



The Power of Distribution

MAS FINANCIAL SERVICES LIMITED

MFSL/SEC/EQ/2021/49

August 11, 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.: Outcome of Board Meeting of the Company held today i.e. Wednesday, August 11, 2021.

The Board of Directors of the Company in its Meeting held today i.e. on August 11, 2021 has inter alia:

- Formed, reviewed and updated various policies of the Company;
- Approved the Unaudited Standalone & Consolidated Financial Results along with Limited Review Reports issued by the Statutory Auditors of the Company for the first quarter ended on June 30, 2021.
- Took note of Resignation letter of Statutory Auditors:

Further to a communication dated July 22, 2021 regarding their intention to resign as auditors, the Company has received resignation letter from M/s. B S R & Co. LLP, Chartered Accountants dated August 11, 2021 expressing their inability to continue as statutory auditors of the company effective today pursuant to the Guidelines dated April 27, 2021 for Appointment of Statutory Auditors for NBFCs issued by Reserve Bank of India and the circular CIR/CFD/CMD1/114/2019 dated October 18, 2019 issued by the Securities Exchange Board of India upon issuing the review reports on the standalone and consolidated financial results for the quarter ended June 30, 2021 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The Audit Committee considered the above prior to the Board meeting and noted that the resignation is on account of regulatory requirement. Information as required under Regulation 30 – Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and information from the statutory auditor as specified in Annexure A upon resignation as required under the above referred SEBI circular are annexed herewith.



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The said meeting of the Board of Directors commenced at 05:00 P.M. and concluded at 06:35 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.

You are requested to take the same on record.

Thanking you,
Yours faithfully,
For, MAS Financial Services Limited

Riddhi

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



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B S R & Co. LLP

Chartered Accountants

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Western Express Highway, Goregaon (East),
Mumbai - 400 063, India

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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 2021 (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 (the 'Act'), 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. As described in Note 5 to the Statement, during the quarter ended 30 September 2020, the Company had changed its accounting policy for recognising gain on derecognition of loans upon assignment retrospectively. As per the previous policy, such gain was recognised immediately in the statement of profit or loss. As per the new policy adopted by the Company, such gain is recorded as 'Unearned income on assigned loans' under the head 'Other non-financial liabilities' and is amortised in the statement of profit or loss over the period of the underlying residual terms of the assigned loan portfolio. This change in accounting policy constitutes a departure from the Indian Accounting Standards prescribed under Section 133 of the Act (Ind AS 109 - 'Financial Instruments') which requires the gain / loss to be recognised immediately in the statement of profit or loss upon derecognition of assigned loans. In our view, this change in accounting policy is not in compliance with the requirements of Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' that permits to change the accounting policy only if the change satisfies given criteria therein.

Had the Company not revised its policy, 'gain on assignment' would have decreased by Rs. 754.51 lakh and 'deferred tax credit' would have been increased by of Rs. 189.89 lakh for the quarter ended 30 June 2021.

Registered Office:

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)

MAS Financial Services Limited

5. Based on our review conducted as above, except for the effects / possible effects of the matter described in paragraph 4 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.
6. As more fully explained in Note 7 to the Statement, 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 this matter

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

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

SAMEER Digitally signed
by SAMEER
HIRACHAND
MOTA
HIRACHA
ND MOTA Date: 2021.08.11
18:23:21 +05'30'

Sameer Mota
Partner

Place: Mumbai
Date: 11 August 2021

Membership No: 109928
UDIN: 21109928AAAAVU3430



MAS FINANCIAL SERVICES LIMITED

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CIN: L65910GJ1995PLC026064

Statement of unaudited standalone financial results for the quarter ended 30 June 2021

(₹ in Lakh)

Sr. No.	Particulars	Quarter ended			Year ended
		30.06.2021 (Unaudited)	31.03.2021 (Audited)	30.06.2020 (Unaudited)	31.03.2021 (Audited)
				(Restated refer note 6)	
1	INCOME				
	(a) Revenue from operations				
	Interest income	12,825.51	11,413.47	14,160.56	48,413.64
	Gain on assignment of financial assets (Refer note 5)	1,490.48	1,741.63	1,571.72	8,058.70
	Fees and commission income	384.16	692.59	303.27	2,796.05
	Net gain on fair value changes	72.81	56.32	-	56.32
	Total revenue from operations	14,772.96	13,904.01	16,035.55	59,324.71
	(b) Other income	76.54	10.53	4.03	64.19
	Total income	14,849.50	13,914.54	16,039.58	59,388.90
2	EXPENSES				
	(a) Finance costs	6,993.51	6,108.28	6,935.41	26,449.08
	(b) Fees and commission expense	94.49	172.60	98.95	624.36
	(c) Impairment on financial instruments	1,409.87	751.64	2,987.31	7,488.62
	(d) Employee benefits expenses	854.91	730.43	812.34	2,972.89
	(e) Depreciation, amortisation and impairment	47.93	47.75	57.05	212.98
	(f) Other expenses	495.52	1,107.25	256.47	2,351.68
	Total expenses	9,896.23	8,917.95	11,147.53	40,099.61
3	Profit before exceptional items and tax (1-2)	4,953.27	4,996.59	4,892.05	19,289.29
4	Exceptional items	-	-	-	-
5	Profit before tax (3-4)	4,953.27	4,996.59	4,892.05	19,289.29
6	Tax expense				
	(a) Current tax	1,273.42	1,741.08	1,286.43	5,809.77
	(b) Short / (excess) provision for tax relating to prior years	-	-	-	-
	Net current tax expense	1,273.42	1,741.08	1,286.43	5,809.77
	(c) Deferred tax expense/(credit)	(2.83)	(397.12)	(53.61)	(870.78)
	Total tax expense	1,270.59	1,343.96	1,232.82	4,938.99
7	Profit for the period / year from continuing operations (5-6)	3,682.68	3,652.63	3,659.23	14,350.30
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)	3,682.68	3,652.63	3,659.23	14,350.30
12	Other comprehensive income (OCI)				
	(a) (i) Items that will not be reclassified to profit or loss				
	- Re-measurement of the defined benefit liabilities	16.75	68.15	(7.42)	67.01
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(4.22)	(17.16)	1.87	(16.87)
	Sub-total (a)	12.53	50.99	(5.55)	50.14
	(b) (i) Items that will be reclassified to profit or loss				
	- Loans and advances through other comprehensive Income	(105.54)	59.77	691.42	936.29
	(ii) Income tax relating to items that will be reclassified to profit or loss	26.56	(15.03)	(174.03)	(235.65)
	Sub-total (b)	(78.98)	44.74	517.39	700.64
	Other comprehensive income / (loss) (a+b)	(66.45)	95.73	511.84	750.78
13	Total comprehensive income for the period / year (11+12)	3,616.23	3,748.36	4,171.07	15,101.08
14	Earnings per share (of ₹10 each) (not annualized for interim periods)				
	(a) Basic (₹)	6.74	6.68	6.69	26.25
	(b) Diluted (₹)	6.74	6.68	6.69	26.25



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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 ('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 above standalone financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on 11 August 2021.
- 3 In compliance with the SEBI Listing Regulations, a limited review of the standalone financial results for the quarter ended 30 June 2021 has been carried out by the Statutory Auditors.
- 4 The Board of directors at its meeting held on 19 May 2021 recommended final dividend of ₹ 1.5 per equity share of face value of ₹ 10 each for the year ended 31 March 2021, which is subject to approval by the shareholders of the Company.

5 Amortising the gain on assignment of financial assets over the residual tenure instead of booking upfront and management's response to comments of the statutory auditors in the limited review report:

With regards to comments of the statutory auditors in paragraph 4 of the limited review report, it is submitted that, as per earlier policy followed by the Company up to 30 June 2020, on derecognition of loans in its entirety upon assignment, as per Ind AS 109 'Financial Instruments', the Company has been recognising the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including new asset obtained less any new liability assumed) as gain immediately in the statement of profit or loss.

In view of the Company, earlier accounting treatment inflates the income at the time of assignment and leads to reporting higher earnings per share, potentially higher dividend pay-out and improved capital adequacy ratio. Further, after taking views from RBI circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 which states that the responsibility of preparing and ensuring fair presentation of the financial statements of a NBFC vests primarily with its Board of Directors, RBI circular no. DNBS. PD. No. 301/3.10.01/2012-13 dated 21 August 2012 which had clearly mandated the NBFCs to amortise the gain on assignment over the tenure of the loan and also as per paragraph 19 of Ind AS 1 'Presentation of Financial Statements', management has concluded that the upfront booking of income which is to be received over underlying residual tenure of the assigned portfolio would be so misleading for the users of the financial statements, that it would conflict with the objective of the financial statements set out in the Conceptual Framework for Financial Reporting under Ind AS and therefore to present a true and fair view of the Company's financial position, financial performance for the given period, from the quarter ended 30 September 2020, the Company had departed from the requirements of Ind AS 109 retrospectively and restated the earlier periods presented.

As per the new policy, on derecognition of financial assets on account of direct assignment of loans, gain is recognized as "Unearned income on assigned loans" under the head "Other non-financial liabilities" and amortized in the statement of profit or loss over the underlying residual terms of the assigned portfolio.

Further, NBFC industry body Finance Industry Development Council (the 'association') 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 in accounting policy has also been requested by the association also. The association has requested RBI and NFRA to allow the gain on direct assignment transactions to be amortized instead of recognition of the gain in the statement of profit and loss immediately upon assignment of loans due to above mentioned limitations.

As per paragraph 14(b) of Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', an entity may change its accounting policy if it results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flows. The Company believes that by following new policy, the above objective will be achieved.

Had the Company followed the accounting policy which it followed hitherto, the Company would have recognized gain on assignment of ₹ 735.97 lakh for the quarter ended 30 June 2021. As per the new policy, the Company has recognized gain on assignment (on amortised basis) of ₹ 1,490.48 lakh for the quarter ended 30 June 2021. Accordingly, gain on assignment would have decreased by ₹ 754.51 lakh and deferred tax credit would have increased by ₹ 189.89 lakh for the quarter ended 30 June 2021.



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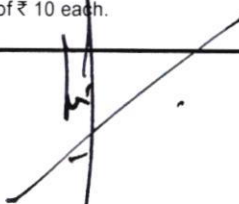

- 6 As per the requirement of Ind AS 8, the Company has restated the financial information of comparable interim periods to reflect the change in accounting policy as per point no. 5 above. The following table summarises the reconciliation of figures restated with previously reported figures:

Particulars	(₹ in Lakh)
	Quarter ended
	30.06.2020
Revised gain on assignment of financial assets	1,571.72
Impact due to change in accounting policy	(127.71)
Gain on assignment as previously reported before policy change	1,444.01
Revised profit before tax	4,892.05
Add/(Less) adjustments for:	
Gain on assignment of financial assets reversed (recognised on date of assignment)	1,444.01
Gain on assignment of financial assets recorded (on amortisation basis)	(1,571.72)
Profit before tax as previously reported before policy change	4,764.34
Revised deferred tax expense / (credit)	(53.61)
Impact due to change in accounting policy	(32.15)
Deferred tax credit as previously reported before policy change	(85.76)
Revised profit after tax	3,659.23
Add/(Less) adjustments for:	
Gain on assignment of financial assets reversed (recognised on date of assignment)	1,444.01
Gain on assignment of financial assets recorded (on amortisation basis)	(1,571.72)
Tax Impact on above adjustments	32.15
Profit after tax as previously reported before policy change	3,563.67
Revised basic earnings per share	6.69
Impact due to change in accounting policy	(0.17)
Basic earnings per share as previously reported before policy change	6.52
Revised diluted earnings per share	6.69
Impact due to change in accounting policy	(0.17)
Diluted earnings per share as previously reported before policy change	6.52

- 7 In accordance with the board approved moratorium policy read with the RBI guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Company had granted moratorium up to six months on the payment of installments which became due between 1 March 2020 and 31 August 2020 to all eligible borrowers. This relaxation did not automatically trigger a significant increase in credit risk. The Company continued to recognize interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period did not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

The impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans which are subject to a number of management judgements and estimates. 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 Indian and global economy. The Company has separately incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic and the associated support packages in the measurement of impairment loss allowance. The Company has been duly servicing its debt obligations, maintains a healthy capital adequacy ratio and has adequate capital and financial resources to run its business. As at 30 June 2021, the cumulative amount of management overlay provisions stood at ₹ 5,427.08 lakh in the standalone financial results, to reflect deterioration in the macro-economic outlook. The final impact of this pandemic is very uncertain and the actual impact may be different than that estimated based on the conditions prevailing as at the date of approval of these financial results. Management will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Company.

- 8 In accordance with the requirement of RBI circular nos. RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 and RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated 5 May 2021, the Company has framed policy for restructuring 2.0. As at 30 June 2021, the Company has not restructured any borrowers under the above RBI circulars.
- 9 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 2021 and accordingly, no amount is required to be transferred to impairment reserve.
- 10 During the quarter ended 30 June 2021, the Company has 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 with the subsidiary company. 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 the shares in the 5th year, for 33.33% of the shares in the 6th year and for remaining 33.34% of the shares in the 7th year from the date of issue of these shares. If the option of convertible preference shares are not exercised then the preference shares shall be redeemed at a face value of ₹ 10 each.



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- 11 The Board of Directors in its meeting held on 19 May 2021 had approved issuance of non-convertible debentures ('NCDs') in tranches up to ₹ 70,000 lakh on a private placement basis. Up to the date of finalization of these financial results, principal protected market linked NCDs ('PP-MLDs') amounting to ₹ 10,000 lakh have been issued to various investors on a private placement basis. These PP-MLDs are listed on BSE Limited.
- 12 All secured NCDs issued by the Company are secured by way of a first ranking, exclusive and continuing charge on identified standard receivables ('Hypothecated Receivables') to maintain the value of security at all times equal to 1.10x (One Decimal One Zero times) or 110.0% (One Hundred and Ten Percent) of the aggregate amount of principal outstanding (including accrued interest) of the NCDs as per the respective term-sheets of outstanding secured NCDs.
- 13 The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the provident fund Act and the gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry of Labour and Employment. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.
- 14 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.
- 15 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.
- 16 Previous period / year figures have been regrouped / reclassified, wherever found necessary, to conform to current period classification.



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

Ahmedabad
11 August 2021

B S R & Co. LLP

Chartered Accountants

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Nesco IT Park 4, Nesco Center,
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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 2021 (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 (the 'Act'), 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 SEBI under Regulation 33 (8) of the SEBI Listing Regulations, to the extent applicable.

4. The statement includes the following entities:

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

Registered Office:

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)

MAS Financial Services Limited

5. As described in Note 5 to the Statement, during the quarter ended 30 September 2020, the Group had changed its accounting policy for recognising gain on derecognition of loans upon assignment retrospectively. As per the previous policy, such gain was recognised immediately in the profit or loss. As per the new policy adopted by the Group, such gain is recorded as 'Unearned income on assigned loans' under the head 'Other non-financial liabilities' and is amortised in the profit or loss over the period of the underlying residual terms of the assigned loan portfolio.

Had the Group not revised its policy, 'gain on assignment' would have decreased by Rs. 731.34 lakh and 'deferred tax credit' would have been increased by of Rs. 184.05 lakh for the quarter ended 30 June 2021.

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 other auditor referred to in paragraph 8 below, except for the effects / possible effects of the matters described in paragraph 5 above, 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 7 to the Statement, 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 this matter.

8. We did not review the interim financial information of the subsidiary included in the Statement, whose interim financial information reflect total revenues of Rs.885.45 lakh, total net profit after tax (before consolidation adjustments) of Rs. 82.25 lakh and total comprehensive income/ loss of (before consolidation adjustments) Rs. 97.84 lakh for the quarter ended 30 June 2021, as considered in the Statement. This interim financial information have been reviewed by the 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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HIRACHA SAMEER
ND MOTA HIRACHAND MOTA
Date:2021.08.11
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Sameer Mota
Partner

Place: Mumbai
Date: 11 August 2021

Membership No: 109928
UDIN: 21109928AAAAVV2332

**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 2021

(₹ in Lakh)

Sr. No.	Particulars	Quarter ended			Year ended
		30.06.2021 (Unaudited)	31.03.2021 (Audited)	30.06.2020 (Unaudited) (Restated refer note 6)	31.03.2021 (Audited)
1	INCOME				
	(a) Revenue from operations				
	Interest income	13,671.23	12,225.75	15,000.95	51,770.11
	Gain on assignment of financial assets (Refer note 5)	1,506.43	1,756.87	1,585.09	8,125.55
	Fees and commission income	390.00	696.55	309.02	2,813.92
	Net gain on fair value changes	72.81	29.90	-	29.90
	Total revenue from operations	15,640.47	14,709.07	16,895.06	62,739.48
	(b) Other income	11.62	16.81	1.74	31.75
	Total income	15,652.09	14,725.88	16,896.80	62,771.23
2	EXPENSES				
	(a) Finance costs	7,505.43	6,569.98	7,474.71	28,493.54
	(b) Fees and commission expense	94.49	172.60	98.95	624.36
	(c) Impairment on financial instruments	1,469.02	889.27	2,988.21	7,784.81
	(d) Employee benefits expenses	985.42	865.69	959.17	3,503.32
	(e) Depreciation, amortisation and impairment	56.94	57.75	69.53	257.24
	(f) Other expenses	547.53	1,174.17	274.21	2,511.05
	Total expenses	10,658.83	9,729.46	11,864.78	43,174.32
3	Profit before exceptional items and tax (1-2)	4,993.26	4,996.42	5,032.02	19,596.91
4	Exceptional items	-	-	-	-
5	Profit before tax (3-4)	4,993.26	4,996.42	5,032.02	19,596.91
6	Tax expense				
	(a) Current tax	1,306.72	1,771.18	1,314.23	5,935.17
	(b) Short / (Excess) provision for tax relating to prior years	-	(0.29)	-	(0.29)
	Net current tax expense	1,306.72	1,770.89	1,314.23	5,934.88
	(c) Deferred tax expense/(credit)	(7.50)	(415.74)	(41.84)	(890.40)
	Total tax expense	1,299.22	1,355.15	1,272.39	5,044.48
7	Profit for the period / year from continuing operations (5-6)	3,694.04	3,641.27	3,759.63	14,552.43
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)	3,694.04	3,641.27	3,759.63	14,552.43
12	Other comprehensive income (OCI)				
	(a) (i) Items that will not be reclassified to profit or loss				
	- Re-measurement of the defined benefit liabilities	18.80	73.26	(8.45)	75.21
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(4.73)	(18.44)	2.51	(18.55)
	Sub-total (a)	14.07	54.82	(5.94)	56.66
	(b) (i) Items that will be reclassified to profit or loss				
	- Loans and advances through other comprehensive Income	(86.76)	144.51	663.09	960.33
	(ii) Income tax relating to items that will be reclassified to profit or loss	21.84	(36.36)	(166.90)	(241.70)
	Sub-total (b)	(64.92)	108.15	496.19	718.63
	Other comprehensive income / (loss) (a+b)	(50.85)	162.97	490.25	775.29
13	Total comprehensive income for the period / year (11+12)	3,643.19	3,804.24	4,249.88	15,327.72
14	Profit for the period / year attributable to				
	Owners of the Parent	3,660.87	3,633.06	3,717.25	14,436.01
	Non-controlling interest	33.17	8.21	42.38	116.42
15	Other comprehensive income for the period / year attributable to				
	Owners of the Parent	(57.14)	135.86	498.96	765.41
	Non-controlling interest	6.29	27.11	(8.71)	9.88
16	Total comprehensive income for the period / year attributable to				
	Owners of the Parent	3,603.73	3,768.92	4,216.21	15,201.42
	Non-controlling interest	39.46	35.32	33.67	126.30
17	Earnings per share (of ₹10 each) (not annualized for interim periods)				
	(a) Basic (₹)	6.70	6.65	6.80	26.41
	(b) Diluted (₹)	6.70	6.65	6.80	26.41





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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') 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 above consolidated financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Parent at its meeting held on 11 August 2021.
- 3 In compliance with the SEBI Listing Regulations, a limited review of the consolidated financial results for the quarter ended 30 June 2021 has been carried out by the Statutory Auditors.
- 4 The Board of directors of the Parent has recommended dividend of ₹ 1.5 per equity share of face value of ₹ 10 each, which is subject to approval by the shareholders of the Parent.
- 5 **Amortising the gain on assignment of financial assets over the residual tenure instead of booking upfront and management's response to comments of the statutory auditors in the Audit Report:**

With regards to comments of the statutory auditors in paragraph 5 of the limited review report, it is submitted that, as per earlier policy followed by the Group up to 30 June 2020, on derecognition of loans in its entirety upon assignment, as per Ind AS 109 'Financial Instruments', the Group has been recognising the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including new asset obtained less any new liability assumed) as gain immediately in the statement of profit or loss.

In view of the Group, earlier accounting treatment inflates the income at the time of assignment and leads to reporting higher earnings per share, potentially higher dividend payout and improved capital adequacy ratio. Further, after taking views from RBI circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 which states that the responsibility of preparing and ensuring fair presentation of the financial statements of a NBFC vests primarily with its Board of Directors, RBI circular no. DNBS. PD. No. 301/3.10.01/2012-13 dated 21 August 2012 which had mandated the NBFCs to amortise the gain on assignment over the tenure of the loan and also as per paragraph 19 of Ind AS 1 'Presentation of Financial Statements', management has concluded that the upfront booking of income which is to be received over underlying residual tenure in some cases of the assigned portfolio would be so misleading for the users of the financial statements, that it would conflict with the objective of the financial statements set out in the Conceptual Framework for Financial Reporting under Ind AS and therefore to present a true and fair view of the Group's financial position, financial performance for the given period, from the quarter ended 30 September 2020, the Group had departed from the requirements of Ind AS 109 retrospectively and restated the earlier periods presented.

As per the new policy, on derecognition of financial assets on account of direct assignment of loans, gain is recognized as "Unearned income on assigned loans" under the head "Other non-financial liabilities" and amortized in the statement of profit or loss over the underlying residual terms of the assigned portfolio.

Further, NBFC industry body Finance Industry Development Council (the "association") 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 in accounting policy has also been requested by the association itself. The association has requested RBI and NFRA to allow the gain on direct assignment transactions to be amortized instead of recognition of the gain in the statement of profit and loss immediately upon assignment of loans due to above mentioned limitations.

As per paragraph 14(b) of Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', an entity may change its accounting policy if it results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flows. The Group believes that by following new policy, the above objective will be achieved.

Had the Group followed the accounting policy which it followed hitherto, the Group would have recognized gain on assignment of ₹ 775.11 lakh for the quarter ended 30 June 2021. As per the new policy, the Group has recognized gain on assignment (on amortised basis) of ₹ 1,506.43 lakh for the quarter ended 30 June 2021. Accordingly, 'gain on assignment' would have decreased by ₹ 731.32 lakh and 'deferred tax credit' would have increased by ₹ 184.05 lakh for the quarter ended 30 June 2021.



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6 As per the requirement of Ind AS 8, the Group has restated the financial information of comparable interim periods to reflect the change in accounting policy as per point no. 5 above. The following table summarises the reconciliation of figures restated with previously reported figures:

Particulars	(₹ in Lakh)
	Quarter ended 30.06.2020
Revised gain on assignment of financial assets	1,585.09
Impact due to change in accounting policy	(141.08)
Gain on assignment as previously reported before policy change	1,444.01
Revised profit before tax	5,032.02
Add/(Less) adjustments for:	
Gain on assignment of financial assets reversed (recognised on date of assignment)	1,444.01
Gain on assignment of financial assets recorded (on amortisation basis)	(1,585.09)
Profit before tax as previously reported before policy change	4,890.94
Revised deferred tax expense / (credit)	(41.84)
Impact due to change in accounting policy	(35.51)
Deferred tax credit as previously reported before policy change	(77.35)
Revised profit after tax	3,759.63
Add/(Less) adjustments for:	
Gain on assignment of financial assets reversed (recognised on date of assignment)	1,444.01
Gain on assignment of financial assets recorded (on amortisation basis)	(1,585.09)
Tax Impact on above adjustments	35.51
Profit after tax as previously reported before policy change	3,654.06
Revised profit for the period / year attributable to owners of the parent	3,717.25
Impact due to change in accounting policy	(101.54)
Profit for the period / year attributable to owners of the parent as previously reported before policy change	3,615.71
Revised profit for the period / year attributable to non-controlling interest	42.38
Impact due to change in accounting policy	(4.03)
Profit for the period / year attributable to non-controlling interest as previously reported before policy change	38.35
Revised total comprehensive income attributable to owners of the parent	4,216.21
Impact due to change in accounting policy	(101.54)
Total comprehensive income attributable to owners of the parent as previously reported before policy change	4,114.67
Revised total comprehensive income attributable to non-controlling interest	33.67
Impact due to change in accounting policy	(4.03)
Total comprehensive income attributable to non-controlling interest as previously reported before policy change	29.64
Revised basic earnings per share	6.80
Impact due to change in accounting policy	(0.19)
Basic earnings per share as previously reported before policy change	6.61
Restated diluted earnings per share	6.80
Impact due to change in accounting policy	(0.19)
Diluted earnings per share as previously reported before policy change	6.61





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- 7 In accordance with the board approved moratorium policy read with the RBI guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Group had granted moratorium up to six months on the payment of instalments which became due between 1 March 2020 and 31 August 2020 to all eligible borrowers. This relaxation did not automatically trigger a significant increase in credit risk. The Group continued to recognize interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period did not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.
The impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the Group's assessment of impairment loss allowance on its loans which are subject to a number of management judgements and estimates. 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 Indian and global economy. The Group has separately incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic and the associated support packages in the measurement of impairment loss allowance. The Group has been duly servicing its debt obligations, maintains a healthy capital adequacy ratio and has adequate capital and financial resources to run its business. As at 30 June 2021, the cumulative amount of management overlay provisions stood at ₹ 5,726.97 lakh in the consolidated financial results, to reflect deterioration in the macro-economic outlook. The final impact of this pandemic is very uncertain and the actual impact may be different than that estimated based on the conditions prevailing as at the date of approval of these financial results. Management will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Group.
- 8 In accordance with the requirement of RBI circular nos. RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 and RBI/2021-22/32 DOR.STR. REC.12/21.04.048/2021-22 dated 5 May 2021, the Group has framed policy for restructuring 2.0.
- 9 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 2021 and accordingly, no amount is required to be transferred to impairment reserve.
- 10 The Board of Directors of the Parent in its meeting held on 19 May 2021 had approved issuance of non-convertible debentures (NCDs) in tranches up to ₹ 70,000 lakh on a private placement basis. Up to the date of finalization of these financial results, principal protected market linked NCDs (PP-MLDs) amounting to ₹ 10,000 lakh have been issued to various investors on a private placement basis. These PP-MLDs are listed on BSE Limited.
- 11 All secured NCDs issued by the Parent are secured by way of a first ranking, exclusive and continuing charge on identified standard receivables ('Hypothecated Receivables') to maintain the value of security at all times equal to 1.10x (One Decimal One Zero times) or 110.0% (One Hundred and Ten Percent) of the aggregate amount of principal outstanding (including accrued interest) of the NCDs as per the respective term-sheets of outstanding secured NCDs.
- 12 The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the provident fund Act and the gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry of Labour and Employment. The Group will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.
- 13 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.
- 14 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.
- 15 Previous period / year figures have been regrouped / reclassified, wherever found necessary, to conform to current period / year classification.



Ahmedabad
11 August 2021

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



The Power of Distribution

MAS FINANCIAL SERVICES LIMITED

Information as required under Regulation 30 – Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sr. No.	Requirements	Disclosure
1.	Reason for change	In continuance with our communication dated July 22, 2021 and pursuant to RBI Guidelines dated April 27, 2021 on Appointment of Statutory Auditors for Banks and NBFCs, M/s. B S R & Co. LLP, Chartered Accountants, Statutory Auditors have communicated vide a letter dated August 11, 2021 their resignation from the office of the Statutory Auditors of the Company since they have completed three years of continuous audit and are ineligible to continue as auditors.
2.	Date of Cessation	M/s. B S R & Co. LLP, Chartered Accountants have submitted their resignation with effect from August 11, 2021.



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Annexure A

Disclosure of information from the statutory auditor upon resignation

Sr. No.	Particulars	Details
1.	Name of the listed entity / material subsidiary	MAS Financial Services Limited
2.	Details of the statutory auditor:	
	a. Name	B S R & Co. LLP
	b. Address	14 th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
	c. Phone Number	022 6257 1000
	d. Email	smota@bsraffiliates.com
3.	Details of association with the listed entity/ material subsidiary:	
	a. Date on which the statutory auditor was appointed	27 June 2018
	b. Date on which the term of the statutory auditor was scheduled to expire	Conclusion of the Company's 28 th Annual General meeting to be held in the year 2023
	c. Prior to resignation, the latest audit report / limited review report submitted by the auditor and date of its submission	Audit report for the year ended 31 March 2021 and Limited review report on the unaudited standalone and consolidated financial results for the quarter ended 30 June 2021 were submitted by us on 19 May 2021 and 11 August 2021 respectively
4.	Detailed reasons for resignation:	As per our discussion with management of the Company, we have completed our term of appointment as per the guidelines mentioned under Reserve Bank of India Circular No. 2021-22/25 dated 27 April 2021. Accordingly, we would need to rotate out as statutory auditors of the Company with immediate effect.
5.	In case of any concerns, efforts made by the auditor prior to resignation (including approaching the Audit Committee / Board of Directors along with the date of communication made to the Audit Committee / Board of Directors)	Not applicable
6.	In case the information requested by the auditor was not provided, then following shall be disclosed:	Not applicable
	a. Whether the inability to obtain sufficient appropriate audit evidence was due to a management - imposed limitation or circumstances beyond the control of the management	
	b. Whether the lack of information would have significant impact on the financial statements / results	

Disclosure of information from the statutory auditor upon resignation

Sr. No.	Particulars	Details
	c. Whether the auditor has performed alternative procedures to obtain appropriate evidence for the purposes of audit/limited review as laid down in SA 705 (Revised)	
	d. Whether the lack of information was prevalent in the previous reported financial statements/results. If yes, on what basis the previous audit / limited review reports were issued	
7.	Any other facts relevant to the resignation	None

Declaration:

1. We hereby confirm that the information given in this letter and its attachments is correct and complete.
2. We hereby confirm that there is no other material reason other than those provided above for resignation of my firm.

Yours faithfully,

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No: 101248W/W-100022

SAMEER Digitally signed by
SAMEER
HIRACHA HIRACHAND MOTA
Date: 2021.08.11
18:26:53 +05'30'
ND MOTA

Sameer Mota
Partner
Membership No. 109928

PRESS RELEASE

MAS Financial Services Limited results – 1st quarter FY 22

A Robust Financial Performance

105 Quarters of Consistent Financial Performance

Wednesday, 11th August 2021, Ahmedabad: The Board of Directors of **MAS** Financial Services Limited (**MAS** Financial) (BSE: 540749, NSE: MASFIN), specialized in MSME financing, announced today the unaudited financial results for the first quarter ended 30th June, 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 :

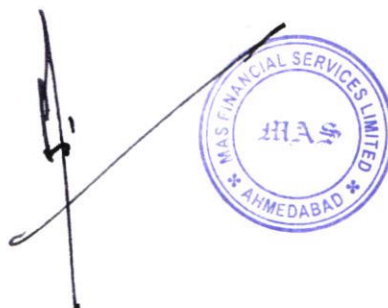
1. Strong capital base.
2. High level of liquidity.
3. The quality of Assets.
4. High provisioning buffers.
5. Constant engagement with all the stakeholders for understanding the evolving situation.

With a Tier-1 capital adequacy ratio of **26.55 %** and total capital adequacy of **28.42 %**, sufficient liquidity due to very efficient liability management, stable quality of portfolio of **1.74% of net stage 3 assets** and by maintaining additional provisioning buffer which stands at **1.34%** 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

At the outset YoY financial results are not comparable.

MAS Financial Services Limited reports Assets under Management (AUM) of ₹ 5161.63 Crore and profit after tax of ₹ 36.83 Crore for the quarter ended 30th June 2021 from ₹ 5657.73 Crore and ₹ 36.59 Crore respectively for the quarter ended 30th June 2020.



A handwritten signature in black ink is written over a circular blue stamp. The stamp contains the text "MAS FINANCIAL SERVICES LIMITED" around the top edge, "MAS" in the center, and "AHMEDABAD" around the bottom edge.

- A growth of 0.64 % in PAT over the corresponding period of the previous year.
- A contraction of 8.77 % in AUM over the corresponding period of the previous year, due to adoption of cautious approach on disbursement while maintaining high Collection efficiency.
- The total special COVID provision as on 30th June 2021 stood at ₹ 54.27 Crore for the total on book assets of ₹ 4047.10 Crores i.e. 1.34 %.
- The portfolio quality remained stable at 1.74 % 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.
- During the quarter, the company has not restructured fresh loan but is in the process of assessing COVID-19 pandemic stress on the borrower and will invoke the resolution plans for the eligible borrowers in the September quarter (Including Assigned Portfolio) based on the parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI.

The Disbursement during the quarter ended 30th June 2021 was ₹ 1,041.37 Crore as compared to ₹ 107.97 Crore during the quarter ended 30th June 2020.

Performance Highlights:

Capital Adequacy Ratio (including Tier II capital) as of 30th June, 2021 stood at 28.42 %. The Tier-I capital stood at 26.55 %.

(₹ in CR)

Particulars	Q1'22	Q1'21	QoQ	FY 21
Assets Under Management	5161.63	5657.73	8.77%↓	5372.44
Total Income	148.50	160.40	7.42%↓	593.89
Profit Before Tax	49.53	48.92	1.25%↑	192.89
Profit After Tax	36.83	36.59	0.64%↑	143.50
Gross Stage 3 Assets % to AUM	2.21%	1.41%	80 bps ↑	1.94%
Net Stage 3 Assets % to AUM	1.74%	1.14%	60 bps ↑	1.52%

(₹ in CR)

Asset Under Management (AUM)*	Jun-21	Jun-20	YoY
Micro-Enterprise loans	2761.86	3424.15	19.34%↓
SME loans	1813.06	1674.02	8.31%↑
2-Wheeler loans	374.96	400.77	6.44%↓
Commercial Vehicle loans	211.76	158.78	33.36%↑
TOTAL AUM	5161.63	5657.73	8.77%↓

*Represents underlying assets in each of the category. As on 30th June, 2021 57.48% of the total underlying assets is through various NBFCs.



The image shows a handwritten signature in black ink on the left, and a blue circular stamp on the right. The stamp contains the text 'MAS FINANCIAL SERVICES LIMITED' around the top edge, 'MAS' in the center, and 'AHMEDABAD' around the bottom edge.

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 4th August 2021 took on record the unaudited Financial Results of the company for first quarter ended 30th June, 2021.

As per IND-AS

MAS Rural Housing and Mortgage Finance Limited reports Assets under Management (AUM) of ₹ 294.70 Crore and profit after tax of ₹ 0.82 Crore for the quarter ended 30th June 2021 from ₹ 284.16 Crore and ₹ 1.05 Crore respectively for quarter ended 30th June 2020.

- A growth of 3.71 % in AUM and contraction of 21.72 % in PAT over the corresponding period of the previous year due to higher provisioning.

- The total special COVID provision as on 30th June 2021 stood at ₹ 3.00 Crore for the total on book assets of ₹ 260.14 Crores i.e. 1.15 %.

Performance Highlights:

- The portfolio quality remained stable despite of the ongoing crisis followed by the unprecedented situation at 0.42% net stage 3 assets of AUM as compared to 0.26% over the corresponding period of the previous year.
- Capital Adequacy Ratio (including Tier II capital) as of 30th June 2021 stood at 49.97 %. The Tier-I capital stood at 35.38 %.

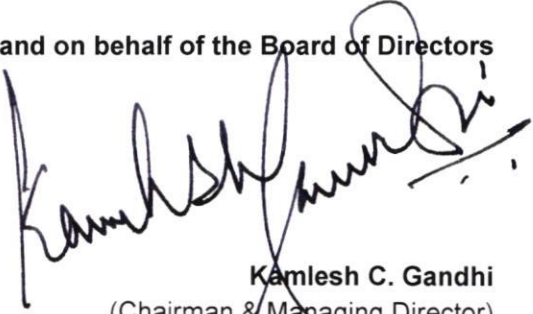
(₹ in CR)

Particulars	Q1'22	Q1'21	QoQ	FY 21
Assets Under Management	294.70	284.16	3.71%↑	284.89
Total Income	8.89	8.77	1.41%↑	35.27
Profit Before Tax	1.06	1.41	24.45%↓	3.78
Profit After Tax	0.82	1.05	21.72%↓	2.89
Gross Stage 3 Assets % to AUM	0.59%	0.36%	23 bps ↑	0.37%
Net Stage 3 Assets % to AUM	0.42%	0.26%	16 bps ↑	0.26%

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

For and on behalf of the Board of Directors




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

Place : Ahmedabad
Date : August 11, 2021