



The Power of Distribution

MAS FINANCIAL SERVICES LIMITED

MFSL/SEC/EQ/2021/68

October 27, 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, October 27, 2021.

The Board of Directors of the Company in its Meeting held today i.e. on October 27, 2021 has inter alia:

- Formed, reviewed and updated various policies of the Company;
- Approved the Unaudited Standalone & Consolidated Financial Results along with limited review report for the quarter & half year ended on September 30, 2021;
- Re - Appointment of Mr. Umesh Rajanikant Shah (DIN: 07685672) as an Independent Director of the Company for second term of 5 years. Further, this is to confirm he is not debarred from holding the office by virtue of any order of the Securities and Exchange Board of India (SEBI) or any other such authority. (brief profile is annexed as Annexure-I);

The said meeting of the Board of Directors **commenced at 05:30 P.M. and concluded at 07:15 P.M.**

Pursuant to Regulation 52(7) of the SEBI Listing Regulations, we would like to inform you that all the proceeds of issue of non-convertible debentures issued during the quarter ended on September 30, 2021 were utilized for specified object as per their respective offer document and there is no deviation/variation.

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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Annexure-I

Brief Profile of Mr. Umesh Rajanikant Shah (DIN: 07685672):

Particulars	Re- appointment
Name of the Director	Mr. Umesh Rajanikant Shah
DIN	07685672
Date of birth	08/06/1956
Age	65 years
Qualification	He is qualified Chartered Accountant.
Experience (including expertise in specific functional area) / Brief Resume	He has more than three decades of experience in the diverse fields connected with Finance, Accounting, Auditing and Taxation. He also has 5 years hands-on experience of working in an NBFC.
Nature of his expertise in specific functional areas	Management & Finance
Terms and Conditions of Re-appointment	N.A.
Remuneration last drawn	He was paid Rs. 2,40,000/- for the Financial Year 20-21 as sitting fees for attending meetings. Other than that no remuneration or commission was paid.
Date of first appointment on the Board	21/12/2016
Shareholding in the company	200 Equity Shares as on October 27, 2021.
Number of Meetings of the Board attended during the year 20-21	6
Names of listed entities in which the person also holds the Directorships	1 (i.e. MAS Financial Services Limited)
Names of listed entities in which the person also holds Membership of Committees of Board.	<ul style="list-style-type: none">• Audit Committee - Member in MAS Financial Services Limited.• Nomination & Remuneration Committee - Member in MAS Financial Services Limited.• Risk Management Committee - Member in MAS Financial Services Limited.• Corporate Social Responsibility Committee – Chairman in MAS Financial Services Limited.
Relationships between Directors, Key Managerial Personnel and Managers of the Company	N.A.



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Disclosure pursuant to Reg. 52 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Sr. No.	Particulars	Compliance						
		ISIN:	ISIN:	ISIN:	ISIN:	ISIN:	ISIN:	ISIN:
		INE348L08033	INE348L07043	INE348L07050	INE348L07068	INE348L07076	INE348L07084	INE348L07092
a	Credit Rating and change in credit rating (if any);	[ICRA]A(s table) – No change in rating	CARE A+; Stable [Single A Plus; Outlook: Stable] – No change in rating			CARE PP-MLD A+; Stable – No change in rating		
b	Debt-Equity Ratio (as on 30.09.2021)	3.30 times						
c	Debt Service coverage ratio	Not applicable being an NBFC						
d	Interest service coverage ratio	Not applicable being an NBFC						
e	Outstanding redeemable preference shares (quantity and value)	Nil						
f	Capital redemption reserve/ debenture redemption reserve	Not applicable						
g	Net worth	Rs. 1,23,670.93 Lakh (as on 30.09.2021)						
h	Net profit after tax	For quarter ended 30.09.2021 - Rs. 3,832.37 Lakh For the half year ended 30.09.2021 – Rs. 7,515.05 Lakh						
i	Earnings per share	Basic - For the quarter ended 30.09.2021 - Rs. 7.01 per share For the half year ended 30.09.2021 - Rs. 13.75 per share Diluted - For the quarter ended 30.09.2021 - Rs. 7.01 per share For the half year ended 30.09.2021 - Rs. 13.75 per share						

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j	Current ratio	Not applicable being an NBFC
k	Long term debt to working capital	Not applicable being an NBFC
l	Bad debts to Account receivable ratio	Not applicable being an NBFC
m	Current liability ratio	Not applicable being an NBFC
n	Total debts to total assets	0.73
o	Debtors turnover	Not applicable being an NBFC
p	Inventory turnover	Not applicable being an NBFC
q	Operating margin	Not applicable being an NBFC
r	Net profit margin	For the quarter ended 30.09.2021 - 24.49% For the half year ended 30.09.2021 - 24.70%
s	Sector specific equivalent ratio	Gross stage 3% - 1.93% Net stage 3% - 1.31%
t	Previous due date for the payment of interest for non-convertible debt securities and whether the same has been paid or not; and,	Annexure A
u	Next due date for the payment of interest.	Annexure A



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ISIN INE348L08041 were issued post September 30, 2021.

Annexure A

Details of redemption & payment of interest during the year ending: September 30, 2021

Instrument Name	Rated, unsecured, subordinated, redeemable, listed, non-convertible debentures (NCDs)
ISIN	INE348L08033
Previous Due Date for payment of Interest	30-09-2021
Previous Due Date for payment of Principal	NA
Whether the previous interest payment has been paid or not	Paid
Whether the previous Principal payment has been paid or not	NA
Next Due Date for payment of Interest	31-12-2021
Next Due Date for payment of Principal	NA
Amount of Interest Payable	Rs. 1,29,64,384/-
Principal Redemption Amount	NA

Instrument Name	Rated, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures
ISIN	INE348L07043
Previous Due Date for payment of Interest	23-07-2021 (24-07-2021 being Bank Holiday)
Previous Due Date for payment of Principal	NA
Whether the previous interest payment has been paid or not	Yes
Whether the previous Principal payment has been paid or not	NA
Next Due Date for payment of Interest	24-01-2022
Next Due Date for payment of Principal	24-01-2022
Amount of Interest Payable	Rs. 9,00,00,000/-
Principal Redemption Amount	Rs. 100,00,00,000/-

Instrument Name	Rated, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures
ISIN	INE348L07050
Previous Due Date for payment of Interest	30-07-2021
Previous Due Date for payment of Principal	NA
Whether the previous interest payment has been paid or not	Yes
Whether the previous Principal payment has been paid or not	NA
Next Due Date for payment of Interest	30-01-2022
Next Due Date for payment of Principal	30-01-2022
Amount of Interest Payable	Rs. 4,50,00,000
Principal Redemption Amount	Rs. 50,00,00,000/-



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Instrument Name	Rated, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures
ISIN	INE348L07068
Previous Due Date for payment of Interest	19-08-2021
Previous Due Date for payment of Principal	NA
Whether the previous interest payment has been paid or not	Yes
Whether the previous Principal payment has been paid or not	NA
Next Due Date for payment of Interest	19-02-2022
Next Due Date for payment of Principal	19-02-2022
Amount of Interest Payable	Rs. 9,00,00,000*
Principal Redemption Amount	Rs. 100,00,00,000/-

Instrument Name	Rated, Senior, Listed, Transferable, Redeemable, Principal Protected Market Linked Non-Convertible Debentures
ISIN	INE348L07076
Previous Due Date for payment of Interest	NA#
Previous Due Date for payment of Principal	NA
Whether the previous interest payment has been paid or not	NA
Whether the previous Principal payment has been paid or not	NA
Next Due Date for payment of Interest	30-03-2023
Next Due Date for payment of Principal	30-03-2023
Amount of Interest Payable	If the Annualised Interest Rate is 8.80%: Rs. 18,374 (Per lakh) or If the Annualised Interest Rate is 8.75%: Rs. 18,266 (Per lakh) or If the Annualised Interest Rate is 0%: Rs. Nil
Principal Redemption Amount	Rs. 65,00,00,000/-



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Instrument Name	Rated, Senior, Listed, Transferable, Redeemable, Principal Protected Market Linked Non-Convertible Debentures
ISIN	INE348L07084
Previous Due Date for payment of Interest	NA#
Previous Due Date for payment of Principal	NA
Whether the previous interest payment has been paid or not	NA
Whether the previous Principal payment has been paid or not	NA
Next Due Date for payment of Interest	23-12-2023
Next Due Date for payment of Principal	23-12-2023
Amount of Interest Payable	If the Annualised Interest Rate is 8.50%: Rs. 22,637 (Per Debenture) or If the Annualised Interest Rate is 8.45%: Rs. 22,496 (Per lakh) or If the Annualised Interest Rate is 0%: Rs. Nil
Principal Redemption Amount	Rs. 100,00,00,000/-

Instrument Name	Rated, Senior, Listed, Transferable, Redeemable, Principal Protected Market Linked Non-Convertible Debentures
ISIN	INE348L07092
Previous Due Date for payment of Interest	NA#
Previous Due Date for payment of Principal	NA
Whether the previous interest payment has been paid or not	NA
Whether the previous Principal payment has been paid or not	NA
Next Due Date for payment of Interest	18-09-2023
Next Due Date for payment of Principal	18-09-2023
Amount of Interest Payable	If the Annualised Interest Rate is 8.50%: Rs. 1,76,402 (Per Debenture) or If the Annualised Interest Rate is 8.45%: Rs. 1,77,488 (Per Debenture) or If the Annualised Interest Rate is 0%: Rs. Nil
Redemption Amount	Rs. 100,00,00,000/-



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Independent Auditor's Review Report on Review of Interim Standalone Financial Results

To,
The Board of Directors of MAS Financial Services Limited

1. We have reviewed the accompanying statement of Standalone Unaudited Financial Results of MAS Financial Services Limited ['the Company'] for the quarter and half year ended September 30th, 2021 ['the Statement'], being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended [the 'SEBI Listing Regulations'].
2. This Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel 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 specified under section 143(10) of the Companies Act, 2013 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.
4. Based on our review conducted as stated in paragraph 3 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.
5. As more fully explained in Note 6 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.

Place: Ahmedabad
Date: October 27, 2021

UDIN: 21042132AAA BMK 2262



For Mukesh M. Shah & Co
Chartered Accountants
Firm Registration No. 106625W

CS Shah
Chandresh S. Shah
Partner
Membership No. 042132

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Statement of unaudited standalone financial results for the half year ended 30 September 2021

(₹ in Lakh)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2021 (Unaudited)	30.06.2021 (Unaudited)	30.09.2020 (Unaudited)	30.09.2021 (Unaudited)	30.09.2020 (Unaudited)	31.03.2021 (Audited)
1	INCOME						
	(a) Revenue from operations						
	Interest income	13,516.59	12,825.51	12,022.07	26,342.10	26,182.63	48,413.64
	Gain on assignment of financial assets (Refer note 5)	1,545.66	1,661.44	2,745.92	3,207.10	4,529.16	9,047.61
	Fees and commission income	462.63	213.20	453.83	675.83	545.58	1,807.14
	Net gain on fair value changes	121.77	72.81	-	194.58	-	56.32
	Total revenue from operations	15,646.65	14,772.96	15,221.82	30,419.61	31,257.37	59,324.71
	(b) Other income	26.58	76.54	3.91	103.12	7.94	64.19
	Total income	15,673.23	14,849.50	15,225.73	30,522.73	31,265.31	59,388.90
2	EXPENSES						
	(a) Finance costs	7,593.98	6,993.51	7,011.52	14,587.49	13,946.93	26,449.08
	(b) Fees and commission expense	427.38	94.49	75.98	521.87	174.93	624.36
	(c) Impairment on financial instruments	832.47	1,409.87	2,401.06	2,242.34	5,388.37	7,488.62
	(d) Employee benefits expenses	953.17	854.91	701.83	1,808.08	1,514.17	2,972.89
	(e) Depreciation, amortisation and impairment	42.07	47.93	55.04	90.00	112.09	212.98
	(f) Other expenses	671.60	495.52	417.20	1,167.12	673.67	2,351.68
	Total expenses	10,520.67	9,896.23	10,662.63	20,416.90	21,810.16	40,099.61
3	Profit before exceptional items and tax (1-2)	5,152.56	4,953.27	4,563.10	10,105.83	9,455.15	19,289.29
4	Exceptional items	-	-	-	-	-	-
5	Profit before tax (3-4)	5,152.56	4,953.27	4,563.10	10,105.83	9,455.15	19,289.29
6	Tax expense						
	(a) Current tax	1,388.09	1,273.42	1,298.05	2,661.51	2,584.48	5,809.77
	(b) Short / (excess) provision for tax relating to prior years	-	-	-	-	-	-
	Net current tax expense	1,388.09	1,273.42	1,298.05	2,661.51	2,584.48	5,809.77
	(c) Deferred tax expense/(credit)	(67.90)	(2.83)	(155.35)	(70.73)	(208.96)	(870.78)
	Total tax expense	1,320.19	1,270.59	1,142.70	2,590.78	2,375.52	4,938.99
7	Profit for the period / year from continuing operations (5-6)	3,832.37	3,682.68	3,420.40	7,515.05	7,079.63	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)	3,832.37	3,682.68	3,420.40	7,515.05	7,079.63	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	(0.86)	16.75	6.66	15.89	(0.76)	67.01
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.22	(4.22)	(1.68)	(4.00)	0.19	(16.87)
	Sub-total (a)	(0.64)	12.53	4.98	11.89	(0.57)	50.14
	(b) (i) Items that will be reclassified to profit or loss						
	- Loans and advances through other comprehensive Income	(510.30)	(105.54)	(851.87)	(615.84)	(160.45)	936.29
	(ii) Income tax relating to items that will be reclassified to profit or loss	128.44	26.56	214.42	155.00	40.39	(235.65)
	Sub-total (b)	(381.86)	(78.98)	(637.45)	(460.84)	(120.06)	700.64
	Other comprehensive income / (loss) (a+b)	(382.50)	(66.45)	(632.47)	(448.95)	(120.63)	750.78
13	Total comprehensive income for the period / year (11+12)	3,449.87	3,616.23	2,787.93	7,066.10	6,959.00	15,101.08
14	Earnings per share (of ₹10 each) (not annualized for interim periods)						
	(a) Basic (₹)	7.01	6.74	6.26	13.75	12.95	26.25
	(b) Diluted (₹)	7.01	6.74	6.26	13.75	12.95	26.25



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Standalone Balance Sheet

(₹ in Lakh)

Particulars	As at 30.09.2021 (Unaudited)	As at 31.03.2021 (Audited)
ASSETS		
Financial assets		
Cash and cash equivalents	88,843.61	96,505.14
Bank balance other than cash and cash equivalents	12,367.51	3,180.75
Loans	4,07,680.46	3,80,513.40
Investments	35,148.71	23,503.36
Other financial assets	4,368.21	4,764.84
	5,48,408.50	5,08,467.49
Non-financial assets		
Income tax assets (net)	643.47	592.40
Deferred tax assets (net)	2,338.39	2,116.67
Property, plant and equipment	1,046.87	1,081.27
Capital work-in-progress	5,098.68	5,002.73
Right-of-use asset	15.85	37.70
Other intangible assets	7.08	8.76
Other non-financial assets	637.64	452.71
	9,787.98	9,292.24
	5,58,196.48	5,17,759.73
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
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	975.86	756.90
(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	51,285.25	31,411.52
Borrowings (other than debt securities)	3,21,338.68	2,91,975.30
Subordinated liabilities	4,000.00	5,996.55
Other financial liabilities	51,386.36	63,253.56
	4,28,986.15	3,93,393.83
Non-financial liabilities		
Current tax liabilities (net)	-	1,176.84
Provisions	517.04	396.38
Other non-financial liabilities	5,022.36	5,535.81
	5,539.40	7,109.03
	4,34,525.55	4,00,502.86
EQUITY		
Equity share capital	5,466.20	5,466.20
Other equity	1,18,204.73	1,11,790.67
	1,23,670.93	1,17,256.87
	5,58,196.48	5,17,759.73





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Standalone Statement of Cash flow

(₹ in Lakh)

Sr. No.	Particulars	Half year ended 30.09.2021 (Unaudited)	Half year ended 30.09.2020 (Unaudited)
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before exceptional items and tax	10,105.83	9,455.15
	Adjustments for :		
	Depreciation and amortisation	90.01	112.09
	Finance cost	14,587.47	13,946.93
	Provision for impairment on financial assets	183.31	3,575.08
	Loans written off (net of recoveries)	2,059.02	1,813.29
	(Profit) / loss on sale of property, plant and equipment	-	1.38
	Loss on sale of repossessed assets	109.40	81.63
	Interest income	(24,037.26)	(23,787.52)
	Interest income from deposits	(1,169.82)	(1,476.67)
	Income received in advance	1.28	8.70
	Income from debt component of optionally convertible preference shares (investment in subsidiary)	(49.10)	(31.64)
	Interest income from non-convertible debenture	(136.02)	(39.25)
	Interest income from pass through certificates	(468.74)	-
	Financial guarantee commission income	(0.61)	(1.31)
	Dividend income	(66.08)	-
	Gain on derecognition of leased assets	(0.07)	-
		(8,897.21)	(5,797.29)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,208.62	3,657.86
	Changes in working capital:		
	Adjustments for (increase)/decrease in operating assets:		
	Loans	(29,374.63)	25,731.22
	Advances received against loan agreements	-	1,925.91
	Deposits given as collateral	(4.07)	3.84
	Bank balance other than cash and cash equivalents	8.91	36.32
	Other financial asset	43.53	-
	Other non-financial asset	(278.45)	(137.63)
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade payables	218.94	(329.82)
	Security deposits from borrowers	(4,249.53)	(9,396.53)
	Other financial and non-financial liabilities	(7,356.80)	2,151.20
	Provisions	136.10	33.74
		(40,856.00)	20,018.25
	CASH GENERATED FROM / (USED IN) OPERATIONS	(39,647.38)	23,676.11
	Interest income received	23,945.19	30,322.88
	Dividend received	66.08	-
	Interest income on Investment measured at amortised cost	450.70	42.02
	Finance cost paid	(15,391.98)	(15,705.94)
		9,069.99	14,658.96
	Income tax paid (net)	(30,577.39)	38,335.07
		(3,889.42)	(2,640.48)
	NET CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)	(34,466.81)	35,694.59
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Acquisition of property, plant and equipments and intangible assets, including capital advances	(128.34)	(108.99)
	Change in Earmarked balances with banks	(9,195.66)	(10.17)
	Interest income from bank deposits	1,169.82	1,476.67
	(Purchase) / Redemption of investments	(11,491.09)	500.00
		(19,645.27)	1,857.51
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from debt securities and borrowings	76,415.02	47,904.01
	Repayments of debt securities and borrowings	(31,888.94)	(32,739.30)
	Net increase in working capital borrowings	2,770.12	6,245.40
	Repayment of principal component of lease liabilities	(25.72)	(44.03)
	Dividends paid including dividend distribution tax	(819.93)	-
	NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	46,450.55	21,366.08
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(7,661.53)	58,918.18
	Cash and cash equivalents at the beginning of the year	96,505.14	1,02,478.12
	Cash and cash equivalents at the end of the year	88,843.61	1,61,396.30



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CIN: L65910GJ1995PLC026064

Components of cash and cash equivalents

(₹ in Lakh)

Particulars	Half year ended 30.09.2021	Half year ended 30.09.2020
Cash and bank balances comprises:		
(a) Cash on hand	24.71	10.33
(b) Balances with banks	33,075.55	51,459.18
Total	33,100.26	51,469.51
(c) Bank deposits with original maturity of 3 months or less	55,743.35	1,09,926.79
Cash and cash equivalents as per the balance sheet	88,843.61	1,61,396.30

The above cash flow statement has been prepared under the 'indirect method' as set out in the Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013

Change in liabilities arising from financing activities

(₹ in Lakh)

Particulars	As at 31.03.2021	Cash flows	Non-cash changes*	As at 30.09.2021
Debt securities	31,411.52	20,000.00	(126.27)	51,285.25
Borrowings other than debt securities	2,91,975.30	29,296.20	67.18	3,21,338.68
Subordinated liabilities	5,996.55	(2,000.00)	3.45	4,000.00
Total liabilities from financing activities	3,29,383.37	47,296.20	(55.64)	3,76,623.93

* Non-cash changes represents the effect of amortization of transaction cost.

Notes :

- 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.
- 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 27 October 2021.
- In compliance with the SEBI Listing Regulations, a limited review of the standalone financial results for the quarter and half year ended 30 September 2021 has been carried out by the Statutory Auditors.
- 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 was approved by the shareholders in the Annual General Meeting of the Company held on 25 August 2021. The dividend was paid subsequently.
- Amortising the gain on assignment of financial assets over the residual tenure instead of booking upfront:**

On derecognition of loans in its entirety upon assignment, as per Ind AS 109 'Financial Instruments', the Company is required to recognise 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 profit or loss. The Company is of view that this 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 and will not present true and fair view of the entity's financial position, financial performance and cash flows. The Company on derecognition of financial assets recognised the gain as "Unearned income on assigned loans" under the head other non-financial liabilities and this unearned income is amortized in the profit or loss over the residual tenure of the underlying assigned asset while the assets and liabilities are recorded at the fair value as per Ind AS requirement.

The management has exercised its judgement pursuant to Para 19 of Ind AS 1 to deviate from the aforementioned requirement of Ind AS 109 as per para 20 of Ind AS 1 within the Ind AS framework.

Further, NBFC industry body Finance Industry Development Council (the 'association') which is represented by more than 100 NBFCs has also made representation to Reserve Bank of India and National Financial Reporting Authority ('NFRA') strongly recommending amortisation of income over the tenure of assigned asset.

If the Company would have complied with Ind AS 109, the financial effect on following items [Increase / (decrease)] in the financial statements would have been as follows

Particulars	Quarter ended			Half year ended		Year ended 31.03.2021
	30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	
Gain on assignment of financial assets	379.29	(754.51)	(706.98)	(375.22)	(834.69)	(3,394.64)
Profit before tax	379.29	(754.51)	(706.98)	(375.22)	(834.69)	(3,394.64)
Deferred tax expense / (Credit)	95.46	(189.89)	(177.95)	(94.43)	(210.09)	(854.36)
Profit after tax	283.83	(564.62)	(529.03)	(280.79)	(624.60)	(2,540.28)
Basic / Diluted EPS	0.52	(1.03)	(0.97)	(0.51)	(1.14)	(4.65)

Particulars	As at 30.09.2021	As at 31.03.2021
Other equity	2,959.95	3,240.74
Other non-financial liabilities	(3,955.70)	(4,330.91)
Deferred tax asset	(995.75)	(1,090.17)

- 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 support packages in the measurement of impairment loss allowance. 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 business. As at 30 September 2021, the cumulative amount of management overlay provisions stood at ₹ 4,924.31 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.



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- 7 During the current period, to relieve COVID-19 pandemic related stress, the Company has invoked resolution plan for eligible borrowers 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 RBI dated 5 May 2021. Disclosure as per format prescribed requirement of the circular no. RBI/2021-22/32 DOR STR REC. 12/21.04.048/2021-22 dated 5 May 2021 issued by the RBI.

No. of accounts restructured	Amount (₹ in Lakh)*
10	1,397.15

* Including MRR portion on assigned loans

- 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 September 2021 and accordingly, no amount is required to be transferred to impairment reserve.
- 9 The Company has made an investment of ₹ 1,000 lakh in MAS Rural Housing & Mortgage Finance Limited, its subsidiary, in June 21 by way of 6% non-cumulative optionally convertible preference shares (OCPS) of face value of ₹ 10 each. The OCPS 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 OCPS. If the option of convertible preference shares are not exercised then the OCPS shall be redeemed at a face value of ₹ 10 each.
- 10 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 110.0% of the aggregate amount of principal outstanding (including accrued interest) of the NCDs as per the respective term-sheets of outstanding secured NCDs.
- 11 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.
- 12 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.
- 13 Figures of previous reporting periods have been regrouped / reclassified, wherever necessary, to correspond with the figures of the current reporting period.



Ahmedabad
27 October 2021

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

Independent Auditor's Review Report on Review of Interim Consolidated Financial Results

To,
The Board of Directors of MAS Financial Services Limited

1. We have reviewed the accompanying statement of Consolidated Unaudited 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 and half year ended September 30th, 2021 ['the Statement'], being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (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 the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel 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 specified under section 143(10) of the Companies Act, 2013 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.

4. The statement includes the following entities:

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

5. We did not review the interim financial information of the subsidiary included in the Statement, whose interim financial information (before consolidation adjustments) reflect total assets of Rs. 27677.67 Lakh as at September 30, 2021, total revenues of Rs. 918.66 lakh and Rs. 1804.11 lakh, total net profit after tax of Rs. 148.36 lakh and Rs. 230.61 lakh and total comprehensive income of Rs. 171.42 lakh and Rs. 269.26 Lakh for the quarter ended September 30, 2021 and for the period April 1, 2021 to September 30, 2021, respectively, and cash inflows of Rs. 887.86 Lakh for the period from April 1, 2021 to September 30, 2021, as considered in the Statement.

This interim financial information has 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.

6. Based on our review conducted as stated in paragraph 3 above and based on the consideration of the review reports of other auditor referred to in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with



MUKESH M. SHAH & CO.

CHARTERED ACCOUNTANTS

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 more fully explained 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.

Place: Ahmedabad
Date: October 27, 2021



UDIN: 21042132AAABMJ1892

For Mukesh M. Shah & Co
Chartered Accountants
Firm Registration No. 106625W

C S Shah

Chandresh S. Shah
Partner
Membership No. 042132



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Statement of unaudited consolidated financial results for the quarter and half year ended 30 September 2021

(₹ in Lakh)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2021 (Unaudited)	30.06.2021 (Unaudited)	30.09.2020 (Unaudited)	30.09.2021 (Unaudited)	30.09.2020 (Unaudited)	31.03.2021 (Audited)
1	INCOME						
	(a) Revenue from operations						
	Interest income	14,341.03	13,671.23	12,911.19	28,012.26	27,912.14	51,770.11
	Gain on assignment of financial assets (Refer note 5)	1,574.68	1,681.61	2,767.82	3,256.29	4,567.46	9,125.69
	Fees and commission income	496.06	214.82	454.41	710.88	548.88	1,813.78
	Net gain on fair value changes	121.77	72.81	-	194.58	-	29.90
	Total revenue from operations	16,533.54	15,640.47	16,133.42	32,174.01	33,028.48	62,739.48
	(b) Other income	27.73	11.62	5.39	39.35	7.13	31.75
	Total income	16,561.27	15,652.09	16,138.81	32,213.36	33,035.61	62,771.23
2	EXPENSES						
	(a) Finance costs	8,091.00	7,505.43	7,553.22	15,596.43	15,027.93	28,493.54
	(b) Fees and commission expense	427.38	94.49	75.98	521.87	174.93	624.36
	(c) Impairment on financial instruments	844.44	1,469.02	2,454.87	2,313.46	5,443.08	7,784.81
	(d) Employee benefits expenses	1,071.12	985.42	818.28	2,056.54	1,777.45	3,503.32
	(e) Depreciation, amortisation and impairment	49.13	56.94	66.40	106.07	135.93	257.24
	(f) Other expenses	737.85	547.53	457.93	1,285.38	732.14	2,511.05
	Total expenses	11,220.92	10,658.83	11,426.68	21,879.75	23,291.46	43,174.32
3	Profit before exceptional items and tax (1-2)	5,340.35	4,993.26	4,712.13	10,333.61	9,744.15	19,596.91
4	Exceptional items	-	-	-	-	-	-
5	Profit before tax (3-4)	5,340.35	4,993.26	4,712.13	10,333.61	9,744.15	19,596.91
6	Tax expense						
	(a) Current tax	1,440.59	1,306.72	1,336.05	2,747.31	2,650.28	5,935.17
	(b) Short / (Excess) provision for tax relating to prior years	-	-	-	-	-	(0.29)
	Net current tax expense	1,440.59	1,306.72	1,336.05	2,747.31	2,650.28	5,934.88
	(c) Deferred tax expense/(credit)	(72.29)	(7.50)	(156.69)	(79.79)	(198.53)	(890.40)
	Total tax expense	1,368.30	1,299.22	1,179.36	2,667.52	2,451.75	5,044.48
7	Profit for the period / year from continuing operations (5-6)	3,972.05	3,694.04	3,532.77	7,666.09	7,292.40	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)	3,972.05	3,694.04	3,532.77	7,666.09	7,292.40	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	0.81	18.80	9.75	19.61	1.30	75.21
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.20)	(4.73)	(2.45)	(4.93)	0.06	(18.55)
	Sub-total (a)	0.61	14.07	7.30	14.68	1.36	56.66
	(b) (i) Items that will be reclassified to profit or loss						
	- Loans and advances through other comprehensive Income	(481.15)	(86.76)	(835.86)	(567.91)	(172.77)	960.33
	(ii) Income tax relating to items that will be reclassified to profit or loss	121.09	21.84	210.39	142.93	43.49	(241.70)
	Sub-total (b)	(360.06)	(64.92)	(625.47)	(424.98)	(129.28)	718.63
	Other comprehensive income / (loss) (a+b)	(359.45)	(50.85)	(618.17)	(410.30)	(127.92)	775.29
13	Total comprehensive income for the period / year (11+12)	3,612.60	3,643.19	2,914.60	7,255.79	7,164.48	15,327.72
14	Profit for the period / year attributable to						
	Owners of the Parent	3,912.21	3,660.87	3,485.44	7,573.08	7,202.69	14,436.01
	Non-controlling interest	59.84	33.17	47.33	93.01	89.71	116.42
15	Other comprehensive income for the period / year attributable to						
	Owners of the Parent	(368.75)	(57.14)	(623.94)	(425.89)	(124.98)	765.41
	Non-controlling interest	9.30	6.29	5.77	15.59	(2.94)	9.88
16	Total comprehensive income for the period / year attributable to						
	Owners of the Parent	3,543.46	3,603.73	2,861.50	7,147.19	7,077.71	15,201.42
	Non-controlling interest	69.14	39.46	53.10	108.60	86.77	126.30
17	Earnings per share (of ₹10 each) (not annualized for interim periods)						
	(a) Basic (₹)	7.16	6.70	6.38	13.85	13.18	26.41
	(b) Diluted (₹)	7.16	6.70	6.38	13.85	13.18	26.41



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Consolidated Balance Sheet

(₹ in Lakh)

Particulars	As at 30.09.2021 (Unaudited)	As at 31.03.2021 (Audited)
ASSETS		
Financial assets		
Cash and cash equivalents	91,937.73	98,711.41
Bank balance other than cash and cash equivalents	12,432.30	3,219.70
Loans	4,31,846.97	4,06,330.95
Investments	30,754.63	20,158.38
Other financial assets	4,611.78	4,975.97
Total financial assets	5,71,583.41	5,33,396.41
Non-financial assets		
Income tax assets (net)	643.47	592.40
Deferred tax assets (net)	2,473.94	2,256.11
Property, plant and equipment	1,102.44	1,144.80
Capital work-in-progress	5,098.68	5,002.73
Right-of-use asset	26.32	53.82
Other intangible assets	7.49	9.24
Other non-financial assets	679.85	507.49
Total non-financial assets	10,032.19	9,566.59
Total assets	5,81,615.60	5,42,963.00
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
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	1,007.70	828.70
(II) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and	-	-
Debt securities	51,285.25	31,411.52
Borrowings (other than debt securities)	3,41,183.54	3,13,866.80
Subordinated liabilities	4,000.00	5,996.55
Other financial liabilities	51,659.80	63,467.40
Total financial liabilities	4,49,136.29	4,15,570.97
Non-financial liabilities		
Current tax liabilities (net)	29.58	1,214.93
Provisions	520.28	396.97
Other non-financial liabilities	5,262.33	5,745.30
Total non-financial liabilities	5,812.19	7,357.20
Total liabilities	4,54,948.48	4,22,928.17
EQUITY		
Equity share capital	5,466.20	5,466.20
Other equity	1,19,036.50	1,12,521.87
Equity attributable to the owners of the Holding Company	1,24,502.70	1,17,988.07
Non-controlling interest	2,164.42	2,046.76
Total equity	1,26,667.12	1,20,034.83
Total liabilities and equity ties and equity	5,81,615.60	5,42,963.00



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Consolidated Statement of Cash flow

(₹ in Lakh)

Sr. No.	Particulars	Half year ended 30.09.2021 (Unaudited)	Half year ended 30.09.2020 (Unaudited)
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before exceptional items and tax	10,333.61	9,744.15
	Adjustments for :		
	Depreciation and amortisation	106.07	135.93
	Finance cost	15,596.43	14,988.09
	Provision for impairment on financial assets	203.19	3,603.77
	Loss assets written off (net)	2,110.27	1,913.97
	(Profit) / loss on sale of property, plant and equipment	(0.16)	1.38
	Loss on sale of repossessed assets	109.40	81.63
	Interest income	(25,711.48)	(25,581.39)
	Interest income from bank deposits	(1,214.86)	(1,514.85)
	Income received in advance	1.28	8.70
	Interest income from non-convertible debenture	(136.02)	(39.25)
	Interest income from pass through certificates	(468.74)	-
	Gain on derecognition of leased asset	(0.07)	-
		(9,404.69)	(6,402.02)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	928.92	3,342.13
	Changes in working capital:		
	Adjustments for (increase)/decrease in operating assets:		
	Loans	(27,779.74)	24,693.36
	Advances received against loan agreements	(10.31)	-
	Deposits given as collateral	(4.60)	3.85
	Bank balance other than cash and cash equivalents	3.33	37.90
	Other financial and non-financial asset	(201.07)	762.72
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade payables	179.00	(343.78)
	Security deposits from borrowers	(4,216.02)	(9,444.29)
	Other financial and non-financial liabilities	(7,275.50)	3,977.78
	Provisions	123.31	34.84
		(39,181.60)	19,722.38
	CASH GENERATED FROM / (USED IN) OPERATIONS	(38,252.68)	23,064.51
	Interest income received	25,635.54	32,274.41
	Interest income on Investment measured at amortised cost	586.72	42.02
	Finance cost paid	(16,374.58)	(16,810.54)
	Income tax paid (net)	(28,405.00)	38,570.40
		(3,983.77)	(2,663.79)
	CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)	(32,388.77)	35,906.61
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Acquisition of property, plant and equipments and intangible assets,	(130.75)	(109.01)
	Proceeds from sale of property, plant and equipments and intangible assets	0.19	-
	Change in Earmarked balances with banks	(9,215.93)	(10.17)
	Interest income from bank deposits	1,214.86	1,242.51
	(Purchase) / Redemption of investments	(10,611.67)	500.00
	CASH FLOW GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	(18,743.30)	1,623.33
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from debt securities and borrowings	76,415.02	25,000.00
	Repayments of borrowings	(33,966.05)	(7,265.14)
	Net decrease in working capital borrowings	2,765.52	3,247.43
	Repayment of lease liabilities	(32.06)	(58.06)
	Dividends paid including dividend distribution tax	(824.04)	-
	CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	44,358.39	20,924.23
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(6,773.68)	58,454.17
	Cash and cash equivalents at the beginning of the year	98,711.41	1,04,554.26
	Cash and cash equivalents at the end of the year	91,937.73	1,63,008.43



**MAS FINANCIAL SERVICES LTD.**

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 CIN: L65910GJ1995PLC026064

Components of cash and cash equivalents

(₹ in Lakh)

Particulars	Half year ended	Half year ended
	30.09.2021	30.09.2020
Cash and bank balances comprises:		
(a) Cash on hand	36.10	17.86
(b) Balances with banks	36,158.28	53,367.43
(c) Bank deposits with original maturity of 3 months or less	55,743.35	1,09,623.14
Cash and cash equivalents as per the balance sheet	91,937.73	1,63,008.43

The above cash flow statement has been prepared under the 'indirect method' as set out in the Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.

Change in liabilities arising from financing activities

(₹ in Lakh)

Particulars	As on	Cash flows	Non-cash changes*	As on
	31.03.2020			31.03.2021
Debt securities	31,411.52	20,000.00	(126.27)	51,285.25
Borrowings other than debt securities	3,13,866.80	27,214.49	102.25	3,41,183.54
Borrowings other than debt securities	5,996.55	(2,000.00)	3.45	4,000.00
Total liabilities from financing activities	3,51,274.87	45,214.49	(20.57)	3,96,468.79

* Non-cash changes represents the effect of amortization of transaction cost

Notes :

- 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.
- 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 27 October 2021.
- In compliance with the SEBI Listing Regulations, a limited review of the consolidated financial results for the quarter and half year ended 30 September 2021 has been carried out by the Statutory Auditors.
- The Board of directors of the Parent 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 was approved by the shareholders in the Annual General Meeting of the Parent held on 25 August 2021. The dividend was paid subsequently.
- Amortising the gain on assignment of financial assets over the residual tenure instead of booking upfront:**

On derecognition of loans in its entirety upon assignment, as per Ind AS 109 'Financial Instruments', the Group is required to recognise 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 profit or loss. The Group is of view that this 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 and will not present true and fair view of the entity's financial position, financial performance and cash flows. The Group on derecognition of financial assets recognised the gain as "Unearned income on assigned loans" under the head other non-financial liabilities and this unearned income is amortized in the profit or loss over the residual tenure of the underlying assigned asset while the assets and liabilities are recorded at the fair value as per Ind AS requirement.

The management has exercised its judgement pursuant to Para 19 of Ind AS 1 to deviate from the aforementioned requirement of Ind AS 109 as per para 20 of Ind AS 1 within the Ind AS framework.

Further, NBFC industry body Finance Industry Development Council (the 'association') which is represented by more than 100 NBFCs has also made representation to Reserve Bank of India and National Financial Reporting Authority ('NFRA') strongly recommending amortisation of income over the tenure of assigned asset.

If the Group would have complied with Ind AS 109, the financial effect on following items [Increase / (decrease)] in the financial statements would have been as follows:

(₹ in Lakh)

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	
Gain on assignment of financial assets	405.56	(731.31)	(725.99)	(325.75)	(867.07)	(3,461.49)
Profit before tax	405.56	(731.31)	(725.99)	(325.75)	(867.07)	(3,461.49)
Deferred tax expense / (Credit)	102.07	(184.06)	(182.72)	(81.98)	(218.22)	(871.19)
Profit after tax	303.49	(547.25)	(543.27)	(243.77)	(648.85)	(2,590.30)
Profit after tax attributable to Owners of the Parent	181.08	(326.52)	(324.15)	(145.44)	(387.14)	(1,545.52)
Profit after tax attributable to Non-controlling interest	122.41	(220.73)	(219.13)	(98.32)	(261.71)	(1,044.78)
Basic / Diluted EPS	0.33	(0.60)	(0.59)	(0.27)	(0.71)	(2.83)

Particulars	As at	As at
	30.09.2021	31.03.2021
Other equity	3,075.68	3,319.53
Other non-financial liabilities	(4,186.14)	(4,511.89)
Deferred tax asset / (liability)	1,032.24	1,139.10
Non Controlling Interest	78.23	53.26



(Signature)



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- 6 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 September 2021 and accordingly, no amount is required to be transferred to impairment reserve.
- 7 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 September 2021, the cumulative amount of management overlay provisions stood at ₹ 5,224.04 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 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 110.0% of the aggregate amount of principal outstanding (including accrued interest) of the NCDs as per the respective terms-sheets of outstanding secured NCDs.
- 9 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.
- 10 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.
- 11 Figures of previous reporting periods have been regrouped / reclassified, wherever necessary, to correspond with the figures of the current reporting period.



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

Ahmedabad
27 October 2021

PRESS RELEASE

MAS Financial Services Limited results – 2nd quarter FY 22

A Robust Financial Performance

106 Quarters of Consistent Financial Performance

Wednesday, 27th October 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 quarter ended 30th September, 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. We witnessed normalization of business activities during the quarter. The same was reflected in disbursement which stood at ₹ 1476.70 Crore during the quarter ended 30th September 2021 as compared to ₹ 820.19 Crore during the corresponding period. Disbursement during June 21 quarter was ₹ 1,041.37 Crore.

Performance Highlights

MAS Financial Services Limited reports Assets under Management (AUM) of ₹ 5485.18 Crore and profit after tax of ₹ 38.32 Crore for the quarter ended 30th September 2021 from ₹ 5300.87 Crore and ₹ 34.20 Crore respectively for the quarter ended 30th September 2020. The AUM as on 30th June 2021 was ₹ 5161.63 Crore.

- A Growth of 12.04 % in PAT and 3.48 % in AUM and over the corresponding period of the previous year.
- The profit after tax for H1 is ₹ 75.15 Crore – A growth of 6.15% over the corresponding period of the previous year.
- The total special COVID provision as on 30th September 2021 stood at ₹ 49.24 Crore for the total on book assets of ₹ 4416.03 Crores i.e. 1.12 %.
- Capital Adequacy Ratio (including Tier II capital) as of 30th September, 2021 stood at 25.62 %. The Tier-I capital stood at 24.02 %.
- The portfolio quality remained stable despite of the prolonged ongoing crisis followed by the unprecedented pandemic situation at 2.30% gross stage 3 assets and 1.80 % net stage 3 assets



of AUM as compared to 2.21% gross stage 3 assets and 1.74 % net stage 3 assets of AUM as on 30th June 2021.

(₹ in CR)

Particulars	Q2'22	Q2'21	QoQ	H1'22	H1'21	HoH	FY 21
Assets Under Management	5485.18	5300.87	3.48% ↑	5485.18	5300.87	3.48% ↑	5372.44
Total Income	156.73	152.26	2.94% ↑	305.23	312.65	2.38% ↓	593.89
Profit Before Tax	51.53	45.63	12.92% ↑	101.06	94.55	6.88% ↑	192.89
Profit After Tax	38.32	34.20	12.04% ↑	75.15	70.80	6.15% ↑	143.50

(₹ in CR)

Asset Under Management (AUM)*	Sep-21	Sep-20	YoY
Micro-Enterprise loans	2893.38	3146.96	8.06% ↓
SME loans	2002.69	1643.82	21.83% ↑
2-Wheeler loans	360.98	359.66	0.36% ↑
Commercial Vehicle loans	228.13	150.43	51.66% ↑
TOTAL AUM	5485.18	5300.87	3.48% ↑

*Represents underlying assets in each of the category. As on 30th September, 2021 55.80% of the total underlying assets is through various NBFCs.

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 20th October 2021 took on record the unaudited Financial Results of the company for quarter ended 30th September, 2021.

Performance Highlights

MAS Rural Housing and Mortgage Finance Limited reports Assets under Management (AUM) of ₹ 300.26 Crore and profit after tax of ₹ 1.48 Crore for the quarter ended 30th September 2021 from ₹ 281.72 Crore and ₹ 1.17 Crore respectively for quarter ended 30th September 2020.

- A growth of 26.44 % in PAT and 6.58 % in AUM and over the corresponding period of the previous year.
- The profit after tax for H1 is ₹ 2.31 Crore – A growth of 3.68 % over the corresponding period of the previous year.
- The total special COVID provision as on 30th September 2021 stood at ₹ 3.00 Crore for the total on book assets of ₹ 248.22 Crores i.e. 1.21 %.
- Capital Adequacy Ratio (including Tier II capital) as of 30th September 2021 stood at 51.63 %. The Tier-I capital stood at 36.92 %.

 

- The portfolio quality remained stable despite of the prolonged ongoing crisis followed by the unprecedented pandemic situation at 0.65% gross stage 3 assets and 0.46% net stage 3 assets of AUM as compared to 0.59% gross stage 3 assets and 0.42% net stage 3 assets of AUM as on 30th June 2021.

(₹ in CR)

Particulars	Q2'22	Q2'21	QoQ	H1'22	H1'21	HoH	FY'21
Assets Under Management	300.26	281.72	6.58%↑	300.26	281.72	6.58%↑	284.89
Total Income	9.22	9.33	1.15%↓	18.11	18.10	0.09%↑	35.27
Profit Before Tax	1.89	1.50	25.75%↑	2.95	2.91	1.44%↑	3.78
Profit After Tax	1.48	1.17	26.44%↑	2.31	2.22	3.68%↑	2.89

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 strong capital base, high level of liquidity, quality of assets with high provision buffer and constant engagement with all the stakeholders for understanding the evolving situation. With a Tier-1 capital adequacy ratio of **24.02 %** and total capital adequacy of **25.62 %**, sufficient liquidity due to very efficient liability management, stable quality of portfolio of **1.80% of net stage 3 assets** and by maintaining additional provisioning buffer which stands at **1.12%** 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% as the economy normalizes**”

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

For and on behalf of the Board of Directors



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

Place : Ahmedabad

Date : October 27, 2021