

# B S R & Co. LLP

Chartered Accountants

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## **Independent Auditor's Report on Quarterly Consolidated and Year to Date Financial Results Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

### **To the Board of Directors of MAS Financial Services Limited**

We have audited the consolidated annual financial results of MAS Financial Services Limited (the 'Company') for the year ended 31 March 2019, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'). Attention is drawn to the fact that the figures for the last quarter ended 31 March 2019 as reported in these consolidated annual financial results are the balancing figures between consolidated audited figures in respect of the full financial year and the published year to date consolidated figures up to the end of the third quarter of the current financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit. Attention is also drawn to the fact that the figures for the quarter ended 31 March 2018 as reported in these financial results are unaudited since the Company opted to submit consolidated quarterly results effective from 1 April 2018.

These consolidated annual financial results have been prepared from consolidated annual financial statements and reviewed quarterly consolidated financial results which are the responsibility of the Company's Management. Our responsibility is to express an opinion on these consolidated annual financial results based on our audit of such consolidated annual financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated annual financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of one subsidiary included in the consolidated annual financial results, whose annual financial statements reflect total assets of Rs. 30,923.75 lac as at 31 March 2019 as well as the total revenue of Rs. 3,295.20 lac for the year ended 31 March 2019. These annual financial statements have been audited by other auditor whose report has been furnished to us, and our opinion on the consolidated annual financial results, to the extent they have been derived from such annual financial statements is based solely on the report of the other auditor.

Our opinion on the consolidated annual financial results is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

**Independent Auditor's Report on Quarterly Consolidated and Year to Date Financial Results Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)**

**MAS Financial Services Limited**

The comparative consolidated financial results of the Company for the year ended 31 March 2018, included in these consolidated financial results were audited by Deloitte Haskins & Sells, Chartered Accountants, whose audit report dated 9 May 2018 expressed an unmodified opinion on those consolidated financial results. We draw attention to the fact that management has adjusted these previously issued financial results for the differences in the accounting principles adopted by the Company on transition to the Indian Accounting Standard ('Ind AS') and presented a reconciliation for the same, which have been approved by the Company's Board of Directors and subjected to audit by us. Our opinion is not modified with respect to this matter.

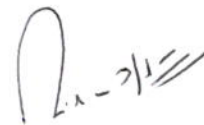
Based on our audit conducted, which as stated above did not include the quarter ended 31 March 2018, in our opinion and to the best of our information and according to the explanations given to us and based on consideration of report of other auditor on the separate financial statements of the subsidiary, as aforesaid, these consolidated annual financial results:

- (i) include the annual financial results of MAS Rural Housing & Mortgage Finance Limited;
- (ii) have been presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (iii) give a true and fair view of the net consolidated profit and other comprehensive income and other financial information for the year ended 31 March 2019.

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

*Chartered Accountants*

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



**Nirav Patel**

*Partner*

Membership No. 113327

Ahmedabad  
8 May 2019



Consolidated balance sheet

Particulars	(₹ In Lakh)	
	As at 31.03.2019 Audited	As at 31.03.2018 Audited
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents	39,699.95	4,938.23
Bank balance other than cash and cash equivalents	1,280.68	1,024.89
Loans	348,267.74	274,567.03
Investments	-	9.49
Other financial assets	3,577.58	3,059.38
<b>Total financial assets</b>	<b>392,825.95</b>	<b>283,599.02</b>
<b>Non-financial assets</b>		
Income tax assets (net)	95.16	189.03
Deferred tax Assets (Net)	69.41	116.60
Property, plant and equipment	5,803.39	5,758.96
Capital work-in-progress	0.71	-
Goodwill	573.36	-
Other Intangible assets	12.01	19.08
Other non-financial assets	245.26	270.63
<b>Total non-financial assets</b>	<b>6,799.30</b>	<b>6,354.30</b>
<b>Total assets</b>	<b>399,625.25</b>	<b>289,953.32</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Payables		
(I) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	600.10	360.75
(II) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Debt securities	5,981.78	5,974.41
Borrowings (Other than debt securities)	221,327.10	139,492.71
Other financial liabilities	73,275.78	61,628.69
<b>Total financial liabilities</b>	<b>301,184.76</b>	<b>207,456.56</b>
<b>Non-financial liabilities</b>		
Current tax liabilities (Net)	1,621.96	566.00
Provisions	17.19	84.09
Deferred tax liabilities (net)	860.55	1,267.20
Other non-financial liabilities	1,935.32	1,424.95
<b>Total non-financial liabilities</b>	<b>4,435.02</b>	<b>3,342.24</b>
<b>Total liabilities</b>	<b>305,619.78</b>	<b>210,798.80</b>
<b>Non-controlling interest</b>	1,591.55	1,235.64
<b>EQUITY</b>		
Equity share capital	5,466.20	5,466.20
Other equity	86,947.72	72,452.68
<b>Total equity</b>	<b>92,413.92</b>	<b>77,918.88</b>
<b>Total liabilities and equity</b>	<b>399,625.25</b>	<b>289,953.32</b>



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1 The audited consolidated financial results of the Group have been prepared in accordance with Indian Accounting Standards (the "Ind AS") prescribed under section 133 of the Companies Act 2013 (the "Act"). The Holding Company and its Subsidiary (the "Group") has adopted Ind AS from 1 April 2018 with effective transition date of 1 April 2017 and accordingly, these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under section 133 of the Act and the other accounting principles generally accepted in India.

This transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act, read with rule 7 of Companies (Accounts) Rules 2014 (as amended), guidelines issued by Reserve Bank of India ("RBI") and other generally accepted accounting principles in India (collectively referred to as the "Previous GAAP"). Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2017 and the corresponding adjustments pertaining to comparative previous year as presented in these financial results have been restated / reclassified in order to conform to current period / year presentation.

2 The figures have been presented in accordance with the format prescribed for the financial statements for a Non-Banking Finance Company ("NBFC") whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules, 2015, in Division III of Notification dated 11 October 2018 issued by the Ministry of Corporate Affairs, Government of India.

3 As required by Ind AS 101 - First time Adoption of Indian Accounting Standards, the profit and equity reconciliation between the figures previously reported under the Previous GAAP and restated as per Ind AS is as under:

Particulars	Year Ended 31.03.2018 (₹ in Lakh)
<b>Profit after tax as reported under the Previous GAAP</b>	<b>10,581.89</b>
<b>Adjustments resulting in increase/(decrease) in profit after tax as reported under the Previous GAAP :</b>	
i) Impact on recognition of financial assets and financial liabilities at amortized cost by application of effective interest rate method	(95.37)
ii) Impact on application of expected credit loss method for loan loss provisions	188.29
iii) Impact on direct assignment of loan portfolio	1,881.06
iv) Dividend on convertible preference shares considered as finance cost	(77.43)
v) Employee benefits (discount on issue of shares)	(62.49)
vi) Fair value impact of compulsorily convertible debentures	(400.44)
vii) Fair value impact of compulsorily convertible cumulative preference shares	(794.49)
viii) Others	(5.09)
ix) Tax impact on above adjustments	(696.89)
<b>Profit after tax as reported under Ind AS</b>	<b>10,519.04</b>
<b>Other comprehensive income / (loss) (net of tax)</b>	
i) Fair value changes on loans and advances	2,471.74
ii) Others	3.30
iii) Tax impact on above adjustments	(864.69)
<b>Total other comprehensive income (net of tax)</b>	<b>1,610.35</b>
<b>Total comprehensive income as reported under Ind AS</b>	<b>12,129.38</b>

Particulars	As at 31.03.2018
<b>Equity as reported under the previous GAAP</b>	<b>71,986.73</b>
<b>Adjustments:</b>	
i) Impact on recognition of financial assets and financial liabilities at amortized cost by application of effective interest rate method	(866.38)
ii) Impact on application of expected credit loss method for loan loss provisions	(172.24)
iii) Impact on direct assignment of loan portfolio	5,743.08
iv) Employee benefits (discount on issue of shares)	(69.29)
v) Issuance of equity shares to the employees of the Company and Subsidiary at discount	72.04
vi) Impact on reclassification of Equity component of Compound Financial Instruments	109.95
vii) Impact of Interest on liability portion of Compound Financial Instruments	(33.58)
viii) Others	63.63
ix) Tax impact on the above adjustments	(1,600.75)
<b>Other comprehensive income / (loss) (net of tax)</b>	
i) Fair value changes on loans and advances	820.64
ii) Impairment on loans and advances through OCI	2,151.08
iii) Others	9.33
iv) Tax impact on the above adjustments	(295.36)
<b>Equity as per Ind AS</b>	<b>77,918.88</b>

- 4 The Board of directors of Holding Company has recommended dividend of ₹ 3.60 per equity share of face value of ₹ 10 each, which is subject to approval by the shareholders of the Company.
- 5 Pursuant to the private placement offer letter (the "Offer Document") dated 30 March 2017, the Holding Company had allotted 1,034,553 equity shares on 19 April 2017 having face value of ₹ 10 each at a premium of ₹ 328.31 under the second tranche of the Offer Document.
- 6 All the compulsorily convertible instruments were converted into equity shares of the Holding Company as per the respective agreements, amended from time to time, in the following manner:  
 (a) 0.01% compulsorily convertible cumulative preference shares ("CCCPs") were converted into 1,739,865 equity shares having face value of ₹ 10 each at a premium of ₹ 114.93 per equity share on 12 September 2017;  
 (b) 13.31% CCCPs were converted into 1,280,723 equity shares having face value of ₹ 10 each at a premium of ₹ 159.71 per equity share on 12 September 2017;  
 (c) 9.75% CCCPs were converted into 87,716 equity shares having face value of ₹ 10 each at a premium of ₹ 446 per equity share on 12 September 2017; and  
 (d) 13% Compulsorily Convertible Debentures were converted into 2,470,175 equity shares having face value of ₹ 10 at a premium of ₹ 192.33 per equity share on 21 September 2017.
- 7 Pursuant to Initial Public Offer (the "IPO"), 10,039,277 equity shares of the Holding Company (comprising of fresh issue of 5,092,829 equity shares and Offer for Sale ("OFS") of 4,946,448 equity shares) were allotted and transferred at an offer price of ₹ 459 per equity share (₹ 414 per equity share for eligible employees of the Holding Company and its Subsidiary) on 16 October 2017.
- 8 The Holding Company had incurred various expenditure of ₹ 2,399.91 lakh (net of recovery from selling shareholders) during the year ended 31 March 2018 towards private placement of equity shares, IPO and OFS, which have been adjusted against the securities premium account.



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**MAS FINANCIAL SERVICES LTD.**

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CIN: L65910GJ1995PLC026064

- 9 The Board of Directors of the Holding Company in its meeting held on 1 November 2018 declared an interim dividend of ₹ 1.50 per equity share of face value of ₹ 10 each. Dividend was subsequently paid on 27 November 2018.
- 10 The audited consolidated financial results for the quarter and year ended 31 March 2019 along with restated comparative period have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Holding Company at its meeting held on 8 May 2019.
- 11 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.
- 12 The figures for the last quarter of the current year and of the previous year are the balancing figures between audited figures in respect of the full financial year and the published year to date reviewed figures up to third quarter.



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

Ahmedabad  
8 May 2019



**FINANCIAL SERVICES LTD.**

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CIN: L65910GJ1995PLC026064

**Statement of audited consolidated financial results for the quarter and year ended 31 March 2019**

(₹ in Lakh)

Sr. No.	Particulars	Quarter ended			Year ended	
		31.03.2019 Audited	31.12.2018 Unaudited	31.03.2018 Unaudited	31.03.2019 Audited	31.03.2018 Audited
<b>1</b>	<b>INCOME</b>					
	(a) Revenue from operations					
	Interest income	13,181.62	13,570.90	9,722.10	49,519.30	38,448.22
	Gain on assignment of financial assets	2,822.82	3,034.68	2,670.08	9,414.46	8,005.67
	Fees and commission income	467.92	392.02	186.96	1,523.89	1,223.64
	<b>Total revenue from operations</b>	<b>16,472.36</b>	<b>16,997.60</b>	<b>12,579.14</b>	<b>60,457.65</b>	<b>47,677.53</b>
	(b) Other income	3.08	2.50	1.17	12.01	3.06
	<b>Total income</b>	<b>16,475.44</b>	<b>17,000.10</b>	<b>12,580.31</b>	<b>60,469.66</b>	<b>47,680.59</b>
<b>2</b>	<b>EXPENSES</b>					
	(a) Finance costs	6,270.58	6,391.53	4,078.61	22,617.80	18,625.73
	(b) Fees and commission expense	63.69	119.28	90.80	404.35	506.03
	(c) Impairment on financial assets	1,628.70	1,366.80	1,687.31	5,543.65	4,351.88
	(d) Employee benefits expense	1,309.18	1,383.19	1,208.92	5,204.63	4,226.33
	(e) Depreciation and amortisation	39.24	40.61	42.71	160.36	164.03
	(f) Other expenses	663.93	681.78	448.52	2,738.06	3,029.59
	<b>Total expenses</b>	<b>9,975.32</b>	<b>9,983.19</b>	<b>7,556.87</b>	<b>36,668.85</b>	<b>30,903.59</b>
<b>3</b>	<b>Profit before exceptional items and tax (1-2)</b>	<b>6,500.12</b>	<b>7,016.91</b>	<b>5,023.44</b>	<b>23,800.81</b>	<b>16,777.00</b>
<b>4</b>	Exceptional items	-	-	-	-	-
<b>5</b>	<b>Profit before tax (3+4)</b>	<b>6,500.12</b>	<b>7,016.91</b>	<b>5,023.44</b>	<b>23,800.81</b>	<b>16,777.00</b>
<b>6</b>	<b>Tax expense</b>					
	(a) Current tax	2,254.91	1,987.00	1,662.50	8,340.61	5,813.40
	(b) Short / (Excess) provision for tax relating to prior years	8.93	-	-	7.12	(0.69)
	<b>Net current tax expense</b>	<b>2,263.84</b>	<b>1,987.00</b>	<b>1,662.50</b>	<b>8,347.73</b>	<b>5,812.71</b>
	(c) Deferred tax expense/(credit)	77.15	416.43	104.13	(7.57)	445.26
	<b>Total tax expense</b>	<b>2,340.99</b>	<b>2,403.43</b>	<b>1,766.63</b>	<b>8,340.16</b>	<b>6,257.97</b>
<b>7</b>	<b>Profit for the period / year from continuing operations (5-6)</b>	<b>4,159.13</b>	<b>4,613.48</b>	<b>3,256.81</b>	<b>15,460.65</b>	<b>10,519.03</b>
<b>8</b>	Profit from discontinued operations	-	-	-	-	-
<b>9</b>	Tax expense of discontinued operations	-	-	-	-	-
<b>10</b>	<b>Profit from discontinued operations (after tax) (8-9)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>11</b>	<b>Profit for the period / year (7+10)</b>	<b>4,159.13</b>	<b>4,613.48</b>	<b>3,256.81</b>	<b>15,460.65</b>	<b>10,519.03</b>
<b>12</b>	<b>Other comprehensive income</b>					
	(a) (i) Items that will not be reclassified to profit or loss	(22.31)	2.41	0.91	(12.64)	3.30
	(ii) Income tax relating to items that will not be reclassified to profit or loss	7.74	(0.70)	(0.27)	4.63	(0.97)
	(b) (i) Items that will be reclassified to profit or loss	155.55	(410.44)	1,206.58	(993.77)	2,471.74
	(ii) Income tax relating to items that will be reclassified to profit or loss	(54.36)	143.42	(425.87)	347.26	(863.72)
	<b>Other comprehensive income / (loss) (net of tax)</b>	<b>86.62</b>	<b>(265.31)</b>	<b>781.35</b>	<b>(654.52)</b>	<b>1,610.35</b>
<b>13</b>	<b>Total comprehensive income for the period / year (11+12)</b>	<b>4,245.75</b>	<b>4,348.17</b>	<b>4,038.16</b>	<b>14,806.13</b>	<b>12,129.38</b>
<b>14</b>	<b>Profit for the period attributable to</b>					
	Owners of the Company	4,158.90	4,584.59	3,243.47	15,353.69	10,437.97
	Non-controlling interest	0.23	28.89	13.34	106.96	81.06
<b>15</b>	<b>Total comprehensive income for the period / year attributable to</b>					
	Owners of the Company	4,245.72	4,319.07	4,024.61	14,698.27	12,047.58
	Non-controlling interest	0.03	29.10	13.55	107.86	81.80
<b>16</b>	<b>Earnings per share (of ₹10 each) (not annualized for quarters)</b>					
	(a) Basic	7.61	8.44	5.96	28.28	21.74
	(b) Diluted	7.61	8.44	5.96	28.28	21.74



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The Power of Distribution

# MAS FINANCIAL SERVICES LIMITED

MFSL/SEC/EQ/2019/24

May 08, 2019

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, 951920, 952312**

Trading Symbol: **MASFIN**

Dear Sir,

**Sub: Declaration pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

In compliance with the second proviso to the Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm that M/s. B S R & Co., LLP, Chartered Accountants (Firm's Registration No: 101248W/W-100022), Statutory Auditors of the Company, have issued an Audit Report with unmodified opinion on the Annual Audited Financial Results (Standalone and Consolidated) for the year ended 31<sup>st</sup> March, 2019.

You are requested to take the same on record.

Thanking you,

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

**Riddhi Bhaveshbhai Bhayani**  
Company Secretary and Compliance Officer  
ACS No.: A41206



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