Board shall be nominee of the Promoters. The Chairperson shall not have a casting vote vi. Notice for Board Meetings (A) At least 14 (fourteen) days written notice shall be given to each of the Directors of any meeting of the Board. A meeting of the Board may be convened at a shorter notice with the prior written consent of the DEG Director; (B) Such written notice shall be given at the usual postal address of each of the Directors in India and in case the Directors do not ordinarily reside in India or are currently out of India, the same shall be given at such address as notified by the concerned Directors as a valid address (whether in India or outside India) for the service of any notice for the time being; and (C) The notice of each meeting of the Board shall: (I) include an agenda setting out the business proposed to be transacted at such meeting of the Board; (II) specify any items, decisions or resolutions required concerning any Reserved Matter and provide full information and details relating to such Reserved Matter; (III) be accompanied with copies of all relevant papers connected therewith and/or proposed to be placed before or tabled before the Board; and (IV) be sent by courier or facsimile transmission or email (followed by a physical notice). Provided however the notice will be deemed to have received on the date of receipt of the email. It is hereby clarified that the notice of each meeting of the Board shall be in the English language. (D) Further, unless with the consent of the DEG Director, any item not included in the agenda of a meeting shall not be discussed or considered or voted upon at that meeting of the Board. vii. Quorum A) The quorum for a meeting of the Board shall be $1/3^{rd}$ (one third) of the Directors, but in the event any Reserved Matter is to be voted on at such meeting, the quorum shall be three Directors, out of which one shall be the DEG Director whose presence shall be essential at the beginning and throughout the meeting for the purposes of constituting quorum; (B) If within half an hour of the time appointed for the meeting, a quorum is not present, the meeting shall automatically stand adjourned until the same day in the next week (or such earlier date as may be mutually agreed between the Directors) at the same time and place. If at the adjourned meeting also a quorum as stated above is not present, within half an hour, but the number of Directors present are sufficient to constitute a valid quorum under the relevant applicable Law, then the Directors present shall be deemed to constitute a valid quorum; and (C) In the event of a meeting being convened and held pursuant to the provisions of Article 205(i)(vii)(B), only such matters as are specified in the agenda for the original meeting shall be dealt with and be decided upon at such meeting and matters specified in the Reserved Matters shall not be taken up for discussion or passed at such meeting unless the DEG Director (or the Alternate DEG Director) is present at the adjourned meeting. Further, if the DEG Director is not present even at the adjourned meeting, the meeting shall be adjourned to the same time and place in the next week (the **"Second Adjourned Meeting"**). If the DEG Director is still not present at such Second Adjourned Meeting, the Directors then present shall constitute valid quorum and the Board may resolve on the

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		Reserved Matters, except where the DEG Director has, at least one day prior to the date of the Second Adjourned Meeting, conveyed in writing to the Company its disagreement in relation to the Reserved Matter. viii. Meetings of the Board The Board shall meet at least once in every calendar quarter at the registered office of the Company or such other place as may be unanimously agreed by all the Directors of the Board. ix. Minutes of the Meetings of the Board (A) The Parties agree that they will record minutes of the proceedings of every meeting of the Board. The minutes of each meeting shall contain a fair and accurate summary of the proceedings thereat and shall be recorded in the English language. No minutes of any meeting, where a Reserved Matter has been discussed or resolved, shall be deemed to be a fair and accurate summary of the proceedings unless they have been approved by the DEG Director; and (B) The Company shall provide DEG with certified true copies of the minutes of every meeting of the Board within 30 days of such meeting taking place. x. Directors' and Officers' Liability Insurance The Company shall obtain directors' and officers' liability insurance for the DEG Director or the Alternate Director, within 20 (twenty) Business Days of the appointment of the DEG Director or the Alternate Director, on such terms that are mutually agreeable to DEG and the Company shall bear all costs in relation to the same. xi. Expenses Subject to applicable Law, the Company will pay all actual and reasonable out-of-pocket expenses associated with the Board meetings (including travel, boarding and lodging expenses) incurred by the DEG Director, the Alternate Director and/or the Observer and any other expenses incurred by them in the course of fulfilling their duties and obligations as directors of the Company. xii. Indemnity In the event the DEG Director suffers any liability, damage, action, claim, cost, charge or expense, by virtue of any act or abstinence of the DEG Director in the course of performing its duties as a Director of the Company, the Company agrees to indemnify such Director, over and above the amounts receivable from the insurance policies against such liability, damage, action, claim, cost, charge or expense (including, without limitation, actual legal fees, experts' fees, consultants' fees on an indemnity basis and all costs and expenses incurred in the recovery of the amounts payable under this undertaking). xiii. Decisions of the Board (A) Notwithstanding anything contained in the DEG Agreement but subject to the provisions of Article 205(i)(vii)(C)hereof, no decision in respect of any of the items listed in the Reserved Matters shall be valid, unless the DEG Director votes in favour of such decision or consents in writing to the same; (B) Subject to applicable Law, a resolution by circulation shall be as valid and effectual as a resolution duly passed at a Board meeting called and held, provided it has been circulated in draft form, together with the relevant papers, if any, to all the Directors whether in India or abroad for a minimum period of 7 (seven) Business Days and has been approved by a majority of the Directors entitled to vote thereon; provided that if it relates to a Reserved Matter, affirmative vote of the DEG Director must have been obtained. Notice may be waived or the resolution passed by circulating for a shorter period with the consent of the majority of the Directors, including the consent of the DEG Director; (C) The Parties agree that all the Reserved Matters shall be resolved and approved by the Board (including the affirmative vote of the DEG Director) prior to being presented to the Shareholders for approval; and (D) For the purpose of Article 205 (i)(xiii) , if the DEG Director has not been appointed on the Board by DEG or if the DEG Director ceases to be on the Board, the Reserved Matters shall be subject to written confirmation of the same from DEG.
(k)	IPO	(i) The Covenantors shall do all such acts as are necessary to ensure that the Company completes an IPO before 31st March, 2018 (**"IPO Deadline Date"**) in a manner as agreed between the parties in the DEG Agreement. The IPO shall necessarily have an offer for sale component

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		such that DEG shall have the right to offer, as part of such offer of sale, all or part of the equity shares that may be held by it in the Company; (ii) The Covenantors confirm that the Company shall do all such acts as mandated under applicable Law within the time limits prescribed therein to ensure that the Company consummates the IPO; and (iii) In the event of an IPO, DEG shall not assume the role of the promoter of the Company in accordance with applicable ICDR Regulations. The Company shall take every step to ensure that DEG is not classified as a 'promoter' under applicable Law and herein after mentioned Company.
(m)	Covenants	(i) The Promoters shall at all times hold at least 51% of the issued, subscribed and paid-up equity share capital and voting rights in the Company, on a Fully Diluted Basis and the Company shall not undertake any action which will contravene the above; (ii) The Promoters shall at all times be in Control of the Company and the Company shall not undertake any action which will contravene the above (iii) The Company shall at all times be in Control of the Subsidiary and the Company shall not undertake any action which will contravene the above; (iv) The Promoters shall not create any Encumbrance over any of the Shares and/or Share Equivalents held by them, without the prior written consent of DEG and the Company shall not undertake any action which will contravene the above; and (v) The Promoters shall not transfer any of the Shares and/or Share Equivalents held by them except in accordance with the provisions of the DEG Agreement. (vi) The Company shall, and the Promoters shall ensure that the Company shall, provide a Liquidity Event to DEG within 31st December, 2018.
(n)	Right to convert	i. The CCDs shall be mandatorily converted into the Conversion Shares on the Final Conversion Date; ii. Notwithstanding anything contained in Article 205(n) above, the CCDs shall be converted to Conversion Shares at the option of DEG on the occurrence of any of the following: (A) Liquidity Event; or (B) On the occurrence of an Event of Default. On conversion of all or any of the CCDs held by DEG into Equity Shares (the "Converted Equity Shares") all rights with respect to such CCDs under the DEG Agreement as amended shall apply mutatis mutandis to the Converted Equity Shares during the term of the DEG Agreement iii. **Conversion of the CCDs** Subject to Applicable Laws, the CCDs will be converted into such number of Equity Shares ("**DEG Equity Shares**") as agreed between the parties to the DEG Agreement and the DEG Amendment Agreement. In case the Offer Price is higher than the conversion price for the CCDs, the parties to the DEG Agreement and the DEG Amendment Agreement have agreed to the delivery of certain DEG Equity Shares by DEG to the Mukesh Chimanlal Gandhi and Kamlesh Chimanlal Gandhi subject to certain conditions and applicable law. See "*History and Certain Corporate Matters*" on page 151.
(o)	Reserved Matters	The Company shall not undertake the following without the approval of the DEG Director; (i) Amendment restatement, modification or supplement to the Memorandum and Articles of the Company and the Subsidiary. (ii) Alteration of the capital structure including but not limited to change of the authorised share

Article	Heading	Description
		capital, issuance, allotment, buy-back or redemption of the Shares and/or Share Equivalents of the Company and/or the Subsidiary. (iii) Grant of options, warrants or any other rights to subscribe to securities of the Company and /or the Subsidiary. (iv) Changing the scope or nature of business of the Company and/or the Subsidiary, or commencing any new business operation either by the Company or the Subsidiary. (v) Liquidation, winding up, dissolution or reorganization of the Company and/or the Subsidiary affecting the capital structure of the Company and/or the Subsidiary including but not limited to merger, demerger, spin-offs, consolidation, acquisition, or entering into any joint venture or partnership, creation of any subsidiaries and/or profit sharing relationships and change in capital structure or beneficial ownership in such joint venture or partnership or subsidiaries or liquidation, winding up or dissolution of such joint venture or partnership or profit sharing relationships. (vi) Approval of Annual Budget and Business Plan of the Company and/or the Subsidiary and any material alteration of the Business Plan and/or adoption/material alteration of any other annual business plan by 15% of the agreed amounts in the Business Plan. (vii) Any material change in the accounting or tax policies or accounting reference period and/or financial year other than as required by applicable Law. (viii)Delegation of any of the powers of the Board to a committee or a sub- committee of the Board or change in terms of reference to such committees or sub-committees. (ix) Altering or varying the rights of the Shareholders. (x) Appointment / removal of any DEG Director on the Board or varying the terms and conditions of their appointment. (xi) Transfer of Shares and/or Share Equivalents (other than in a manner expressly contemplated by the DEG Agreement). (xii) Payment of dividend on equity shares in excess of 20% of the net profit as provided in the last audited annual accounts of the Company, in cash or kind to be distributed to the Shareholders of the Company and/or the shareholders of the Subsidiary or any change in the dividend policy on equity shares of the Company and/or the Subsidiary. (xiii)Distribution of monies from the redemption account of the Company and/or the Subsidiary, except for issue of bonus shares by the Company. (xiv)Disposal or closure of whole or any substantial part of any undertaking of the Company or sale or transfer of the assets (except by way of securitization in the ordinary course of business) of the Company and/or the Subsidiary (xv) Appointment or change of auditors of the Company including statutory auditors and adoption of annual audited accounts of the Company. (xvi)Issuing any guarantees (whether or not such guarantees are disclosed in the balance sheet) or any contingent liabilities either by the Company (except when provided to secure the obligations of the Subsidiary) or the Subsidiary. (xvii) Approval of the timing, structure, pricing and other details relating to any IPO, or any other action leading to an IPO of the Company and/or the Subsidiary, including appointment of investment/merchant banker. (xviii) Entering into any Material Agreement (excluding raising of loans required for the ordinary course of business of the Company) or acquisition of any Material Assets by the Company

Article	Heading	Description
		and/or the Subsidiary. (xix) Creation of any Encumbrance on the assets of the Company other than in the ordinary course of business. (xx) Incurrence of any capital expenditure in excess of 1 (one) % of the total assets as per the last audited consolidated balance sheet of the Company, other than forming part of the Annual Budget. (xxi) Creation or adoption of any new equity option plan, employee stock option (other than Approved ESOP), employee stock purchase plan, or similar plans in relation to the employees and management of the Company (**"Employee Plans"**), and any amendments, modifications or substitutions of such Employee Plans and issuance or distribution of the Shares and/or Share Equivalents pursuant to such Employee Plans. (xxii) Utilization of the Investment Amount other than as provided in the DEG Agreement. (xxiii) Any rematerialization of any Shares and/or Share Equivalents. (xxiv) Any related party transaction where the interest of the Promoters is in excess of 26% and the transaction value is more than INR 10,000,000 (Indian Rupees Ten Million only). (xxv) Approving the terms and conditions of any payments to any Director if such payment together with all the remuneration paid to the directors and the managers exceeds 11% of the profits before tax as per the last audited balance sheet of the Company. (xxvi) The appointment of the chief executive officer, president or chief financial officer (**"Key Official"**) or any member of the senior management of the Company if the remuneration payable to such Key Official for appointment in India is more than INR 20,000,000 (Indian Rupees Twenty Million only) per annum and for appointment outside India is more than INR 50,000,000 (Indian Rupees Fifty Million only) per annum. (xxvii) Any alteration or amendment of the terms and conditions of the Investor Securities (including any action that would result in a dilution of the shareholding of DEG (computed on an as-if-converted-basis). (xxviii) Change in registered office of the Company or the Subsidiary.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Red Herring Prospectus), which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus/Prospectus, delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected at our Registered and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of this Red Herring Prospectus until the Bid/ Offer Closing Date.

Material Contracts to the Offer

1. Offer Agreement amongst our Company, the Selling Shareholders and the BRLM dated March 23, 2017.

2. Registrar Agreement amongst our Company, the Selling Shareholders and Registrar to the Offer dated March 23, 2017.

3. Escrow Agreement dated September 16, 2017 amongst our Company, the Selling Shareholders, the BRLM, the Escrow Collection Banks and the Registrar to the Offer.

4. Syndicate Agreement dated September 16, 2017 amongst our Company, the Selling Shareholders, the BRLM and the Syndicate Members.

5. Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders, the Underwriters and the Registrar to the Offer

6. Agreement dated March 21, 2017, amongst NSDL, our Company and the Registrar to the Offer.

7. Agreement dated January 9, 2017, amongst CDSL, our Company and the Registrar to the Offer.

8. Share escrow agreement dated September 16, 2017 amongst our Company, the Selling Shareholders and the Share Escrow Agent.

9. Agreement dated September 14, 2017 amongst our Company and the Monitoring Agency.

Material Documents

1. Certified copies of our Memorandum and Articles of Association, as amended till date.

2. Our certificate of incorporation dated May 25, 1995.

3. Our certificate for commencement of business dated May 29, 1995.

4. Resolution of the Board of Directors dated March 8, 2017 authorising the Offer.

5. Resolution of the shareholders dated March 10, 2017 under section 62(1)(c) of the Companies Act, 2013 authorising the Offer.

6. Resolution of the Board dated March 23, 2017 approving the Draft Red Herring Prospectus.

7. Resolution of the Board dated September 25, 2017 approving this Red Herring Prospectus.

8. Consent letters/ authorisation letter of the Selling Shareholders for participation in the Offer for Sale, as detailed in *"The Offer"* on page 64.

9. Subscription agreement dated June 13, 2012, executed between our Company, Kamlesh Chimanlal Gandhi, Mukesh Chimanlal Gandhi, Shweta Kamlesh Gandhi, erstwhile Mukesh Chimanlal Gandhi HUF, Prarthna Marketing Private Limited and DEG, as amended.

10. Option deed dated June 13, 2012, executed between Kamlesh Chimanlal Gandhi, Mukesh Chimanlal Gandhi, Shweta Kamlesh Gandhi, erstwhile Mukesh Chimanlal Gandhi HUF, Prarthna Marketing Private Limited and DEG, as amended.

11. Earmarking agreement dated July 9, 2012, executed between Shweta Kamlesh Gandhi, Mukesh Chimanlal Gandhi, Kamlesh Chimanlal Gandhi, erstwhile Mukesh Chimanlal Gandhi HUF, DEG and Axis Trustee Services Limited.

12. Shareholders' agreement dated January 29, 2014 executed between our Company, Mukesh Chimanlal Gandhi, Kamlesh Chimanlal Gandhi, Shweta Kamlesh Gandhi, erstwhile Mukesh Chimanlal Gandhi HUF, FMO and Sarva Capital, as amended by the FMO-Sarva Termination Agreement.

13. Put option agreement dated January 29, 2014, executed between FMO, Sarva Capital, Mukesh Chimanlal Gandhi, Kamlesh Chimanlal Gandhi, Shweta Kamlesh Gandhi and erstwhile Mukesh Chimanlal Gandhi HUF.

14. Copies of audit reports of our Company for Fiscal Years 2013, 2014, 2015, 2016 and 2017.

15. Copies of annual reports of our Company for Fiscal Year 2013, 2014, 2015, 2016 and 2017.

16. Examination reports of the Auditors, Deloitte Haskins & Sells, Chartered Accountants, dated September 13, 2017 on the Restated Standalone Financial Statements included in this Red Herring Prospectus.

17. Examination reports of the Auditors, Deloitte Haskins & Sells, Chartered Accountants, dated September 13, 2017 on the Restated Consolidated Financial Statements included in this Red Herring Prospectus.

18. Statement of special tax benefits from Deloitte Haskins & Sells LLP, Chartered Accountants dated March 24, 2017.

19. Following industry reports, prepared by CRISIL: CRISIL Overview of NBFCs in India and CRISIL Agri Report, 2016

20. Written consent of (i) Deloitte Haskins & Sells, Chartered Accountants, to include their name as an "expert" under Section 26 of the Companies Act, 2013 in respect of their reports, both dated September 13, 2017 on the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements, respectively, which have been included in this Red Herring Prospectus, and (ii) Deloitte Haskins & Sells LLP, Chartered Accountants, to include their name as an "expert" under Section 26 of the Companies Act, 2013 in respect of their report dated September 13, 2017 on statement of special tax benefits available for our Company and its shareholders, which have been included in this Red Herring Prospectus. However, the term "expert" and consent thereof does not represent an "expert" or consent within the meaning under the Securities Act.

21. Consents of the Bankers to our Company, BRLM, Syndicate Member, Registrar to the Offer, Escrow Collection Bank, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, CRISIL, legal counsels, Refund Bank as referred to, in their respective capacities.

22. In-principle listing approvals dated May 24, 2017 and April 26, 2017 received from the NSE and the BSE, respectively.

23. Due diligence certificate dated March 24, 2017 to SEBI from the BRLM.

24. Investment Agreement dated March 30, 2017, executed between Kamlesh Chimanlal Gandhi, Mukesh Chimanlal Gandhi, Shweta Kamlesh Gandhi, Prarthna Marketing Private Limited, our Company, Motilal Oswal Financial Services Limited and Motilal Oswal Securities Limited.

25. SEBI observation letters dated April 26, 2017 and May 26, 2017.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time, if so required in the interest of our Company, or if required by other parties, without notification to the shareholders, subject to compliance with the provisions contained in the Companies Act, 2013 and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the rules/guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

Kamlesh Chimanlal Gandhi
(Chairman and Managing Director) ______________________________

Mukesh Chimanlal Gandhi
(Whole-time Director and Chief Financial Officer) ______________________________

Darshana Saumil Pandya
(*Executive Director and Chief Operating Officer*) ______________________________

Bala Bhaskaran
(*Independent Director*) ______________________________

Chetan Ramniklal Shah
(*Independent Director*) ______________________________

Umesh Rajanikant Shah
(*Independent Director*) ______________________________

Place: Ahmedabad
Date: September 25, 2017

DECLARATION BY DEG-DEUTSCHE INVESTITIONS-UND ENTWICKLUNGSGESELLSCHAFT MBH

We, DEG-Deutsche Investitions-und Entwicklungsgesellschaft MBH, hereby confirm that all statements and undertakings specifically made or confirmed by us in this Red Herring Prospectus, about or in relation to ourselves, as a Selling Shareholder and the DEG Offered Shares are true and correct. We assume no responsibility for any other statements, including statements made by the Company or any other person(s) in this Red Herring Prospectus.

For and on behalf of DEG-Deutsche Investitions-und Entwicklungsgesellschaft MBH

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Name: Dr. Andreas Zeisler
Designation: Director, Financial Institutions Equity

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Name: Dr. Marc-Oliver Juenemann
Designation: Vice President, Financial Institutions Equity

Date: September 25, 2017

DECLARATION BY NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR ONTWIKKELINGSLANDEN N.V.

We, Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V., hereby confirm that all statements and undertakings specifically made or confirmed by us in this Red Herring Prospectus, about or in relation to ourselves, as a Selling Shareholder and the FMO Offered Shares are true and correct. We assume no responsibility for any other statements, including statements made by the Company or any other person(s) in this Red Herring Prospectus.

For and on behalf of Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.

Name: H.W.H.M. Cornelissen
Designation: Director Credit, Legal & Special Operations

Name: R.A. Janse
Designation: Manager – Private Equity

Date: September 25, 2017

DECLARATION BY SARVA CAPITAL LLC

We, Sarva Capital LLC, hereby confirm that all statements and undertakings specifically made or confirmed by us in this Red Herring Prospectus, about or in relation to ourselves, as a Selling Shareholder and the Sarva Offered Shares are true and correct. We assume no responsibility for any other statements, including statements made by the Company or any other person in this Red Herring Prospectus.

For and on behalf of Sarva Capital LLC

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Name: Bhavana Banymandhub
Designation: Director

Date: September 25, 2017

ANNEXURE A – U.S. RESALE LETTER

[*on the letterhead of an investor who is a U.S. Person or a person in the United States; to be executed after resale of the Equity Shares outside the United States; to be delivered to the Company prior to the settlement of any sale or other transfer of Shares*]

MAS Financial Services Limited (the "Company")
6, Narayan Chambers, Ground Floor
Behind Patang Hotel, Ashram Road
Ahmedabad 380 009
Gujarat, India

Ladies and Gentlemen:

This letter ("Resale Letter") relates to the sale or other transfer by us of equity shares (the "Shares") of the Company, which is required to be in an offshore transaction pursuant to Regulation S ("Regulation S") under the U.S. Securities Act of 1933, as amended (the "Securities Act"). Terms used in this Resale Letter are used as defined in Regulation S, except as otherwise stated herein.

We hereby represent and warrant to you as follows:

(a) We previously purchased the Shares for our own account (or for one or more beneficial owners for which we have acted as fiduciary or agent, with complete investment discretion and with authority to bind each such person), as both a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act) and a "qualified purchaser" (as defined in Section 2(a)(51) and related rules of the Investment Company Act of 1940, as amended, and the rules thereunder (the "**U.S. Investment Company Act**"). We understand that the Shares have not been and will not be registered under the US Securities Act and that the Company has not registered and will not register as an investment company under the U.S. Investment Company Act).

(b) The offer and sale of the Shares by us was not made to a person in the United States or to a U.S. Person (as defined in Regulation S).

(c) Either:

    (i) at the time the buy order for the sale of the Shares by us was originated, the buyer was outside the United States or we and any person acting on our behalf reasonably believed that the buyer was outside the United States; or
    (ii) the transfer of the Shares by us was executed in, on or through the facilities of the [●] (insert name of stock exchange) or the [●] (insert name of stock exchange), and neither we nor any person acting on our behalf has reason to believe that the transaction was pre-arranged with a buyer in the United States.

(d) Neither we, nor any of our affiliates, nor any person acting on our or their behalf, has made any directed selling efforts (as such term is defined in Regulation S) in the United States with respect to the Equity Shares.

(e) The transfer of the Equity Shares by us was not and is not part of a plan or scheme to evade the registration requirements of the Securities Act or the U.S. Investment Company Act.

(f) None of the Company, any of its agents nor any of their respective affiliates participated in the sale of the Equity Shares by us.

(g) We agree that the Company, its agents and their respective affiliates may rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

Where there are joint transferors, each must sign this U.S. Resale Letter. A U.S. Resale Letter of a corporation must be signed by an authorized officer or be completed otherwise in accordance with such corporation's constitution (and evidence of such authority may be required).

Yours sincerely,

(Name of Transferor)

By:

Title:

Date: