



The Power of Distribution

MAS FINANCIAL SERVICES LIMITED

MFSL/SEC/EQ/2020/44

12th August, 2020

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.: Outcome of Board Meeting of the Company held today i.e. Wednesday, 12th August, 2020.

The Board of Directors of the Company in its Meeting held today i.e. on 12th August, 2020 has inter alia;

- Formed, reviewed and updated various policies;
- Approved the unaudited Standalone Financial Results of the Company for the quarter ended on 30th June, 2020 alongwith Limited Review Report issued by the Statutory Auditors of the Company; and
- Approved the unaudited Consolidated Financial Results of the Company for the quarter ended on 30th June, 2020 alongwith Limited Review Report issued by the Statutory Auditors of the Company;

The said meeting of the Board of Directors **commenced at 05:00 P.M. and concluded at 06:25 P.M.**

As required under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, all the above mentioned documents will be uploaded on the Stock Exchange websites at www.nseindia.com and www.bseindia.com and will also be simultaneously posted on the website of the Company at www.mas.co.in.



Regd. Office :

6, Ground Floor, Narayan Chambers,

B/h Patang Hotel, Ashram Road, Ahmedabad-380 009.

CIN : L65910GJ1995PLC026064

+ 91(O) 079 4110 6500 / 079 3001 6500

+ 91(O) 079 4110 6597, + 91 (O) 079 4110 6561

www.mas.co.in

mfsl@mas.co.in



The Power of Distribution

MAS FINANCIAL SERVICES LIMITED

You are requested to take the same on record.

Thanking you,

Yours faithfully,

FOR, MAS FINANCIAL SERVICES LIMITED

RIDDHI BHAYANI
(COMPANY SECRETARY & COMPLIANCE OFFICER)
MEMBERSHIP NO.: A41206



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☎ + 91(O) 079 4110 6500 / 079 3001 6500

☎ + 91(O) 079 4110 6597, + 91 (O) 079 4110 6561

🌐 www.mas.co.in

✉ mfsi@mas.co.in

B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Limited review report on unaudited quarterly standalone financial results of MAS Financial Services Limited under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of MAS Financial Services Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of MAS Financial Services Limited for the quarter ended 30 June 2020 (the 'Statement').
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 '*Interim Financial Reporting*' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'SEBI Listing Regulations'). Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 '*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Attention is drawn to the fact that the figures for the three months ended 31 March 2020 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

B S R & Co (a partnership firm with
Registration No. BA61223) converted into
B S R & Co. LLP (a Limited Liability, Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011, India

MAS Financial Services Limited

Limited review report on unaudited quarterly standalone financial results of MAS Financial Services Limited under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

6. As described in Note 7 to the Statement, in respect of overdue but standard accounts where moratorium benefit has been granted, the staging of those accounts as at 30 June 2020 is based on the days past due status as on the date when the moratorium benefit was granted in accordance with the Covid-19 Regulatory Package announced by Reserve Bank of India vide notifications dated 27 March 2020, 17 April 2020 and 23 May 2020. Further, the extent to which the Covid-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain.

Our conclusion on the Statement is not modified in respect of these matters.

For B S R & Co. LLP
Chartered Accountants

Firm's Registration No: 101248W/W-100022

SAMEER
HIRACHAND
MOTA

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Date: 2020.08.12
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Sameer Mota
Partner

Membership No: 109928
UDIN: 20109928AAAAIO1524

Mumbai
12 August 2020



MAS FINANCIAL SERVICES LTD.

Regd. Office: 6 Ground Floor, Narayan Chambers, B/h Patang Hotel, Ashram Road, Ahmedabad-380 009.
Phone No.: +91 79 41106500 Fax No.: +91 79 41106597 E-mail : riddhi_bhayani@mas.co.in Website: www.mas.co.in
CIN: L65910GJ1995PLC026064

Statement of unaudited standalone financial results for the quarter ended 30 June 2020

(₹ in Lakh)

Sr. No.	Particulars	Quarter ended			Year ended
		30.06.2020 (Unaudited)	31.03.2020 (Audited)	30.06.2019 (Unaudited)	31.03.2020 (Audited)
1	INCOME				
	(a) Revenue from operations				
	Interest income	14,123.98	13,934.47	13,571.27	55,917.14
	Gain on assignment of financial assets	1,444.01	2,886.18	2,003.34	10,748.75
	Fees and commission income	303.27	435.85	336.35	1,573.89
	Total revenue from operations	15,871.26	17,256.50	15,910.96	68,239.78
	(b) Other income	40.61	29.13	12.33	71.75
	Total income	15,911.87	17,285.63	15,923.29	68,311.53
2	EXPENSES				
	(a) Finance costs	6,935.41	6,899.70	6,398.22	27,201.70
	(b) Fees and commission expense	98.95	197.25	107.37	601.88
	(c) Impairment on financial instruments	2,987.31	3,270.20	1,296.41	8,675.65
	(d) Employee benefits expenses	812.34	1,277.24	1,247.12	5,240.79
	(e) Depreciation, amortisation and impairment	57.05	59.23	55.07	231.51
	(f) Other expenses	256.47	787.21	552.99	2,912.24
	Total expenses	11,147.53	12,490.83	9,657.18	44,863.77
3	Profit before exceptional items and tax (1-2)	4,764.34	4,794.80	6,266.11	23,447.76
4	Exceptional items	-	-	-	-
5	Profit before tax (3-4)	4,764.34	4,794.80	6,266.11	23,447.76
6	Tax expense				
	(a) Current tax	1,286.43	1,606.06	2,364.83	6,291.68
	(b) Short / (excess) provision for tax relating to prior years	-	-	-	(96.10)
	Net current tax expense	1,286.43	1,606.06	2,364.83	6,195.58
	(c) Deferred tax expense/(credit)	(85.76)	(380.14)	(171.69)	(569.13)
	Total tax expense	1,200.67	1,225.92	2,193.14	5,626.45
7	Profit for the period / year from continuing operations (5-6)	3,563.67	3,568.88	4,072.97	17,821.31
8	Profit / (loss) from discontinued operations	-	-	-	-
9	Tax expense of discontinued operations	-	-	-	-
10	Profit / (loss) from discontinued operations (after tax) (8-9)	-	-	-	-
11	Profit for the period / year (7+10)	3,563.67	3,568.88	4,072.97	17,821.31
12	Other comprehensive income (OCI)				
	(a) (i) Items that will not be reclassified to profit or loss				
	- Re-measurement of the defined benefit liabilities	(7.42)	(9.58)	(3.65)	(29.68)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	1.87	2.41	1.28	7.47
	Sub-total (a)	(5.55)	(7.17)	(2.37)	(22.21)
	(b) (i) Items that will be reclassified to profit or loss				
	- Loans and advances through other comprehensive Income	691.42	380.82	(66.77)	658.09
	(ii) Income tax relating to items that will be reclassified to profit or loss	(174.03)	(95.85)	23.33	(165.64)
	Sub-total (b)	517.39	284.97	(43.44)	492.45
	Other comprehensive income / (loss) (a+b)	511.84	277.80	(45.81)	470.24
13	Total comprehensive income for the period / year (11+12)	4,075.51	3,846.68	4,027.16	18,291.55
14	Earnings per share (of ₹10 each) (not annualized for interim periods)				
	(a) Basic (₹)	6.52	6.53	7.45	32.60
	(b) Diluted (₹)	6.52	6.53	7.45	32.60



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CIN: L65910GJ1995PLC026064

Notes :

- 1 The unaudited standalone financial results of the Company have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (referred to as 'Ind AS') - 34, Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'SEBI Listing Regulations'). Any application guidance/ clarifications/ directions issued by Reserve Bank of India ('RBI') or other regulators are implemented as and when they are issued/ applicable.
- 2 The unaudited standalone financial results for the quarter ended 30 June 2020 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on 12 August 2020.
- 3 In compliance with the SEBI Listing Regulations, a limited review of the standalone financial results for the quarter ended 30 June 2020 has been carried out by the Statutory Auditors.
- 4 The Board of Directors had declared an interim dividend of ₹ 2 per equity share of ₹ 10 at its meeting held on 6 November 2019. The dividend was subsequently paid on 26 November 2019. Further, second interim dividend of ₹ 6 per equity share of ₹ 10 was declared at its meeting held on 19 February 2020. The said dividend was subsequently paid on 6 March 2020.
- 5 During the quarter ended 30 September 2019, the Company had made an investment of ₹ 1,000 lakh in MAS Rural Housing & Mortgage Finance Limited, its subsidiary, by way of 6% optionally convertible preference shares ('OCPS') of face value of ₹ 10 each with a non-cumulative dividend right. The preference shares are optionally convertible into equity shares at a price to be determined at the time of conversion. The conversion / redemption option is to be exercised for 33.33% of OCPS in the 5th year, for 33.33% of OCPS in the 6th year and for remaining 33.34% of OCPS in the 7th year from the date of issue. If the option of conversion is not exercised then the preference shares shall be redeemed at the face value of ₹ 10 each.
- 6 The Taxation Laws (Amendment) Ordinance, 2019 contain substantial amendments in the Income Tax Act 1961 and the Finance (No.2) Act, 2019 to provide an option to domestic companies to pay income tax at a concessional rate. The Company has elected to apply the concessional tax rate and has recognized the provision for income tax and re-measured the net deferred tax assets at concessional rate since quarter ended 30 September 2019.
- 7 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. RBI has issued guidelines relating to COVID-19 Regulatory Package dated 27 March 2020, 17 April 2020 and 23 May 2020 and in accordance therewith, the Company has offered loan moratorium of up to six months on the payment of all principal instalments and / or interest, as applicable, falling due between 1 March 2020 and 31 August 2020 to all eligible borrowers. This relaxation does not automatically trigger a significant increase in credit risk. The Company continues to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria. For all such accounts where the moratorium is granted, the Company has excluded the moratorium period from the number of days past due for the purposes of asset classification as per the Company's policy.

In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers, along with the associated impact on the global economy. The Company has been duly servicing its debt obligations, maintaining a healthy capital adequacy ratio and has adequate capital and financial resources to run its business. While the methodologies and assumptions applied in the impairment loss allowance calculations remained unchanged from those applied while preparing the financial results for the year ended 31 March 2020, the Company has, based on current available information estimated and applied management overlays based on the policy approved by the Board of Directors for the purpose of determination of the provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Company's management has considered internal and external information including credit reports and economic forecasts up to the date of approval of these financial results. Accordingly, the provision for expected credit loss on financial assets as at 30 June 2020 aggregates ₹ 8,535.61 lakh (as at 31 March 2020, ₹ 5,856.45 lakh) which includes potential impact on account of the pandemic of ₹ 3,054.38 lakh for the quarter ended 30 June 2020. Based on the current indicators of future economic conditions, the Company considers this provision to be adequate.

The extent to which the COVID-19 pandemic will impact the Company's results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition, the impact of COVID-19 pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future period.

- 8 In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on implementation of Indian Accounting Standards, Non-Banking Financial Companies ('NBFCs') are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and income recognition asset classification and provisioning ('IRACP') norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard assets provisioning), as at 30 June 2020 and accordingly, no amount is required to be transferred to impairment reserve.
- 9 The Company is engaged primarily in the business of financing and all its operations are in India only. Accordingly, there is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
- 10 The Board of Directors in its meeting held on 16 June 2020 has approved issuance of non-convertible debentures ('NCDs') in tranches up to ₹ 50,000 lakh on a private placement basis. Up to the date of finalization of these financial results, NCDs amounting to ₹ 15,000 lakhs have been issued to various investors on a private placement basis. These NCDs are listed on BSE Limited.
- 11 The figures for the last quarter of the previous year are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures up to third quarter.
- 12 Previous period / year figures have been regrouped / reclassified, wherever found necessary, to conform to current period / year classification.

Ahmedabad
12 August 2020



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

B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Limited review report on unaudited quarterly consolidated financial results of MAS Financial Services Limited under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of MAS Financial Services Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of MAS Financial Services Limited (the 'Parent') and its subsidiary (the Parent and its subsidiary together referred to as the 'Group') for the quarter ended 30 June 2020 (the 'Statement'), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'SEBI Listing Regulations').
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 '*Interim Financial Reporting*' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 '*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*', issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33 (8) of the SEBI Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

Name of the Company	Relationship
MAS Financial Services Limited	Parent
MAS Rural Housing & Mortgage Finance Limited	Subsidiary

B S R & Co (a partnership firm with
Registration No. BA61223) converted into
B S R & Co. LLP (a Limited Liability, Partnership
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with effect from October 14, 2013

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MAS Financial Services Limited

Limited review report on unaudited quarterly consolidated financial results of MAS Financial Services Limited under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

5. Attention is drawn to the fact that the figures for the three months ended 31 March 2020 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditor referred to in paragraph 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. As described in Note 6 to the Statement, in respect of overdue but standard accounts where moratorium benefit has been granted, the staging of those accounts as at 30 June 2020 is based on the days past due status as on the date when the moratorium benefit was granted in accordance with the Covid-19 Regulatory Package announced by Reserve Bank of India vide notifications dated 27 March 2020, 17 April 2020 and 23 May 2020. Further, the extent to which the Covid-19 pandemic will impact the Group's financial performance is dependent on future developments, which are highly uncertain.

Our conclusion on the Statement is not modified in respect of these matters.

8. We did not review the interim financial information of a subsidiary included in the Statement, whose interim financial information reflect total revenues (before consolidation adjustments) of Rs. 863.30 lakh, total net profit after tax (before consolidation adjustments) of Rs. 95.07 lakh and total comprehensive income (before consolidation adjustments) of Rs. 73.48 lakh, for the quarter ended 30 June 2020, as considered in the unaudited consolidated financial results. These interim financial information have been reviewed by other auditor whose report has been furnished to us by management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of this matter.

For **B S R & Co. LLP**
Chartered Accountants

Firm's Registration No: 101248W/W-100022

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MOTA

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Date: 2020.08.12
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Sameer Mota
Partner

Mumbai
12 August 2020

Membership No: 109928
UDIN: 20109928AAAAIP9566

**MAS FINANCIAL SERVICES LTD.**

Regd. Office: 6 Ground Floor, Narayan Chambers, B/h Patang Hotel, Ashram Road, Ahmedabad-380 009.
 Phone No.: +91 79 41106500 Fax No.: +91 79 41106597 E-mail : riddhi_bhayani@mas.co.in Website: www.mas.co.in
 CIN: L65910GJ1995PLC026064

Statement of unaudited consolidated financial results for the quarter ended 30 June 2020

(₹ in Lakh)

Sr. No.	Particulars	Quarter ended			Year ended
		30.06.2020 (Unaudited)	31.03.2020 (Audited)	30.06.2019 (Unaudited)	31.03.2020 (Audited)
1	INCOME				
	(a) Revenue from operations				
	Interest income	14,979.88	14,807.68	14,547.42	59,690.94
	Gain on assignment of financial assets	1,444.01	2,992.18	2,003.34	10,930.43
	Fees and commission income	309.02	440.77	338.69	1,584.52
	Total revenue from operations	16,732.91	18,240.63	16,889.45	72,205.89
	(b) Other income	22.81	14.93	2.41	35.91
	Total income	16,755.72	18,255.56	16,891.86	72,241.80
2	EXPENSES				
	(a) Finance costs	7,474.71	7,434.16	7,050.62	29,611.20
	(b) Fees and commission expense	98.95	197.25	107.37	601.88
	(c) Impairment on financial instruments	2,988.21	3,476.87	1,285.75	8,894.53
	(d) Employee benefits expenses	959.17	1,443.96	1,386.60	5,869.00
	(e) Depreciation, amortisation and impairment	69.53	72.40	64.80	285.05
	(f) Other expenses	274.21	828.98	595.25	3,119.95
	Total expenses	11,864.78	13,453.62	10,490.39	48,381.61
3	Profit before exceptional items and tax (1-2)	4,890.94	4,801.94	6,401.47	23,860.19
4	Exceptional items	-	-	-	-
5	Profit before tax (3-4)	4,890.94	4,801.94	6,401.47	23,860.19
6	Tax expense				
	(a) Current tax	1,314.23	1,625.76	2,397.93	6,391.18
	(b) Short / (Excess) provision for tax relating to prior years	-	-	-	(95.99)
	Net current tax expense	1,314.23	1,625.76	2,397.93	6,295.19
	(c) Deferred tax expense/(credit)	(77.35)	(395.20)	(173.21)	(561.14)
	Total tax expense	1,236.88	1,230.56	2,224.72	5,734.05
7	Profit for the period / year from continuing operations (5-6)	3,654.06	3,571.38	4,176.75	18,126.14
8	Profit / (loss) from discontinued operations	-	-	-	-
9	Tax expense of discontinued operations	-	-	-	-
10	Profit / (loss) from discontinued operations (after tax) (8-9)	-	-	-	-
11	Profit for the period / year (7+10)	3,654.06	3,571.38	4,176.75	18,126.14
12	Other comprehensive income (OCI)				
	(a) (i) Items that will not be reclassified to profit or loss				
	- Re-measurement of the defined benefit liabilities	(8.45)	(12.46)	(2.88)	(33.82)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	2.51	3.13	1.07	8.51
	Subtotal (a)	(5.94)	(9.33)	(1.81)	(25.31)
	(b) (i) Items that will be reclassified to profit or loss				
	- Loans and advances through other comprehensive Income	663.09	388.08	(66.77)	665.35
	(ii) Income tax relating to items that will be reclassified to profit or loss	(166.90)	(97.68)	23.33	(167.47)
	Subtotal (b)	496.19	290.40	(43.44)	497.88
	Other comprehensive income / (loss) (a+b)	490.25	281.07	(45.25)	472.57
13	Total comprehensive income for the period / year (11+12)	4,144.31	3,852.45	4,131.50	18,598.71
14	Profit for the period / year attributable to				
	Owners of the Parent	3,615.71	3,567.50	4,131.75	17,995.76
	Non-controlling interest	38.35	3.88	45.00	130.38
15	Other comprehensive income for the period / year attributable to				
	Owners of the Parent	498.96	279.75	(45.47)	471.63
	Non-controlling interest	(8.71)	1.32	0.22	0.94
16	Total comprehensive income for the period / year attributable to				
	Owners of the Parent	4,114.67	3,847.25	4,086.28	18,467.39
	Non-controlling interest	29.64	5.20	45.22	131.32
17	Earnings per share (of ₹10 each) (not annualized for interim periods)				
	(a) Basic (₹)	6.61	6.53	7.64	32.92
	(b) Diluted (₹)	6.61	6.53	7.64	32.92





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

Phone No.: +91 79 41106500 Fax No.: +91 79 41106597 E-mail : riddhi_bhayani@mas.co.in Website: www.mas.co.in

CIN: L65910GJ1995PLC026064

Notes :

- 1 The unaudited consolidated financial results of MAS Financial Services Limited (the 'Parent') and its subsidiary (collectively referred to as the 'Group') have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (referred to as 'Ind AS') - 34, Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'SEBI Listing Regulations'). Any application guidance/ clarifications/ directions issued by Reserve Bank of India ('RBI') or other regulators are implemented as and when they are issued/ applicable.
- 2 The unaudited consolidated financial results for the quarter ended 30 June 2020 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Parent at its meeting held on 12 August 2020.
- 3 In compliance with the SEBI Listing Regulations, a limited review of the consolidated financial results for the quarter ended 30 June 2020 has been carried out by the Statutory Auditors.
- 4 The Board of Directors of the Parent had declared an interim dividend of ₹ 2 per equity share of ₹ 10 at its meeting held on 6 November 2019. The dividend was subsequently paid on 26 November 2019. Further, second interim dividend of ₹ 6 per equity share of ₹ 10 was declared at its meeting held on 19 February 2020. The said dividend was subsequently paid on 6 March 2020.
- 5 The Taxation Laws (Amendment) Ordinance, 2019 contain substantial amendments in the Income Tax Act 1961 and the Finance (No.2) Act, 2019 to provide an option to domestic companies to pay income tax at a concessional rate. The Group has elected to apply the concessional tax rate and has recognized the provision for income tax and re-measured the net deferred tax assets at concessional rate since quarter ended 30 September 2019.
- 6 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. RBI has issued guidelines relating to COVID-19 Regulatory Package dated 27 March 2020, 17 April 2020 and 23 May 2020 and in accordance therewith, the Group has offered loan moratorium of up to six months on the payment of all principal instalments and / or interest, as applicable, falling due between 1 March 2020 and 31 August 2020 to all eligible borrowers. This relaxation does not automatically trigger a significant increase in credit risk. The Group continues to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria. For all such accounts where the moratorium is granted, the Group has excluded the moratorium period from the number of days past due for the purposes of asset classification as per group's policy.

In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers, along with the associated impact on the global economy. The Group has been duly servicing its debt obligations, maintaining a healthy capital adequacy ratio and has adequate capital and financial resources to run its business. While the methodologies and assumptions applied in the impairment loss allowance calculations remained unchanged from those applied while preparing the financial results for the year ended 31 March 2020, the Group has, based on current available information estimated and applied management overlays based on the policy approved by the Board of Directors for the purpose of determination of the provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Group's management has considered internal and external information including credit reports and economic forecasts up to the date of approval of these financial results. Accordingly, the provision for expected credit loss on financial assets as at 30 June 2020 aggregates ₹ 8,853.75 lakh (as at 31 March 2020, ₹ 6,173.44 lakh) which includes potential impact on account of the pandemic of ₹ 3,062.65 lakh for the quarter ended 30 June 2020. Based on the current indicators of future economic conditions, the Group considers this provision to be adequate.

The extent to which the COVID-19 pandemic will impact the Group's results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Group. Given the uncertainty over the potential macro-economic condition, the impact of COVID-19 pandemic may be different from that estimated as at the date of approval of these financial results and the Group will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future period.

- 7 In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 on implementation of Indian Accounting Standards, Non-Banking Financial Companies ('NBFCs') are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and income recognition asset classification and provisioning ('IRACP') norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Group exceeds the total provision required under IRACP (including standard assets provisioning), as at 30 June 2020 and accordingly, no amount is required to be transferred to impairment reserve.
- 8 The Group is engaged primarily in the business of financing and all its operations are in India only. Accordingly, there is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Group.
- 9 The Board of Directors of the Parent in its meeting held on 16 June 2020 has approved issuance of listed non-convertible debenture ('NCD') up to ₹ 50,000 lakhs on private placement basis in tranches. Up to the date of finalization of these financial results, NCD amounting to ₹ 15,000 lakhs has been issued to various investors on private placement basis. These NCDs are listed on BSE Limited.
- 10 The figures for the last quarter of the previous year are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures up to third quarter.
- 11 Previous period / year figures have been regrouped / reclassified, wherever found necessary, to conform to current period / year classification.

Ahmedabad
12 August 2020



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



PRESS RELEASE

MAS Financial Services Limited results – 1st quarter FY 21

A Robust Financial Performance

101 Quarters of Consistent Financial Performance

Wednesday, 12th August 2020, Ahmedabad: The Board of Directors of MAS Financial Services Limited (MAS Financial) (BSE: 540749, NSE: MASFIN), a specialized retail financing company, announced today the unaudited financial results for the first quarter ended 30 June, 2020.

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 "Enabled by our 25 years of experience, the main focus of the company during this challenging time remained 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 **32.20%**, sufficient liquidity due to very efficient liability management, excellent quality of portfolio of around **1.14%** of net stage 3 assets and by creating additional provisioning buffer which stands at **1.62%** of on book assets should enable the company to navigate the current unprecedented situation successfully.

Update on Moratorium

- **Borrowers:** The constant engagement with the clients resulted in to **74%** and **87%** collection efficiency by value in the month of June and July respectively despite of having granted moratorium. This effectively translates to 26% and 13% of the customers by value under moratorium for the month of June and July respectively.
- **Lenders:** The Company did not avail any moratorium facility from its lender as the liquidity position of the company remained strong.



As per IND-AS

MAS Financial Services Limited reports Assets under Management (AUM) of ₹ 5657.73 Crore and profit after tax of ₹ 35.64 Crore for the quarter ended 30 June 2020 from ₹ 5578.21 Crore and ₹ 40.73 Crore respectively for quarter ended 30 June 2019

- A growth of 1.43% in AUM and contraction of 12.50 % in PAT over the corresponding period of the previous year.
- The Company has made additional special contingent provision of ₹ 30.54 Crore during the quarter due to Covid-19, the total special COVID provision as on 30th June 2020 stood at ₹ 50.88 Crore for the total on book assets of ₹ 3134.75 Crores i.e.1.62% of the total on book assets.

(Excluding this special contingent provision the PAT stands at ₹ 58.48 Crore registering growth of 43.59% over the corresponding period of the previous year)

- The portfolio quality remained stable at 1.14% 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 COVID provisioning is not netted off against assets in any stage and the same stands as the additional provisioning.

Performance Highlights:

Capital Adequacy Ratio (including Tier II capital) as of 30 June, 2020 stood at 34.93%. The Tier-I capital stood at 32.20%.

(₹ in CR)

Particulars	Q1'21	Q1'20	QoQ	FY 20
Assets Under Management	5657.73	5578.21	1.43%↑	5966.28
Total Income	159.12	159.23	0.07%↓	683.12
Profit Before Tax	47.64	62.66	23.97%↓	234.48
Profit After Tax	35.64	40.73	12.50%↓	178.21
Profit After Tax (Without special contingent provision for Covid-19)	58.48	40.73	43.59%↑	193.43
Gross Stage 3 Assets % to AUM	1.41%	1.39%	0.02 bps↑	1.42%
Net Stage 3 Assets % to AUM	1.14%	1.14%	0.00 bps	1.14%

- Note: The Company has made further special contingent provision of ₹ 30.54 Crore during the quarter due to Covid-19, thereby the total special COVID provision as on 30th June 2020 stood at ₹ 50.88 Crore. Excluding this special contingent provision the PAT stands at ₹ 58.48 Crore registering growth of 43.59% over the corresponding period of the previous year.



A handwritten signature in black ink, consisting of a vertical line and a diagonal stroke, is positioned to the right of the company logo.

(₹ in CR)

Asset Under Management (AUM)*	Jun-20	Jun-19	YoY
Micro-Enterprise loans	3424.15	3595.46	4.76%↓
SME loans	1674.02	1375.48	21.70%↑
2-Wheeler loans	400.77	455.17	11.95%↓
Commercial Vehicle loans	158.78	152.10	4.40%↑
TOTAL AUM	5657.73	5578.21	1.43%↑

*Represents underlying assets in each of the category. As on 30 June, 2020 57.32% of the total underlying assets is through various NBFCs.

Following information explains the net impact on income due to recognition of assigned portfolio based on INDAS: (₹ in CR)

Sr. No.	Particulars	Q1 FY 21	Q1 FY 20	FY 20
1	Upfront spread booked on present value basis on portfolio assigned (based on INDAS)	14.44	20.03	107.49
2	Income booked on asset created out of spread receivable (based on INDAS)	1.92	1.54	6.39
3	Spread that would have been booked on assigned portfolio on amortization basis (based on I-GAAP)	17.64	25.85	107.56
4	Net Impact on income due to upfront booking of spread on the assigned portfolio (based on INDAS) (1+2-3)	-1.28	-4.28	6.32

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 29th July 2020 took on record the unaudited Financial Results of the company for quarter ended 30th June, 2020.

As per IND-AS

~~MAS~~ Rural Housing and Mortgage Finance Limited reports Assets under Management (AUM) of ₹ 284.16 Crore and profit after tax of ₹ 0.95 Crore for the quarter ended 30 June 2020 from ₹ 271.63 Crore and ₹ 1.12 Crore respectively for quarter ended 30 June 2019.

- A Growth of 4.61% in AUM and contraction of 14.79% in PAT over the corresponding period of the previous year. The covid provision stands at ₹ 2.10 crore.

Performance Highlights:

- The company is engaged predominantly in to affordable and rural housing financing. Moratorium was granted to all such borrowers. The collection in this segment for the month of June-20 and July-20 is 80% and 83% respectively by value.



