



The Power of Distribution

MAS FINANCIAL SERVICES LIMITED

MFSL/SEC/EQ/2021/27

May 19, 2021

To,
The Manager,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001

To,
General Manager
National Stock Exchange of India Limited
Exchange Plaza
Plot No. C/1, G Block
Bandra-Kurla Complex
Bandra (East)
Mumbai – 400051

Scrip Code: **540749, 947381**

Trading Symbol: **MASFIN**

Dear Sir,

Sub.: Press Release for the quarter and year ended as on March 31, 2021

Please find enclosed herewith Press Release for the quarter and year ended as on March 31, 2021.

Thanking you,

Yours faithfully,
For, **MAS Financial Services Limited**

Riddhi Bhaveshbhai Bhayani
Company Secretary and Compliance Officer
ACS No.: 41206



Encl.: As above

Regd. Office :

6, Ground Floor, Narayan Chambers,
B/h Patang Hotel, Ashram Road, Ahmedabad-380 009.

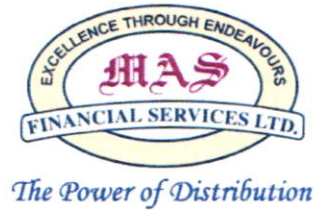
CIN : L65910GJ1995PLC026064

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PRESS RELEASE

MAS Financial Services Limited results – 4th quarter FY 21

A Robust Financial Performance

104 Quarters of Consistent Financial Performance

Wednesday, 19th May 2021, Ahmedabad: The Board of Directors of MAS Financial Services Limited (MAS Financial) (BSE: 540749, NSE: MASFIN), specialized in MSME financing, announced today the audited financial results for the year and quarter ended 31st March, 2021.

The consistent financial performance during all the past turbulent period is the testimony of the strong fundamentals of the company; which is being followed over two decades.

Commenting on the performance, **Mr. Kamlesh Gandhi - Founder, Chairman & Managing Director, MAS Financial** said, "In consonance with our mission and vision of creating value for stakeholders on a very large scale through efficient last mile delivery of credit, the main focus of the company continues to remain on maintaining :

1. Strong capital base.
2. High level of liquidity.
3. The quality of Assets.
4. High provisioning buffers.
5. Constant engagement with all the stakeholders for understanding the evolving situation.

With a Tier-1 capital adequacy ratio of **24.81%** and total capital adequacy of **26.85%**, sufficient liquidity due to very efficient liability management, stable quality of portfolio of **1.52% of net stage 3 assets** and by creating and maintaining additional provisioning buffer which stands at **1.39%** of on book assets should not only enable the company to navigate the current unprecedented situation successfully but also regain its growth trajectory of **20-25% once the economy normalizes**".

As per IND-AS

MAS Financial Services Limited reports Assets under Management (AUM) of ₹ 5372.44 Crore and profit after tax of ₹ 36.53 Crore for the quarter ended 31st March 2021 from ₹ 5966.28 Crore and ₹ 34.50 Crore respectively for the quarter ended 31st March 2020

- A growth of 5.88% in PAT over the corresponding period of the previous year.

- A contraction of 9.95% in AUM over the corresponding period of the previous year, due to adoption of cautious approach on disbursement while maintaining high Collection efficiency.

The profit after tax for year ended 31st March 2021 is ₹ 143.50 Crore – A contraction of 13.84 % over the corresponding period of the previous year mainly due to contraction in AUM.

- The total special COVID provision as on 31st March 2021 stood at ₹ 56.23 Crore for the total on book assets of ₹ 4049.75 Crores i.e. 1.39 %. The additional special COVID provision during the FY 2021 was ₹ 35.90 crore. The special COVID provision during FY 2020 was ₹ 20.33 Crore.
- The portfolio quality remained stable at 1.52% net stage 3 assets of AUM as compared to 1.14% over the corresponding period of the previous year, despite of the prolonged ongoing crisis followed by the unprecedented pandemic situation.

The Disbursement during the quarter ended 31st March 2021 was ₹ 1294.11 Crore as compared to ₹ 1031.23 Crore during the quarter ended 31st December 2020 resulting into AUM of ₹ 5372.44 Crore as on 31st March 2021. AUM as on 31st December 2020 was ₹ 5054.66 Crore.

Performance Highlights:

Capital Adequacy Ratio (including Tier II capital) as of 31st March, 2021 stood at 26.85%. The Tier-I capital stood at 24.81%.

(₹ in CR)

Particulars	Q4'21	Q4'20	QoQ	FY 21	FY 20	YoY
Assets Under Management	5372.44	5966.28	9.95%↓	5372.44	5966.28	9.95%↓
Total Income	139.15	169.89	18.10%↓	593.89	672.72	11.72%↓
Profit Before Tax	49.97	46.36	7.78%↑	192.89	228.16	15.46%↓
Profit After Tax	36.53	34.50	5.88%↑	143.50	166.55	13.84%↓
Gross Stage 3 Assets % to AUM	1.94%	1.42%	52 bps ↑	1.94%	1.42%	52 bps ↑
Net Stage 3 Assets % to AUM	1.52%	1.14%	38 bps ↑	1.52%	1.14%	38 bps ↑

(₹ in CR)

Asset Under Management (AUM)*	March-21	March-20	YoY
Micro-Enterprise loans	2970.46	3637.36	18.33%↓
SME loans	1872.37	1773.97	5.55%↑
2-Wheeler loans	326.71	400.26	18.38%↓
Commercial Vehicle loans	202.90	154.69	31.17%↑
TOTAL AUM	5372.44	5966.28	9.95%↓

*Represents underlying assets in each of the category. As on 31st March, 2021 58.48% of the total underlying assets is through various NBFCs.



Amortising the gain on assignment of loans over the tenure of the assets in place of booking it upfront – Further strengthening the fundamentals of the company:

For more transparent and fair representation, on de-recognition of financial assets (assigned loans), the gain has been recognized as deferred revenue i.e. "Interest Receivable on loan transfer transactions" (Other Non-Financial Liabilities) in place of Retained earnings which is amortized over the maturity of the financial assets derecognized (assigned loans) in place of recognizing gain upfront through profit & loss statement as made applicable while migrating to IND AS. **The necessary adjustments are done accordingly** for all the related period ensuring that the assets are recognized at fair value in lines with the IND AS requirement, and the gains would be amortized over the maturity of assets.

For detailed understanding, please visit following web address: <https://www.mas.co.in/financial-results.aspx#>

Further, NBFC industry body "Finance Industry Development Council" (FIDC)" which is represented by more than 100 NBFCs, has made representation to Reserve Bank of India and National Financial Reporting Authority ('NFRA') whereby the said change, which is adopted by the company in accounting policy has been requested.

Dividend

- In consonance to our policy of rewarding the shareholders the Board of directors of the Company has recommended final dividend of Rs.1.5 per equity share of face value of Rs. 10 each, which is subject to approval by shareholders of the Company.

Note on MAS Rural Housing and Mortgage Finance Limited (Subsidiary)

The Board of Directors of MAS Rural Housing and Mortgage Finance Limited in their meeting held on 12th May 2021 took on record the audited Financial Results of the company for the year and quarter ended 31st March, 2021.

As per IND-AS

MAS Rural Housing and Mortgage Finance Limited reports Assets under Management (AUM) of ₹ 284.89 Crore and profit after tax of ₹ 2.89 Crore for the year 31st March 2021 from ₹ 286.54 Crore and ₹ 1.72 Crore respectively for year ended 31st March 2020.

- A growth of 68.05% in PAT and contraction of 0.58% in AUM over the corresponding period of the previous year.

- The total special COVID provision as on 31st March 2021 stood at ₹ 3.31 Crore for the total on book assets of ₹ 264.37 Crores i.e. 1.25 %. The additional special COVID provision was of ₹ 0.86 Crore during



the quarter and ₹ 1.29 crore during the FY 2021. The special COVID provision during FY 2020 was ₹ 2.02 Crore.

-The Profit after tax for quarter ended March 21 is ₹ 0.20 Crore in comparison to Rs. - 0.89 Crore in the corresponding period of the previous year.

Performance Highlights:

- The portfolio quality remained stable despite of the ongoing crisis followed by the unprecedented situation at 0.26% net stage 3 assets of AUM as compared to 0.25% over the corresponding period of the previous year.
- Capital Adequacy Ratio (including Tier II capital) as of 31st March 2021 stood at 43.45%. The Tier-I capital stood at 35.12%.

(₹ in CR)

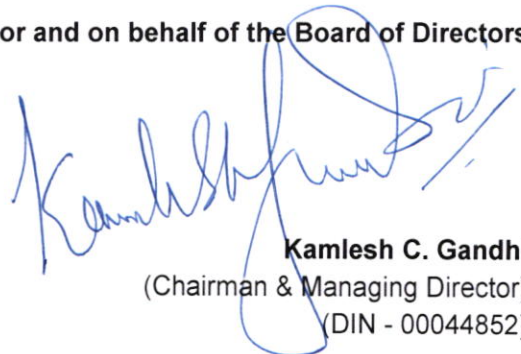
Particulars	Q4'21	Q4'20	QoQ	FY 21	FY 20	YoY
Assets Under Management	284.89	286.54	0.58%↓	284.89	286.54	0.58%↓
Total Income	8.57	9.07	5.45%↓	35.27	38.37	8.07%↓
Profit Before Tax	0.28	-1.23	N.A. ↑	3.78	2.24	69.11%↑
Profit After Tax	0.20	-0.89	N.A. ↑	2.89	1.72	68.05%↑
Gross Stage 3 Assets % to AUM	0.37%	0.34%	03 bps ↑	0.37%	0.34%	03 bps↑
Net Stage 3 Assets % to AUM	0.26%	0.25%	01 bps ↑	0.26%	0.25%	01 bps↑

Team ~~MAS~~ remains committed to its mission of excellence through endeavours.

For and on behalf of the Board of Directors



Place : Ahmedabad
Date : May 19, 2021


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