

**Independent Auditors' Report
To the Board of Directors of
MAS Financial Services Limited**

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Report on the Special Purpose Condensed Standalone Financial Statements

We have audited the accompanying Special Purpose Condensed Standalone Financial Statements of **MAS Financial Services Limited** (the "Company") which comprises the Condensed Balance Sheet as at June 30, 2017, the Condensed Statement of Profit and Loss, Condensed Cash Flow Statement for the three months then ended together with summary of accounting policies, and selected explanatory notes (collectively referred as the "Special Purpose Condensed Standalone Financial Statements"). These Special Purpose Condensed Standalone Financial Statements have been prepared by the Company in accordance with the basis of preparation as set out in Note 2 to the said Special Purpose Condensed Standalone Financial Statements.

Management's Responsibility for the Special Purpose Condensed Standalone Financial Statements

The Company's Board of Directors is responsible for the preparation of these Special Purpose Condensed Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the basis of preparation as set out in Note 2 to the said Special Purpose Condensed Standalone Financial Statements. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Condensed Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Special Purpose Condensed Standalone Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Special Purpose Condensed Standalone Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Special Purpose Condensed Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Special Purpose Condensed Standalone Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Special Purpose Condensed Standalone Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Condensed Standalone Financial Statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Condensed Standalone Financial Statements are prepared in all material respects in accordance with the basis of preparation as set out in Note 2 to the said Special Purpose Financial Statement and give a true and fair view, of the state of affairs of the Company as at June 30, 2017, and its profit and its Cash Flow for the three months then ended on that date.

Other Matters

The accompanying Special Purpose Condensed Standalone Financial Statements has been prepared for the purpose of inclusion in the Red Herring Prospectus in connection with the proposed issue of Equity Shares of the Company by way of Offer for Sale and Fresh Issue.



Ahmedabad,

July 31 2017

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No: 117365W)

Kartikeya Raval

Kartikeya Raval
Partner

Membership No.: 106189

SHAS FINANCIAL SERVICES LIMITED

SPECIAL PURPOSE CONDENSED BALANCE SHEET AS AT 30TH JUNE 2017

Particulars	As at 30th June 2017 Rupees
EQUITY AND LIABILITIES	
Shareholders' funds	
Share Capital	914,618,250
Reserves and Surplus	2,918,460,778
	3,833,079,028
Compulsorily Convertible Debentures (Unsecured)	499,800,000
Non-current liabilities	
Long-term borrowings	2,376,379,908
Other Long-term Liabilities	3,108,549,227
Long-term provisions	36,291,113
	5,521,220,248
Current liabilities	
Short-term borrowings	9,079,301,745
Trade payables :	
Total outstanding dues of micro and small enterprises	32,078,228
Total outstanding dues of creditors other than micro and small enterprises	3,738,589,009
Other current liabilities	206,810,184
Short-term provisions	13,056,779,166
	13,056,779,166
TOTAL	22,910,878,442
ASSETS	
Non-current assets	
Fixed assets	
Tangible assets	98,043,586
Intangible assets	2,260,210
Capital Work-in-Progress	4,147,318
	104,451,114
Non-current investments	107,569,915
Deferred tax assets (net)	49,221,550
Long-term loans and advances	9,089,981,918
Other non-current assets	90,200,793
	9,336,974,176
Current assets	
Cash and Cash Equivalents	1,453,000,233
Short-term loans and advances	11,808,968,711
Other current assets	207,484,208
	13,469,453,152
TOTAL	22,910,878,442
See accompanying explanatory notes forming part of the condensed financial statements	

In terms of our report attached
For Deloitte Maskins & Sells
Chartered Accountants

Kartikaya Raval
Kartikaya Raval
Partner

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

Nirav P. Patel
Nirav Patel
(Company Secretary)

For and on behalf of the Board of Directors

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

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

Place : Ahmedabad
Date : July 31, 2017

Place : Ahmedabad
Date : July 29, 2017



MAS FINANCIAL SERVICES LIMITED

SPECIAL PURPOSE CONDENSED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED 30TH JUNE 2017

Particulars	Quarter ended 30th June 2017 Rupees
INCOME	
Revenue from Operations	975,649,885
Other Income	2,591,627
Total Revenue	978,241,512
EXPENSES	
Employee Benefits Expense	78,386,439
Finance Costs	375,476,600
Depreciation and Amortisation Expense	2,500,214
Provisions and Loan Losses	90,826,069
Other Expenses	78,819,814
Total Expenses	626,009,136
Profit Before Tax	352,232,376
Tax Expense:	
Current Tax	128,800,000
Net current tax expense	128,800,000
Deferred Tax	(6,995,776)
Net tax expense	121,804,224
Profit for the period	230,428,152
Earnings per share (of Rs. 10 each) (Not Annualised):	
Basic	4.30
Diluted	4.12
See accompanying explanatory notes forming part of the condensed financial statements	

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval

Kartikeya Raval
Partner

Darshana S. Pandya

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

Nirav P. Patel

Nirav Patel
(Company Secretary)

For and on behalf of the Board of Directors

Kamlesh C. Gandhi

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

Mukesh C. Gandhi

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



Place: Ahmedabad

Date: July 31, 2017

Place: Ahmedabad

Date: July 29, 2017

HAS FINANCIAL SERVICES LIMITED

SPECIAL PURPOSE CONDENSED CASH FLOW STATEMENT FOR THE QUARTER ENDED 30TH JUNE 2017

Particulars	Quarter ended 30th June 2017
	Rupees
A. CASH FLOW (USED IN) OPERATING ACTIVITIES	(1,163,043,427)
B. CASH FLOW (USED IN) INVESTING ACTIVITIES	(18,556,105)
C. CASH FLOW FROM FINANCING ACTIVITIES	2,287,394,876
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	1,085,795,344
Cash and Cash Equivalents at the beginning of the period	358,575,210
Cash and Cash Equivalents at the end of the period	1,444,370,554

Notes:

1 The above 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.

See accompanying explanatory notes forming part of the condensed financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval

Kartikeya Raval
Partner

For and on behalf of the Board of Directors

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

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

Nirav P. Patel
Nirav Patel
(Company Secretary)

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

Place : Ahmedabad

Date : *July 31, 2017*

Place: Ahmedabad

Date: *July 29, 2017*



MAS FINANCIAL SERVICES LIMITED

SELECTED EXPLANATORY NOTES FORMING PART OF THE SPECIAL PURPOSE CONDENSED FINANCIAL STATEMENTS AS AT AND FOR THE QUARTER ENDED 30TH JUNE 2017

1. CORPORATE INFORMATION

MAS Financial Services Limited is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956. 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 (MFI) and NBFCs. The Company has filed Draft Red Herring Prospectus (DRHP) with Securities and Exchange Board of India (SEBI) for the proposed Initial Public Offer (IPO) and Offer for Sale (OFS) amounting up to Rs. 550 crores.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION OF SPECIAL PURPOSE CONDENSED FINANCIAL STATEMENTS

The Special purpose condensed financial statements of the Company have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25 - Interim Financial Reporting specified under the Companies (Accounting Standards) Rules, 2006, as amended from time to time, read with the Companies Act, 2013 (the "Act"). While preparing Special purpose condensed financial statements, the Company has not presented the comparative informations for Informations presented in the special purpose condensed financial statements. Only a set of financial statement together with comparative informations can provide a fair presentation of the Company's state of affairs (financial performance), profit/loss and cash flows. The Special Purpose condensed 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 year are stated net of amount 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 financial statements are consistent with those adopted in the preparation of the financial statements in the previous year. The Special Purpose Condensed Standalone Financial Statements has been prepared for the purpose of inclusion in the Red Herring Prospectus in connection with the proposed issue of Equity Shares of the Company by way of Offer for Sale and Fresh Issue.

B. USE OF ESTIMATES

The preparation of the 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.

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.

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 Statement of Profit and Loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

F. INVESTMENTS

Long term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.



MAS FINANCIAL SERVICES LIMITED

SELECTED EXPLANATORY NOTES FORMING PART OF THE SPECIAL PURPOSE CONDENSED FINANCIAL STATEMENTS AS AT AND FOR THE QUARTER ENDED 30TH JUNE 2017

G. GOVERNMENT GRANTS

Subsidies related to depreciable fixed assets are treated as deferred income which is recognised in the 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".

H. REVENUE RECOGNITION

The Company follows accrual basis of accounting for its income and expenditure except income on assets classified as non-performing assets, which in accordance with the guidelines issued by the 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

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.

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 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 year 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 to the extent not directly related to acquisition of a qualifying asset are charged to the Statement of Profit and Loss over the tenure of the loan.

Certain Share Issue Expenses are being adjusted against the Securities Premium Account.



SELECTED EXPLANATORY NOTES FORMING PART OF THE SPECIAL PURPOSE CONDENSED FINANCIAL STATEMENTS AS AT AND FOR THE QUARTER ENDED 30TH JUNE 2017

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 year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. 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. 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 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 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 Notes. Contingent assets are not recognised in the financial statements.



MAS FINANCIAL SERVICES LIMITED**SELECTED EXPLANATORY NOTES FORMING PART OF THE SPECIAL PURPOSE CONDENSED FINANCIAL STATEMENTS AS AT AND FOR THE QUARTER ENDED 30TH JUNE 2017****3. Contingent Liabilities and Commitments (to the extent not provided for)**

Particulars	As at 30th June 2017 Rupees
Contingent Liabilities	
I) In respect of disputed Income-tax matters : Future cash outflows in respect of the above matters are determinable only on receipt of judgements/ decision pending at various forums/ authorities.	2,851,720
II) Guarantees given on behalf of subsidiary Company :	
a) To banks	
Amount of guarantees Rs.700,000,000	
Amount of loans outstanding	260,178,802
b) To National Housing Bank (NHB)	
Amount of guarantee Rs.120,000,000	
Amount of loan outstanding	86,447,000
Commitments	
Estimated amount of contracts remaining to be executed on capital account and not provided for:	
a) Tangible Assets	5,000,000
b) Intangible Assets	895,388

4. Issue of Share Capital

Pursuant to the Private Placement offer letter ("Offer Document") dated 30th March 2017, the Company has allotted 1,034,553 no of equity shares on 19th April 2017 having face value of Rs. 10/- per share at a premium of Rs. 328.31/- per share under the second tranche of the Offer Document. The Company has raised total of Rs. 1,349,999,667 towards private placement offer letter as of date.

5. The Company has incurred various expenses of Rs. 11,487,188 and Rs. 80,042,261 (inclusive of non-deductible portion of service tax) during quarter and as of 30th June 2017 respectively for the private placement of equity shares, proposed IPO and OFS.

Out of the above expenses incurred, the Company has adjusted Rs. 13,121,897 during the quarter and Rs. 49,830,206 as of 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 identified expenditure of Rs. 10,370,938 during the quarter and Rs. 40,002,188 as of June 30, 2017 pertaining to the private placement of equity shares.

6. 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 Act.



MAS FINANCIAL SERVICES LIMITED

SELECTED EXPLANATORY NOTES FORMING PART OF THE SPECIAL PURPOSE CONDENSED FINANCIAL STATEMENTS AS AT AND FOR THE QUARTER ENDED 30TH JUNE 2017

Particulars	Quarter ended 30th June 2017 Rupees
7 . Earnings Per Share	
(A) Basic	
Computation of Profit (Numerator)	
Net Profit for the period	230,428,152
Less: Preference dividend including tax thereon	9,885,178
Net Profit for the period attributable to Equity Shareholders	220,542,974
Computation of Weighted Average Number of Shares (Denominator)	
Weighted average number of Equity Shares of Rs. 10 each used for calculation of Basic Earnings per Share (Refer Note 1 below)	51,255,343
Basic Earnings per Share of face value of Rs. 10 each (in Rs.)	4.30
(B) Diluted (Refer Note 2 below)	
Computation of Profit (Numerator)	
Net Profit attributable to Equity Shareholder's as above	220,542,974
Add: Dividend on Compulsorily Convertible Cumulative Preference Shares including tax and Interest Expense on Compulsorily Convertible Debentures net of tax	10,628,490
Net Profit attributable to Equity Shareholder's (on dilution)	231,171,464
Computation of Weighted Average Number of Shares (Denominator)	
(Refer Note 2 below)	
Weighted average number of Equity Shares as above (Refer note 1 below)	51,255,343
Add: Effect of Compulsorily Convertible Cumulative Preference Shares and Compulsorily Convertible Debentures which are dilutive	4,890,451
Weighted average number of Equity Shares for Diluted Earnings per Share	56,145,794
Diluted Earnings per Share of face value of Rs. 10 each (in Rs.)	4.12

Note

1. Earnings per share calculations are done 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:

2. The Preference shares and Debentures are compulsorily convertible as per the method and year specified in the respective agreements. For the quarter ended 30th June 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 shareholders.



MAS FINANCIAL SERVICES LIMITED**SELECTED EXPLANATORY NOTES FORMING PART OF THE SPECIAL PURPOSE CONDENSED FINANCIAL STATEMENTS AS AT AND FOR THE QUARTER ENDED 30TH JUNE 2017****8. Related Party Disclosures**

(a) Related party disclosures as required by Accounting Standard 18, "Related Party Disclosures", specified under Section 133 of the Act.

List of related parties and relationships:

Sr. No.	Nature of Relationship	
1	Subsidiary	MAS Rural Housing & Mortgage Finance Limited
2	Key Management Personnel	Mr. Kamlesh C. Gandhi (Chairman & Managing Director) Mr. Mukesh C. Gandhi (Whole Time Director & Chief Finance Officer) Mrs. Darshana S. Pandya (Director & Chief Operating Officer)
3	Entities under common control	Swalamb Mass Financial Services Limited Anamaya Capital LLP Kamlesh C. Gandhi (HUF) Prarthna Marketing Private Limited
4	Relatives of Key Management Personnel	Mrs. Shweta K. Gandhi Mrs. Urmilaben C. Gandhi Mr. Dhvanil K. Gandhi Mr. Saumil D. Pandya

Related party transactions:

Sr. No.	Nature of transactions	Quarter ended 30th June 2017 Rupees
1	Rent income: MAS Rural Housing & Mortgage Finance Limited	300,000
2	Recovery Contract charges received: MAS Rural Housing & Mortgage Finance Limited	60,000
3	Expenditure reimbursed by: MAS Rural Housing & Mortgage Finance Limited	513,673
4	Remittances of Collection Received on behalf of : MAS Rural Housing & Mortgage Finance Limited	736,091
5	Remuneration (Including Bonus): Mr. Kamlesh C. Gandhi Mr. Mukesh C. Gandhi Mrs. Darshana S. Pandya Mr. Saumil D. Pandya Mr. Dhvanil K. Gandhi	14,858,334 14,853,304 428,010 567,228 243,702
6	Dividend Received: MAS Rural Housing & Mortgage Finance Limited	537,500



MAS FINANCIAL SERVICES LIMITED

SELECTED EXPLANATORY NOTES FORMING PART OF THE SPECIAL PURPOSE CONDENSED FINANCIAL STATEMENTS AS AT AND FOR THE QUARTER ENDED 30TH JUNE 2017

Sr. No.	Nature of transactions	As at 30th June 2017 Rupees
7	Balance outstanding at the end of the period: Guarantees given to MAS Rural Housing & Mortgage Finance Limited Investment in MAS Rural Housing & Mortgage Finance Limited Loan granted Mrs. Darshana S. Pandya	346,625,802 107,500,000 137,812
8	Bonus Payable: Mr. Kamlesh C. Gandhi Mr. Mukesh C. Gandhi Mrs. Darshana S. Pandya Mr. Saumil D. Pandya Mr. Dhvanil K. Gandhi	773,100 773,100 19,500 24,000 6,300

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

For and on behalf of the Board of Directors



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

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

Nirav P. Patel
Nirav Patel
(Company Secretary)



Mukesh C. Gandhi
Mukesh C. Gandhi
(Deputy Managing Director & Chief Finance Officer)
(DIN - 00187086)

Place: Ahmedabad

Date: July 29, 2017