



# MAS FINANCIAL SERVICES LIMITED

Date: 6th November, 2015

To,  
The Sr. General Manager  
Department of Corporate Services,  
BSE Limited,  
1st Floor, P.J.Towers,  
Dalal Street,  
Mumbai - 400 001.



## Re: Intimation pursuant to Clause 27 of the Listing Agreement - Debt Securities

In accordance of the terms of the Listing Agreement for Debt securities, we wish to inform you as under with respect to issue by way of private placement of 400 Rated, Listed, Unsecured, Redeemable Non-Convertible Debentures ("NCDs") being Sub Debt, qualifying as Tier-II capital on private placement basis of face value of Rs.10,00,000/- (Rupees Ten Lakhs Only) each aggregating to Rs. 40,00,00,000 (Rupees Forty Crores) issued at par ("issue")

### 1. Credit Rating:

By ICRA:

INSTRUMENT	AMOUNT	RATING ACTION
Issuer Rating	Not Applicable	[IR]A-(Positive)
Long term bank facilities (Cash Credit/Term Loan)	Rs. 1850.00 Crore	[ICRA]A-(Positive)
Subordinate Debt	Rs. 60.00 Crore	[ICRA]A-(Positive)

By CRISIL:

INSTRUMENT	AMOUNT	RATING ACTION
CP	Rs. 100 Million	CRISIL A+(SO) Very Strong Degree

### 2. Asset Cover Available:

The Debenture issued is unsecured, so the security cover is NIL. The Asset cover available over total long and short term debt outstanding as on 30th September, 2015 is 1.24 times. ((Total balance sheet assets- intangible assets)/Total long and short term debt outstanding)

### 3. Debt Equity Ratio:

Company's Debt Equity Ratio is 6.01 times as on 30<sup>th</sup> September, 2015





*The Power of Distribution*



## MAS FINANCIAL SERVICES LIMITED

**4. Previous Due Date for the payment of interest/principal and whether the same has been paid or not:**

The due date for the interest payment was on 30th September 2015 and interest amounting to Rs. 1,27,03,562/- (Rs 1,41,15,068.00/- less TDS @10% ) was paid.

**5. Next Due date for interest/ Principal:**

Next Due date for the interest payment is on 31st December, 2015.

This is for your information and records.

Thanking you,

Yours faithfully

For, MAS Financial Services Limited

**Punita Maheshwari  
(Company Secretary)**







# S. Khemka & Co.

Chartered Accountants

To,  
The Manager,  
GDA Trusteeship Limited  
Mumbai

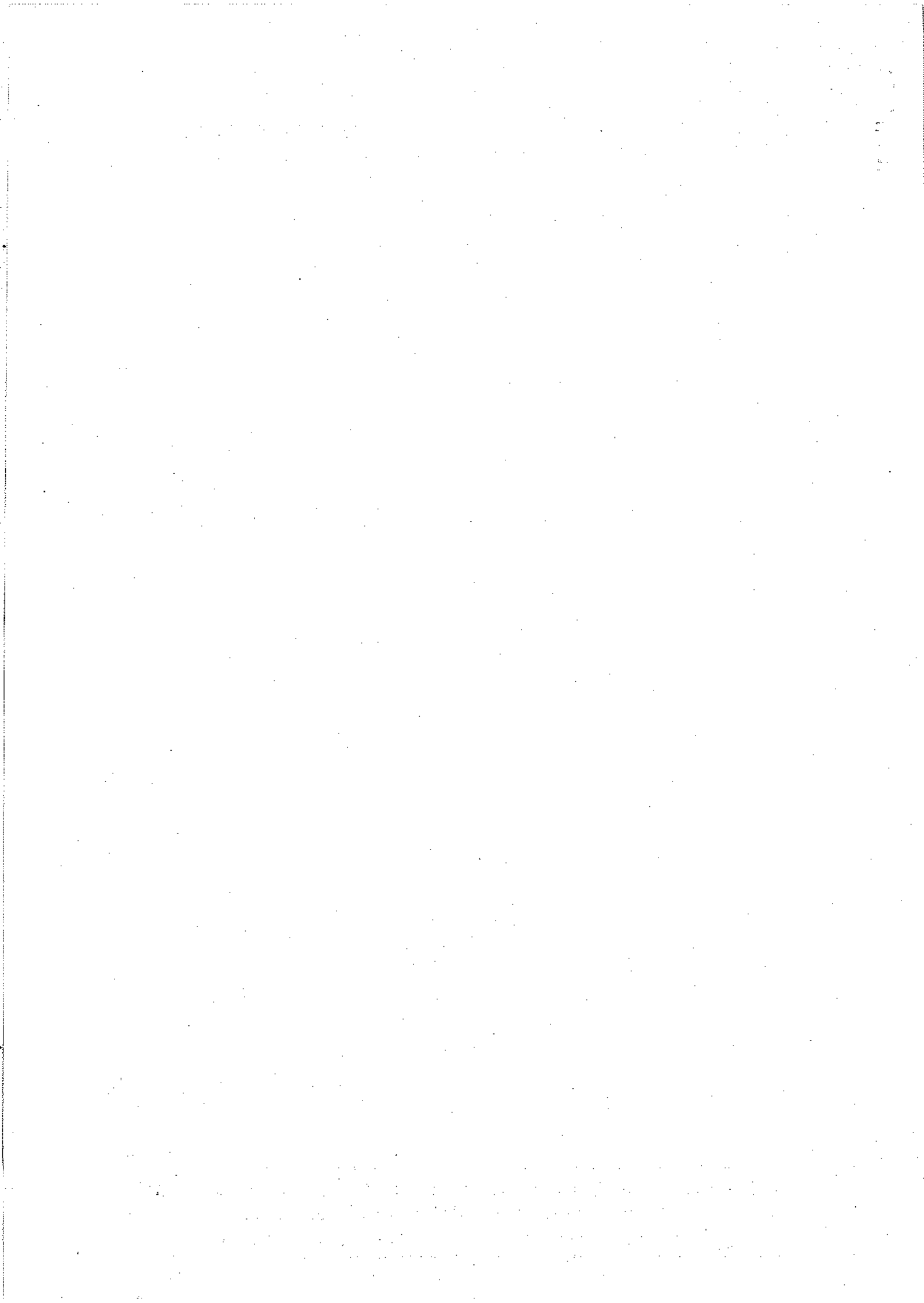
Dear Sirs,

We have Physically verified the accounts of M/s. MAS Financial Services Limited having its Registered office at 6, Ground Floor, Narayan Chambers, B/h. Patang Hotel, Ashram road, Ahmedabad – 380 009 for the half yearly ended as on 30<sup>th</sup> September, 2015 and we found that :

- i. The Company has fully utilized the funds for the purpose for which it was borrowed.
- ii. The company is not required to create the Debenture Redemption fund as per the Ministry of Corporate Affairs vide General Circular No 04/2013 [NO. 11/02/2012-CL-V (A)], dated 11-2-2013.
- iii. There are no cases of default in payment of Principal and Interest on Debentures as on 30<sup>th</sup> September, 2015. The due date for the interest payment was on 30<sup>th</sup> September 2015 and interest amounting to Rs. 1,27,03,562/- (Rs 1,41,15,068.00/- less TDS @10% ) was paid.
- iv. The Debenture (Subordinate debenture) issued is unsecured, so the security cover is NIL. The Asset cover available over total long and short term debt outstanding as on 30<sup>th</sup> September 2015 is 1.24 times. ((Total balance sheet assets- intangible assets)/Total long and short term debt outstanding).
- v. The Company's Debt Equity Ratio is 6.01 times as on 30<sup>th</sup> September, 2015



42, Swastik Chambers, Near Gujarat Vidhyapeeth, Navjeevan Press Road, Ahmedabad-380 014.  
Tele Fax : (O) 079 - 27544493 (M) 9429259464, 9376309866  
E-mail : skhemkaahmedabad@gmail.com chandresh\_59@yahoo.co.in





# S. Khemka & Co.

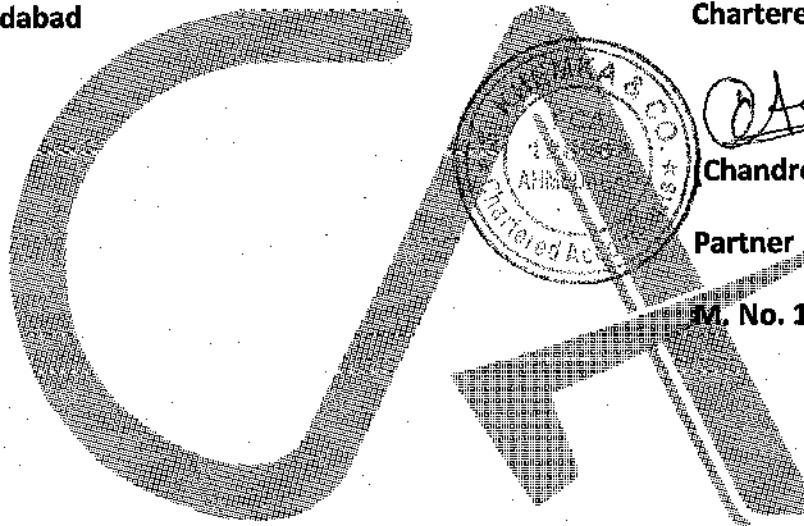
Chartered Accountants

- vi. The Borrowing Powers and Borrowing Limits of the Company is Rs. 2500 Crores (Rupees Two Thousand and Five hundred Crores) and total borrowing of the Company including the Debentures outstanding of Rs. 60.00 Crores do not exceed the captioned limit of Rs. 2500.00 Crores as on 30<sup>th</sup> September 2015.

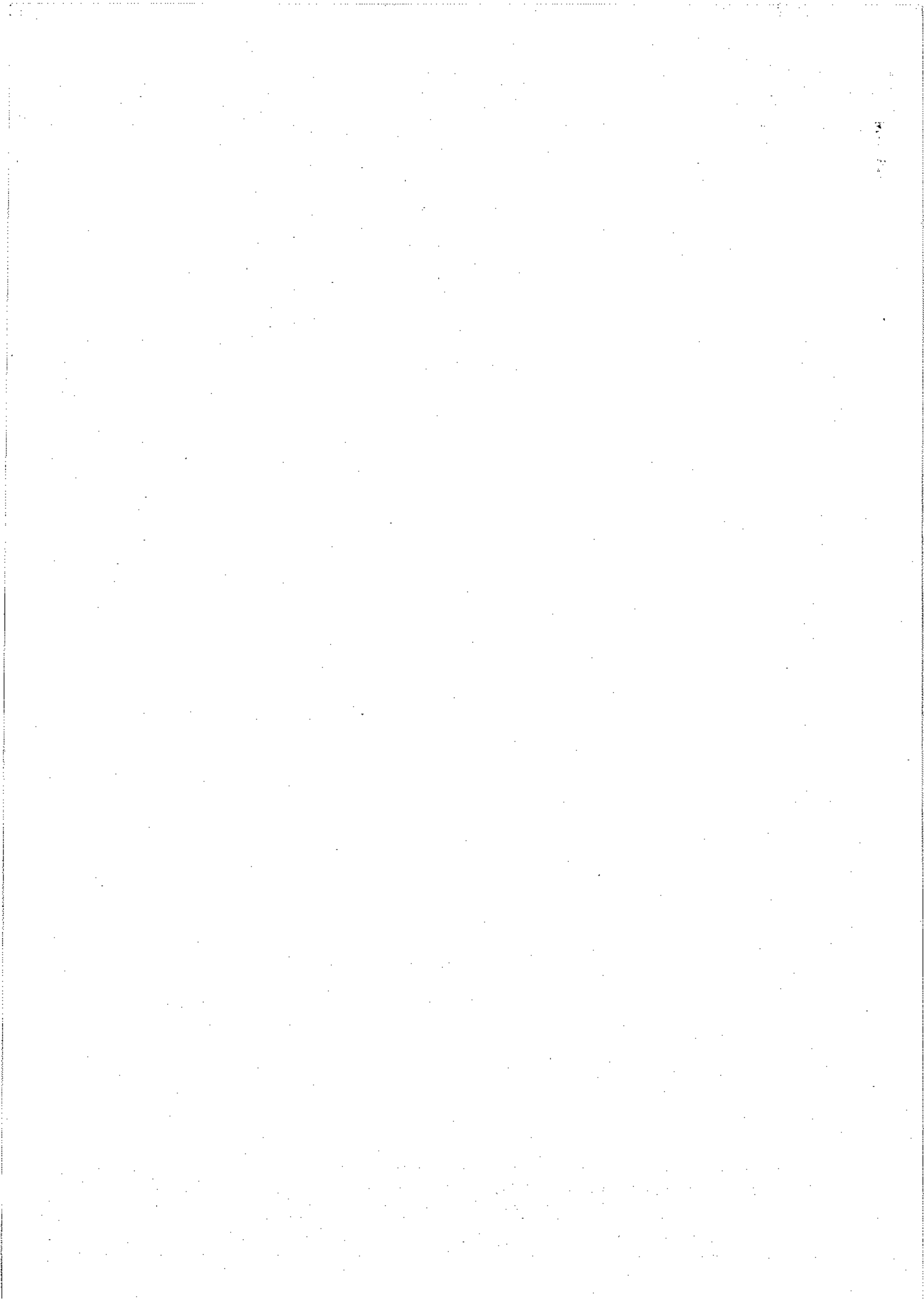
Above details have been verified by us from audited Book of Accounts produced before us for our verification.

Date: 6th November 2015.  
Place : Ahmedabad

For, S. Khemka & Co.  
Chartered Accountant



*Chandresh Agrawal*  
(Chandresh Agrawal)  
Partner  
M. No. 128868







*The Power of Distribution*

## **Half Yearly Financial Report**

**2015-16**

**REGISTERED OFFICE  
6, GROUND FLOOR, NARAYAN CHAMBERS,  
B/H.PATANG HOTEL, ASHRAM ROAD,  
AHMEDABAD - 380009.**

For, **AAS** Financial Services Ltd.

  
Company Secretary

# Deloitte Haskins & Sells

Deloitte Haskins & Sells  
Chartered Accountants  
'Heritage', 3rd Floor,  
Near Gujarat Vidhyapeeth,  
Off Ashram Road,  
Ahmedabad - 380 014.

Tel: +91 (079) 27582542  
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## Independent Auditors' Report on Review of Interim Financial Information

To  
The Board of Directors of  
MAS Financial Services Limited

### Introduction

We have reviewed the accompanying Condensed Balance Sheet of MAS Financial Services Limited ("the Company") as at 30<sup>th</sup> September, 2015, the related Condensed Statements of Profit and Loss and Cash Flows for the six month period then ended, and a summary of selected explanatory notes. The Management is responsible for the preparation and presentation of this interim financial information in accordance with Accounting Standard (AS) 25, "Interim Financial Reporting", specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on this interim financial information based on our review.

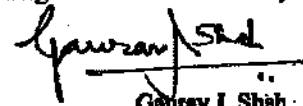
### Scope of Review

We conducted our review 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 Interim Financial Information is free of material misstatement. 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.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with the Accounting Standard (AS) 25, "Interim Financial Reporting", specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule, 2014 and other accounting principles generally accepted in India.

For Deloitte Haskins & Sells  
Chartered Accountants  
(Firm's Registration No: 117365W)



Gaurav J. Shah  
Partner

Membership No.: 35701

Ahmedabad, 4<sup>th</sup> November, 2015

**MAS FINANCIAL SERVICES LIMITED**

**CONDENSED BALANCE SHEET AS AT 30TH SEPTEMBER, 2015**

	Notes	As at 30th September 2015 Rupees	As at 31st March 2015 Rupees
<b>EQUITY AND LIABILITIES</b>			
Shareholders' funds			
Share Capital	3	594,712,150	594,712,150
Reserves and Surplus	4	1,053,528,570	813,886,700
		<b>1,648,241,720</b>	<b>1,408,608,850</b>
Compulsorily Convertible Debentures (Unsecured) (Refer Note No.3.2)		499,800,000	499,800,000
Non-current liabilities			
Long-term borrowings	5	1,793,908,347	1,138,668,819
Other Long-term Liabilities	6	1,215,845,322	929,245,706
Long-term provisions	7	40,395,962	30,294,862
		<b>3,050,149,631</b>	<b>2,098,209,377</b>
Current liabilities			
Short-term borrowings	8	7,258,568,089	7,434,059,304
Trade payables		35,875,238	13,890,459
Other current liabilities	9	3,433,188,706	3,205,724,133
Short-term provisions	10	72,217,317	167,795,108
		<b>10,799,835,329</b>	<b>10,821,469,004</b>
<b>TOTAL</b>		<b>15,998,028,680</b>	<b>14,828,075,231</b>
<b>ASSETS</b>			
Non-current assets			
Fixed assets	11		
Tangible assets		65,011,773	44,174,910
Intangible assets		-	-
Capital Work-in-Progress		-	985,199
		<b>65,011,773</b>	<b>45,160,109</b>
Non-current investments	12	110,233,121	110,994,334
Deferred tax assets (net)	13	25,285,185	22,540,474
Long-term loans and advances	14	3,813,179,896	3,447,871,088
Other non-current assets	15	70,588,405	101,743,885
		<b>4,019,296,586</b>	<b>3,683,149,789</b>
Current assets			
Cash and Bank Balances	16	1,971,431,873	2,173,287,147
Short-term loans and advances	14	9,821,067,950	8,835,734,319
Other current assets	17	121,218,498	90,743,867
		<b>11,913,718,321</b>	<b>11,099,765,333</b>
<b>TOTAL</b>		<b>15,998,028,680</b>	<b>14,828,075,231</b>
See accompanying explanatory notes forming part of the condensed financial statements			

In terms of our report attached .

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells  
Chartered Accountants

*Gaurav J. Sheh*

Gaurav J. Sheh  
Partner



*Punita Maheshwari*  
Punita Maheshwari  
(Company Secretary)

Place : Ahmedabad  
Date : 15th Nov, 2015

*Kamlesh C. Gandhi*

Kamlesh C. Gandhi  
(Chairman & Managing Director)

*Mukesh C. Gandhi*  
Mukesh C. Gandhi  
(Whole Time Director & Chief Financial Officer)

Place : Ahmedabad  
Date : 04.11.2015

**MAS FINANCIAL SERVICES LIMITED**

**CONDENSED STATEMENT OF PROFIT AND LOSS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2015**

	Notes	Half Year ended 30th September, 2015 Rupees	Half Year ended 30th September, 2014 Rupees
<b>INCOME</b>			
Revenue from Operations	18	1,344,967,124	1,058,131,832
Other Income	19	5,018,447	4,314,358
<b>Total Revenue</b>		<b>1,349,985,571</b>	<b>1,062,446,188</b>
<b>EXPENDITURE</b>			
Employee Benefits Expense	20	104,748,165	78,800,241
Finance Costs	21	624,308,883	488,525,469
Depreciation and Amortisation Expense	22	4,103,305	7,058,571
Provisions and Loan Losses	23	103,428,786	88,067,746
Other Expenses	24	143,207,473	108,115,298
<b>Total Expenses</b>		<b>979,797,392</b>	<b>768,365,323</b>
<b>Profit Before Tax</b>		<b>370,188,179</b>	<b>294,080,865</b>
<b>Tax Expense / (Benefit):</b>			
Current Tax		133,300,000	105,000,000
Short / (Excess) provision for tax relating to prior years		-	(2,154,454)
Net current tax expense		133,300,000	102,845,546
Deferred Tax		(2,754,681)	(2,959,101)
<b>Net tax expense / (benefit)</b>		<b>130,545,309</b>	<b>99,886,445</b>
<b>Profit for the period</b>		<b>239,642,870</b>	<b>194,194,420</b>
<b>Earnings per share (of Rs. 10 each):</b>	25		
Basic		13.89	11.08
Diluted		13.89	11.08
See accompanying explanatory notes forming part of the condensed financial statements			

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants

*Gaurav J. Shah*

Gaurav J. Shah  
Partner



Place: Ahmedabad  
Date: 4<sup>th</sup> Nov, 2015

For and on behalf of the Board of Directors

*Kamlesh C. Gandhi*  
Kamlesh C. Gandhi  
(Chairman & Managing Director)

*Punika Maheshwari*  
Punika Maheshwari  
(Company Secretary)

*Mukesh C. Gandhi*  
Mukesh C. Gandhi  
(Whole Time Director & Chief Financial Officer)

Place: Ahmedabad  
Date: 04-11-2015

**MAS FINANCIAL SERVICES LTD.**

**CONDENSED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2015**

	Half year ended 30th September, 2015		Half year ended 30th September, 2014	
	Rupees		Rupees	
<b>A. CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES</b>		(510,481,704)		(2,348,700,113)
<b>B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>		(8,621,301)		(6,849,289)
<b>C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>		322,639,300		1,388,474,936
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		(196,463,705)		(957,074,466)
Cash and Cash Equivalents at the beginning of the period		2,126,523,002		1,778,160,493
Cash and Cash Equivalents at the end of the period		1,930,059,297		821,086,027

	Half year ended 30th September, 2015 Rupees	Half year ended 30th September, 2014 Rupees
	5,322,027	5,245,042
	1,924,737,270	815,840,885
	1,930,059,297	821,086,027

**Notes:**

1 Cash and cash equivalents at the end of the period comprise:

(a) Cash on Hand

(b) Balances with banks

In Current/ Cash Credit Accounts (Including Rs. 874,048 (As at 31st March, 2015 Rs. 948,248) in earmarked account i.e. "Collection and Payout Account", which can be utilised only for the specific identified purposes.)

2 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

3 Previous year's figures have been regrouped / reclassified wherever necessary.

See accompanying explanatory notes forming part of the condensed financial statements

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants

*Gaurav J. Shah*

Gaurav J. Shah  
Partner.



For and on behalf of the Board of Directors

*Kamlesh C. Gandhi*

Kamlesh C. Gandhi  
(Chairman & Managing Director)

*P. Meheshwari*  
Punita Meheshwari  
(Company Secretary)

*Mukesh C. Gandhi*  
Mukesh C. Gandhi  
Whole Time Director &  
Chief Financial Officer

Place : Ahmedabad

Date : 25th Nov, 2015

Place : Ahmedabad

Date : 04.11.2015

## MAS FINANCIAL SERVICES LIMITED

### Note-1 CORPORATE INFORMATION

MAS Financial Services Limited is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956. It is registered as a Non-Banking Finance Company with Reserve Bank of India. The Company is engaged in retail asset finance by way of providing Micro Enterprise Loans, SME Loans, Two Wheeler Loans, Commercial Vehicle Loans and loans to MFIs and NBFCs.

### Note-2 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

#### 1. SIGNIFICANT ACCOUNTING POLICIES :

##### A. BASIS OF ACCOUNTING :

The Condensed financial statements are prepared under the historical cost convention on accrual basis in accordance with the requirements of Accounting Standard 26, "Interim Financial Reporting" specified under section 133 of the Companies Act, 2013 (read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India. Further, the Company follows the prudential norms for income recognition and provisioning for Non-performing Assets as prescribed by the Reserve Bank of India for Non-Banking Financial Companies. The Company assesses all receivables for their recovery and accordingly provisions for non-performing assets are enhanced as considered necessary.

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31<sup>st</sup> March, 2015.

##### B. USE OF ESTIMATES :

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize.

##### C. FIXED ASSETS

Fixed assets are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on fixed assets after its purchase is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

##### D. DEPRECIATION/ AMORTISATION

Depreciable amount for assets is the cost of an asset less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. In respect of fixed assets purchased or put to use during the period, depreciation is provided on a pro-rata basis from the date on which such asset is purchased or put to use.

Intangible Assets are stated at cost and are amortized equally over a period of five years from the year of purchase.

##### E. IMPAIRMENT OF ASSETS

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the Statement of Profit and Loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no



longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

**F. INVESTMENTS**

Long term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investment includes acquisition charges such as brokerage, fees and duties.

**G. GOVERNMENT GRANTS**

Subsidies related to depreciable fixed assets are treated as deferred income which is recognised in the Statement of Profit and Loss over the periods and in the proportion in which depreciation on those assets is charged. The deferred income balance is separately disclosed in the financial statements as "Deferred Subsidy".

**H. REVENUE RECOGNITION :**

The Company follows accrual basis of accounting for its income and expenditure except income on assets classified as non-performing assets, which in accordance with the guidelines issued by the Reserve Bank of India for Non-Banking Finance Companies, is recognised on receipt basis.

**Income from Loans:**

Interest income on loan transactions is accounted for over the period of the contract by applying the interest rate implicit in such contracts.

Service charges and stamp and documentation charges are booked at the commencement of the contract.

**Income from Assignment of receivables:**

In case of assignment of receivables, the assets are de-recognised since all the rights, title and future receivables principal are assigned to the purchaser. The interest spread arising on assignment is accounted over the residual tenor of the underlying assets.

**I. OTHER INCOME :**

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

**J. REPOSSESSED ASSETS :**

The value of repossessed assets is arrived at by deducting the estimated loss on realisation. The estimation of loss on realisation is done based on past track record of loss on sale of such assets.

**K. EMPLOYEE BENEFITS**

**Defined contribution plans**

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

**Defined benefit plans**

For defined benefit plan in the form of gratuity the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuation being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the schemes.

**Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employees render the



services. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

#### **L. EARNINGS PER SHARE**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares, if determinable. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

#### **M. TAXES ON INCOME**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisable.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

#### **N. CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **O. CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### **P. LEASES**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.





**Q. PROVISIONS AND CONTINGENCIES**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.



**MAS FINANCIAL SERVICES LIMITED**

**SELECTED EXPLANATORY NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2015**

	As at 30th September 2015 Rupees	As at 31st March 2015 Rupees
<b>Note 3. Share Capital</b>		
<b>Authorized</b>		
21,500,000 Equity Shares of Rs. 10 each.	215,000,000	215,000,000
850,000 Cumulative Redeemable Non Convertible Preference Shares of Rs. 100 each	85,000,000	85,000,000
40,000,000 8% Cumulative Redeemable Preference Shares of Rs.10 each	400,000,000	400,000,000
22,000,000 0.01% Compulsorily Convertible Cumulative Preference Shares of Rs.10 each	220,000,000	220,000,000
22,000,000 13.31% Compulsorily Convertible Cumulative Preference Shares of Rs.10 each	220,000,000	220,000,000
	<b>1,120,000,000</b>	<b>1,120,000,000</b>
<b>Issued, Subscribed and Fully Paid-Up:</b>		
16,000,125 Equity Shares of Rs.10 each fully paid-up.	160,001,250	160,001,250
21,735,545 0.01% Compulsorily Convertible Cumulative Preference Shares of Rs.10 each	217,355,450	217,355,450
21,735,545 13.31% Compulsorily Convertible Cumulative Preference Shares of Rs.10 each	217,355,450	217,355,450
	<b>594,712,150</b>	<b>594,712,150</b>

**3.1 Rights, preferences and restrictions attaching to each class of shares and terms of preference shares convertible into equity along with the earliest date of conversion**

**(a) Equity Shares**

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(b) Compulsorily Convertible Cumulative Preference Shares**

(i) 21,735,545 CCCPS of the face value of Rs. 10 each carry a right from 17th February, 2014 to be paid a fixed cumulative preferential dividend at the rate of 0.01% per annum. These CCCPS are automatically and fully convertible into equity shares, at a conversion price to be determined as per the terms of the Agreement, upon the expiry of a period of 13 years from the date of final issuance of these CCCPs i.e. from 13th October, 2008. However in the event of the Company deciding or contemplating an IPO of its equity shares prior to the mandatory conversion date, the CCCPS are convertible into equity shares at a conversion price to be determined as provided for in the agreement, based on the time of conversion.

(ii) 21,735,545 CCCPS of the face value of Rs. 10 each carry a right from 17th February, 2014 to be paid a fixed cumulative preferential dividend at the rate of 13.31% per annum. These CCCPS are automatically and fully convertible into equity shares, at a conversion price to be determined as per the terms of the Agreement, upon the expiry of a period of 7 years from the effective date i.e. from 17th February, 2014. However in the event of the Company deciding or contemplating an IPO of its equity shares prior to the mandatory conversion date, the CCCPS are convertible into equity shares at a conversion price to be determined as provided for in the agreement based on the time of conversion.

(iii) The holder of the preference share capital shall, in respect of such capital, have a right to vote only on resolutions placed before the Company which directly affect the rights attached to his preference shares.

**3.2 The Company has issued Compulsorily Convertible Debentures (CCDs) of nominal value aggregating to Rs. 46.88 crores.**

Significant terms of the same as under :

- The CCDs carry interest at the rate of 13% p.a. for 72 months from the date of investment and thereafter if the CCDs remain unconverted, the rate of interest will be 19.50% p.a. or maximum permissible interest payable under applicable law which ever is less.
- The CCDs shall be fully and mandatorily converted into equity shares on a date which shall be either 31st March, 2020 or such other date as may be solely decided by the investor, provided that such date shall not extend beyond 16 years from 27th July 2012.
- Each CCD will convert into such number of equity shares so as to give the investor the required return, without the investor being required to pay any amount for such conversion. The agreement provides that the price at which the conversion will take place will be in compliance with the FDI regulations.



**MAS FINANCIAL SERVICES LIMITED**

**SELECTED EXPLANATORY NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2015**

	As at 30th September 2015 Rupees	As at 31st March 2015 Rupees
<b>Note 4. Reserves and Surplus</b>		
<b>Reserve u/s. 45-IC of RBI Act, 1934 :</b>		
Opening Balance	343,271,865	285,279,875
Additions during the period/year	-	77,991,990
Closing Balance	343,271,865	343,271,865
<b>Securities Premium Account</b>		
Opening Balance	28,940,000	28,940,000
Additions during the period/year	-	-
Closing Balance	28,940,000	28,940,000
<b>General Reserve</b>		
Opening Balance	125,363,757	87,387,762
Additions during the period/year	-	38,985,995
Closing Balance	125,363,757	126,373,757
<b>Surplus in Statement of Profit and Loss</b>		
Opening Balance	314,311,078	174,758,810
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax)	-	(7,089,057)
Add: Profit for the period / year	239,842,870	369,959,948
Less : Appropriations:	583,953,948	557,819,701
Transfer to Reserve u/s. 45-IC of RBI Act,1934 (Refer Note 4.1 below)	-	77,991,990
Proposed Dividend on Preference Shares	-	28,951,148
Proposed Dividend on Equity Shares	-	78,000,594
Dividend distribution tax on preference dividend	-	6,894,577
Dividend distribution tax on equity dividend	-	15,473,721
Transfer to General Reserve	-	38,985,995
Total Appropriations	-	243,308,623
<b>Net Surplus in Statement of Profit and Loss</b>	<b>583,953,948</b>	<b>314,311,078</b>
<b>Total Reserves and Surplus</b>	<b>1,063,529,570</b>	<b>813,886,760</b>
<b>Note 4.1</b> Appropriation from profit to Reserve u/s 45-IC of RBI Act, 1934 and other appropriations will be made at the end of the financial year.		

	Non Current		Current	
	As at 30th September 2015 Rupees	As at 31st March 2015 Rupees	As at 30th September 2015 Rupees	As at 31st March 2015 Rupees
<b>Note 5. Long Term Borrowings</b>				
<b>(a) Debentures (Refer Note 5.1 below)</b>				
<b>Unsecured (Sub-ordinate Debt)</b>				
200, 13.50% Unsecured, Redeemable, Non-Convertible Debentures of Rs. 10 lakhs each	200,000,000	200,000,000	-	-
400, 14.00% Unsecured, Redeemable, Non-Convertible Debentures of Rs. 10 lakhs each	400,000,000	-	-	-
<b>(b) Term Loans (Refer Note 5.2 below)</b>				
<b>Secured</b>				
From Banks	1,054,468,544	785,890,817	786,720,732	708,165,753
From Others	109,441,803	172,778,002	210,001,731	318,335,085
	<b>1,793,909,347</b>	<b>1,136,966,819</b>	<b>996,722,463</b>	<b>1,027,500,838</b>

**Note 5.1**  
(1) 13.50% Unsecured, Redeemable, Non-Convertible Debentures are redeemable at the end of 5 years and 6 months from the date of allotment.

(2) 14% Unsecured, Redeemable, Non-Convertible Debentures are redeemable at the end of 7 years from the date of allotment.

**Note 5.2**

The above loans are secured by hypothecation of entire receivables or book debts under loan cum hypothecation agreements, both present and future, and other dues including bills whether documentary or clean and outstanding monies receivable, both present and future which during the continuance of the security become due and owing to the Company in the course of its business and also lien on specific bank fixed deposits. Vehicle loans are hypothecation of vehicles financed.



**MAS FINANCIAL SERVICES LIMITED**

**SELECTED EXPLANATORY NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2015**

	As at 30th September 2015 Rupees	As at 31st March 2015 Rupees
<b>Note 6. Other Long Term Liabilities</b>		
Security deposits received	1,173,138,427	888,963,797
Interest accrued but not due on security deposits	42,708,895	29,281,809
	<b>1,215,846,322</b>	<b>929,245,706</b>
<b>Note 7. Long-term Provisions</b>		
Contingent Provision against Standard Assets	40,395,982	30,284,852
	<b>40,395,982</b>	<b>30,284,852</b>
<b>Note 8. Short-term borrowings</b>		
<b>Secured</b>		
Loans repayable on demand:		
From Banks:		
Cash Credit and Overdrafts	2,806,868,068	3,384,248,687
Short Term Loans:		
From Banks	3,680,000,000	4,048,816,817
<b>Unsecured</b>		
Commercial Paper (Refer Note 8.1 below)	600,000,000	
	<b>7,288,868,068</b>	<b>7,434,069,304</b>
<b>8.1</b> The Company has issued Commercial Papers during the period / year. The maximum amount of Commercial Papers outstanding at any time during the period / year was Rs. 2,110,000,000 (Previous Year - Rs. 950,000,000).		
<b>8.2</b> Cash Credits/Overdrafts/Short Term Loans from Banks are secured by hypothecation of movable assets of the Company and goods covered under LIP Agreements/ Loan cum Hypothecation Agreements and relative book debts, receivables, loans and advances and entire portfolio outstanding (except specific portfolio generated from various term loans sanctioned by various banks/FIs on an exclusive basis) and equitable mortgage by deposit of title deeds on some of the Company's immovable properties, as collateral security. The loans are also guaranteed by two directors of the Company.		
<b>Note 9. Other Current Liabilities</b>		
Current Maturities of long-term debt ( Refer Note No. 5 )	998,722,463	1,027,600,818
Interest accrued but not due on borrowings	69,150,734	38,906,765
<b>Other Payables:</b>		
Statutory remittances (Contributions to PF and ESIC, Service Tax, etc.)	11,550,090	17,685,088
Dues to the assignees towards collections from assigned receivables	774,808,570	858,337,818
Other Interest accrued but not due	107,886,111	80,517,865
Security deposits received	1,480,238,693	1,482,725,190
Advance payments received	2,842,044	40,580
	<b>3,433,188,705</b>	<b>3,295,734,133</b>
<b>Note 10. Short-term Provisions</b>		
<b>Provision for Employee Benefits</b>		
Compensated Absences	5,141,767	4,276,663
<b>Other Provisions</b>		
Provision for Tax (net of Advance Tax)	26,585,568	-
Provision for Non-Performing Assets	46,485,991	37,197,887
Provision for proposed equity dividend	-	78,000,894
Provision for proposed preference dividend	-	28,951,748
Provision for dividend distribution tax on proposed equity dividend	-	15,473,721
Provision for dividend distribution tax on proposed preference dividend	-	5,894,677
	<b>72,217,317</b>	<b>167,795,108</b>



WAB FINANCIAL SERVICES LIMITED

SELECTED EXPLANATORY NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30th SEPTEMBER, 2018

Note 11. Fixed Assets

NATURE OF ASSETS	GROSS BLOCK (AT COST)				DEPRECIATION					NET BLOCK	
	As at 1st April, 2018	Additions during the period	On Deductions during the period	As at 30th September 2018	As at 1st April, 2018	For the period	Transfer to a separate account and surplus balance in Statement of Profit and Loss	On Deductions during the period	As at 30th September 2018	As at 30th September 2018	As at 31st March, 2019
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Tangible assets											
Own building (Refer Note (a) below)	22,978,958	12,782,100	-	33,739,058	4,245,166	321,300	-	-	4,466,826	29,271,501	18,730,799
Furniture & Fixtures	27,898,970	1,538,372	-	29,067,342	17,967,462	1,320,048	-	-	19,227,940	8,789,832	6,741,906
Vehicles	11,206,515	14,587,884	6,771,749	10,162,650	9,307,081	874,608	-	3,776,087	3,408,800	16,757,009	4,898,454
Office Equipment	66,867,877	1,487,664	-	68,035,231	48,124,519	1,687,332	-	-	47,911,821	19,223,410	10,773,958
<b>Total</b>	<b>118,952,320</b>	<b>27,895,910</b>	<b>6,771,749</b>	<b>148,879,829</b>	<b>74,624,236</b>	<b>4,102,388</b>	<b>-</b>	<b>3,776,087</b>	<b>74,801,556</b>	<b>66,011,773</b>	<b>49,195,910</b>
Previous Year	111,309,889	7,499,588	-	118,809,477	55,148,071	1,124,819	-	18,784,646	74,894,329	44,174,818	-
Intangible Assets											
Software	1,802,817	-	-	1,802,817	1,802,817	-	-	-	1,802,817	-	-
<b>Total</b>	<b>1,802,817</b>	<b>-</b>	<b>-</b>	<b>1,802,817</b>	<b>1,802,817</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,802,817</b>	<b>-</b>	<b>-</b>
Previous Year	1,802,817	-	-	1,802,817	987,871	614,946	-	-	1,802,817	-	-
<b>Grand Total</b>	<b>120,755,137</b>	<b>27,895,910</b>	<b>6,771,749</b>	<b>150,682,646</b>	<b>76,427,053</b>	<b>4,102,388</b>	<b>-</b>	<b>3,776,087</b>	<b>76,604,373</b>	<b>66,011,773</b>	<b>49,195,910</b>
Previous Year	113,112,706	7,499,588	-	120,612,294	56,132,942	19,369,765	-	18,784,646	78,917,588	44,174,818	-

Note 1:  
(a) Gross block of building includes Rs. 1,416,562/- (Previous Year: Rs. 1,416,562/-) pertaining to premises not in the name of the Company and for which conveyance deeds are yet to be executed.



**MAS FINANCIAL SERVICES LIMITED**

**SELECTED EXPLANATORY NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2015**

	Face Value Per Share/ Bond Rupees	As at 30th September 2015		As at 31st March 2015	
		No. of Shares/ Bonds	Rupees	No. of Shares/ Bonds	Rupees
<b>Note 12. Non-Current Investments (at cost)</b>					
<b>(A) TRADE:</b>					
<b>UNQUOTED</b>					
In Subsidiary Company					
Fully paid up Equity Shares of					
Mas Rural Housing & Mortgage Finance Ltd.					
	10	10,750,000	107,500,000	10,750,000	107,500,000
<b>(B) OTHERS:</b>					
<b>QUOTED</b>					
In Equity Shares (Fully Paid Up):					
Apple Finance Ltd.	10	100	2,150	100	2,150
Athena Finance Ltd.	10	1	7	1	7
Cholamandalam Finance Ltd.	10	1	62	1	62
Dena Bank	10	3,209	88,443	3,209	88,443
First Leasing Finance Ltd.	10	1	23	1	23
Gujarat Lease Financing Ltd.	10	125	4,875	125	4,875
HDFC Bank Ltd.	2	15	2,904	15	2,904
ICICI Bank Ltd	2	15	4,590	15	4,590
Industrial Bank Ltd.	10	102	4,590	102	4,590
Kotak Mahindra Bank Ltd.	5	900	1,950	280	1,950
Reliance Capital Ltd.	10	1	77	1	77
HDFC Ltd.	2	5	-	5	-
			109,831		109,831
Less : Provision for diminution			48,641		48,641
			62,990		62,990
In Government Securities:					
11.5% GOI BOND 2015	795,000		-		781,213
<b>UNQUOTED</b>					
In Equity Shares (Fully Paid-Up):					
Cosmos Co-operative Bank Ltd.	25	277	8,925	277	8,925
Investment in Pass Through Certificates					
Arcelos Multi Micro Finance Pool Trust 2015 Series A2	-	10	2,663,206	10	2,663,206
<b>Total Non-Current Investment</b>			<b>110,233,121</b>		<b>110,994,334</b>
<b>1 Aggregate amount of Quoted Investments:</b>					
Cost			109,831		870,844
Market Value			576,510		1,409,397
(In respect of Government Securities face value considered as market value is not available)					
<b>2 Aggregate amount of Unquoted Investments</b>					
			<b>110,170,131</b>		<b>110,170,131</b>

	As at 30th September 2015 Rupees	As at 31st March 2015 Rupees
<b>Note 13. Deferred Tax Asset</b>		
<b>Tax effect of items constituting Deferred Tax Liability</b>		
1 On difference between book balance and tax balance of fixed assets	(1,790,081)	(1,863,919)
<b>Tax effect of items constituting Deferred Tax Assets</b>		
1 Provision for non-performing assets	13,327,996	12,643,662
2 Contingent Provision for Standard Assets	12,140,716	10,297,220
3 Provision for Compensated Absences	1,616,535	1,453,611
<b>Total Deferred Tax Assets</b>	<b>27,085,248</b>	<b>24,394,393</b>
<b>Net Deferred Tax Assets</b>	<b>25,295,166</b>	<b>22,530,474</b>



**MAS FINANCIAL SERVICES LIMITED**

**SELECTED EXPLANATORY NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2015**

	Non Current		Current	
	As at 30th September 2015 Rupees	As at 31st March 2015 Rupees	As at 30th September 2015 Rupees	As at 31st March 2015 Rupees
<b>Note 14. Loans and advances</b>				
<b>(A) Loans to Customers</b>				
<b>(i) Secured</b>				
Loans	2,588,075,116	2,589,599,409	5,121,021,947	4,718,953,948
Retained interest on securitisation/assignment Installments and other dues from borrowers	121,922,839	165,784,210	414,128,305	335,278,047
	-	-	153,824,263	87,991,262
	<b>2,710,007,755</b>	<b>2,755,383,619</b>	<b>5,688,972,515</b>	<b>5,140,223,257</b>
<b>(ii) Unsecured</b>				
Loans	1,089,965,849	885,724,091	3,585,179,017	3,086,215,363
Retained interest on securitisation/assignment Installments and other dues from borrowers	6,020,648	17,238,356	63,709,463	86,038,242
	-	-	154,834,146	193,308,324
	<b>1,076,986,497</b>	<b>702,960,447</b>	<b>3,813,522,628</b>	<b>3,365,581,929</b>
<b>Total Loans to Customers (A)</b>	<b>3,795,984,252</b>	<b>3,438,344,066</b>	<b>9,502,495,141</b>	<b>8,505,785,186</b>
<b>Of the above:</b>				
Considered Good	3,795,984,252	3,438,344,066	9,462,008,150	8,488,687,299
Considered Doubtful - Non Performing Assets	-	-	40,486,991	37,197,887
	<b>3,795,984,252</b>	<b>3,438,344,066</b>	<b>9,502,495,141</b>	<b>8,505,785,186</b>
<b>Notes:</b>				
14.1 Secured exposures are exposures secured wholly or partly by hypothecation of assets and/or undertaking to create a security.				
14.2 Percentage of loans against gold to total assets			0.00%	0.00%
<b>(B) Other Loans and Advances</b>				
<b>(i) Advances to Dealers</b>				
Unsecured - considered good	-	-	309,392,680	324,800,103
<b>(ii) Security deposits</b>				
Unsecured, considered good	3,888,953	3,802,993	-	-
<b>(iii) Advances to employees</b>				
Unsecured, considered good	-	-	1,242,668	1,166,188
<b>(iv) Prepaid expenses</b>				
	-	-	3,918,809	679,858
<b>(v) Advances recoverable in cash or kind</b>				
Unsecured, considered good	-	-	4,018,652	3,302,998
<b>(vi) Capital Advances</b>				
Unsecured, considered good	-	1,451,000	-	-
<b>(vii) Advance Tax and TDS (Net of provisions)</b>				
Unsecured, considered good	13,306,690	4,273,027	-	-
<b>Total Other Loans and Advances (B)</b>	<b>17,195,643</b>	<b>9,527,020</b>	<b>318,572,609</b>	<b>328,848,133</b>
<b>Total Loans and Advances (A) + (B)</b>	<b>3,913,179,895</b>	<b>3,447,871,086</b>	<b>9,821,067,750</b>	<b>8,835,734,319</b>



**MAS FINANCIAL SERVICES LIMITED**

**SELECTED EXPLANATORY NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2015**

	As at 30th September 2015 Rupees		As at 31st March 2015 Rupees	
<b>Note 15. Other Non-Current Assets</b>				
<b>Non-current Bank Balances</b>				
<b>In Fixed Deposit Accounts:</b>				
Deposits given as security against borrowings and other commitments	61,747,881		66,856,000	
Deposits given as collateral against assets securitised/assigned	-		15,793,100	
<b>Unamortised Borrowing Costs</b>	7,442,172		3,095,017	
<b>Interest Accrued on Deposits</b>	1,399,372		15,999,778	
	<b>70,589,405</b>		<b>101,743,895</b>	
	<b>Non Current</b>		<b>Current</b>	
	<b>As at 30th September 2015 Rupees</b>	<b>As at 31st March 2015 Rupees</b>	<b>As at 30th September 2015 Rupees</b>	<b>As at 31st March 2015 Rupees</b>
<b>Note 16. Cash and Bank Balances</b>				
<b>Cash and Cash Equivalents</b>				
Cash on Hand	-	-	5,322,027	3,948,844
<b>Balances with Banks:</b>				
<b>In Current/ Cash Credit Accounts</b> (Refer Note 16.1 below)	-	-	1,924,737,270	2,122,576,158
<b>Other Bank Balances</b>				
<b>In Fixed Deposit Accounts:(Refer Note 16.2 below)</b>				
Deposits given as security against borrowings and other commitments	61,747,881	66,856,000	9,301,163	2,062,024
Deposits given as collateral against assets securitised/assigned	-	15,793,100	32,071,413	44,712,121
<b>Total</b>	<b>61,747,881</b>	<b>82,649,100</b>	<b>1,971,431,873</b>	<b>2,173,287,147</b>
<b>Less:-</b>				
Amount disclosed under non current assets	61,747,881	82,649,100	-	-
	-	-	<b>1,971,431,873</b>	<b>2,173,287,147</b>
<b>Note:</b>				
16.1 Includes Rs. 874,048 (As at 31st March, 2015 Rs. 948,248) in earmarked account i.e. "Collection and Payout Account".				
16.2 Other bank balances include deposits amounting to Rs. 71,049,024 (As at 31st March, 2015 Rs. 98,313,245) which have an original maturity of more than 12 months.				
<b>Note 17. Other Current Assets</b>				
<b>Unamortised Borrowing Costs</b>				
<b>Interest Accrued</b>				
On Investments	-	-	-	32,583
On Loans and Advances	97,260,008		97,260,008	53,138,181
On Deposits	1,872,190		1,872,190	1,504,139
	<b>99,132,198</b>		<b>99,132,198</b>	<b>54,674,883</b>
<b>Re-possessed Assets</b>				
	8,437,784		8,437,784	10,870,680
	<b>121,218,498</b>		<b>121,218,498</b>	<b>90,743,887</b>





**MAS FINANCIAL SERVICES LIMITED**

**SELECTED EXPLANATORY NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2015**

	Half Year ended 30th September, 2015 Rupees	Half Year ended 30th September, 2014 Rupees
<b>Note 18. Revenue from operations</b>		
(a) Income from Financing Activity		
i) Interest	1,232,340,945	973,161,785
ii) Other Operating Revenue Service Charges, Stamp & Document Charges etc.	110,647,960	62,512,787
(b) Interest on deposits placed as collateral towards assets assigned / securitised	1,873,064	2,444,665
(c) Income from Non-Financing Activity	105,155	12,595
	<b>1,344,967,124</b>	<b>1,058,131,832</b>
<b>Note 19. Other Income</b>		
Interest Income:		
On Investments - Non-Current, Non-Trade, Quoted (Govt. Securities)	13,149	46,838
On Bank Deposits	3,722,728	3,229,487
Dividend Income:		
From Long-Term Investments:		
Subsidiary	645,000	483,750
Others	3,782	3,904
Profit on Redemption of Investment	33,788	-
Other Non-Operating Income:		
Rent	600,000	468,333
Miscellaneous Income	-	83,044
	<b>5,018,447</b>	<b>4,314,356</b>
<b>Note 20. Employee Benefits Expense</b>		
Salaries, Bonus and Allowances	97,336,527	73,873,252
Contributions to Provident & Other Funds	4,686,405	3,429,364
Staff Welfare Expenses	2,823,233	1,297,825
	<b>104,748,165</b>	<b>78,600,241</b>
<b>Note 21. Finance Costs</b>		
Interest:		
On Bank Borrowings	376,808,337	339,391,124
On Debentures	61,808,882	32,576,005
On Others	120,535,405	79,602,346
	<b>559,152,624</b>	<b>451,569,475</b>
Discount on Commercial Papers	33,845,162	16,284,550
Other Borrowing Costs	31,709,876	20,871,444
	<b>624,707,662</b>	<b>488,725,469</b>



**MAS FINANCIAL SERVICES LIMITED**

**SELECTED EXPLANATORY NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2015**

	Half Year ended 30th September, 2015 Rupees	Half Year ended 30th September, 2014 Rupees
<b>Note 22. Depreciation and Amortisation</b>		
Depreciation on tangible assets	4,103,305	6,887,828
Amortisation of Intangible assets	-	168,743
	<b>4,103,305</b>	<b>7,056,571</b>
<b>Note 23. Provisions and Loan Losses</b>		
Loss Assets Written Off	86,177,817	86,817,861
Loss on Sale of Repossessed Assets (Net)	3,859,755	9,478,080
Provision for Non-Performing Assets	3,291,104	3,520,076
Contingent Provision against Standard Assets	10,101,110	6,251,730
	<b>103,429,786</b>	<b>86,067,746</b>
<b>Note 24. Other Expenses</b>		
Rent	6,477,682	6,184,541
Rates & Taxes	1,920,183	3,489,848
Stationery & Printing	4,997,763	3,966,560
Telephone	3,382,371	3,363,538
Electricity	2,537,362	2,394,094
Postage & Courier	2,884,161	2,174,286
Insurance	4,539,033	3,384,383
Conveyance	8,785,463	7,121,152
Travelling	11,459,245	6,943,573
Repairs & Maintenance:		
Building	872,132	649,056
Others	4,203,675	3,728,375
Professional Fees	5,075,807	4,377,431
Director's Sitting Fees	16,150,411	6,113,950
Legal Expenses	145,000	125,000
Bank Charges	6,938,016	3,085,619
Commission	5,368,230	3,534,404
Advertisement Expenses	32,380,259	30,630,175
Sales Promotion Expenses	3,561,283	882,013
Loss on Sale of Fixed Assets	3,862,328	2,105,614
Recovery Contract Charges	870,742	-
Miscellaneous Expenses	16,873,318	14,258,252
	5,068,816	3,958,887
	<b>143,207,473</b>	<b>108,115,296</b>



**MAS FINANCIAL SERVICES LIMITED**

**SELECTED EXPLANATORY NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2015**

	Half Year ended 30th September, 2015 Rupees	Half Year ended 30th September, 2014 Rupees
<b>Note 25. Earnings Per Share</b>		
<b>(A) Basic</b>		
<b>Computation of Profit (Numerator)</b>		
Net Profit for the year	239,642,870	194,194,420
Less: Proportionate Preference dividend including tax thereon.	17,470,896	16,982,448
Net Profit for the year attributable to Equity Shareholders	222,171,974	177,211,972
<b>Computation of Weighted Average Number of Shares (Denominator)</b>		
Weighted average number of Equity Shares of Rs. 10 each used for calculation of basic Earnings per Share	16,000,125	16,000,125
Basic Earnings per Share of face value of Rs. 10 each (in Rs.)	13.89	11.08
<b>(B) Diluted</b>		
<b>Computation of Profit (Numerator)</b>		
Net Profit attributable to Equity Shareholder's as above	Rupees 222,171,974	Rupees 177,211,972
Computation of Weighted Average Number of Shares (Denominator) (Refer Note below)	Nos. 16,000,125	Nos. 16,000,125
Weighted average number of Equity Shares as above	16,000,125	16,000,125
Diluted Earnings per Share of face value of Rs. 10 each (in Rs.) (Refer Note below)	13.89	11.08
<b>Note</b>		
Since the number of equity shares issuable on conversion of Compulsorily Convertible Cumulative Preference Shares and Compulsorily Convertible Debentures, is not determinable at present, the weighted average number of equity shares for computing diluted earnings per share is not ascertainable. Under the circumstances its consequential effect on dilution of earnings per share, has not been considered.		



**MAS FINANCIAL SERVICES LIMITED**

**SELECTED EXPLANATORY NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2015**

**26. Contingent Liabilities:**

	As at 30 <sup>th</sup> September 2015 Rupees	As at 31 <sup>st</sup> March 2015 Rupees
Guarantees given on behalf of subsidiary Company :		
a) To a bank Amount of guarantee Rs.700,000,000 (As at 31-03-2015 Rs.700,000,000) Amount of loan outstanding	435,387,028	479,017,973
b) To National Housing Bank (NHB) Amount of guarantee Rs.120,000,000 (As at 31-03-2015 Rs.120,000,000) Amount of loan outstanding	106,348,000	60,989,000
Estimated amount of contracts remaining to be executed on capital account and not provided for - Tangible Assets	-	700,000

**27. Segment Reporting**

The Company is engaged primarily in the business of Financing and all its operations are in India only. Accordingly there are no separate reportable segments as per Accounting Standard 17 - "Segment Reporting" specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

**28. Related Party Disclosures**

Related party disclosures as required by Accounting Standard 18, "Related Party Disclosures", specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

**List of related parties and relationships:**

Subsidiary : MAS Rural Housing & Mortgage Finance Ltd.

Entities under common control : Mas Realities Ltd.  
: Sarjan Developers Pvt. Ltd.  
: Swalamb Mass Financial Services Ltd.  
: Ananya Capital LLP

Enterprise over which Key Management Personnel are able to exercise significant influence : Prathna Marketing Pvt. Ltd.

Key Management Personnel : Mr. Kamlesh C. Gandhi (Managing Director)  
: Mr. Mukesh C. Gandhi (Whole-time Director)

**Related party transactions:**

Sr. No.	Nature of transactions	Half Year ended 30 <sup>th</sup> September 2015 Rupees	Half Year ended 30 <sup>th</sup> September 2014 Rupees
	<b>Dividend Received:</b>		
	MAS Rural Housing & Mortgage Finance Ltd.	645,000	483,750



**MAS FINANCIAL SERVICES LIMITED**

**SELECTED EXPLANATORY NOTES FORMING PART OF THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2015**

<b>2</b>	<b>Rent Income:</b>		
	MAS Rural Housing & Mortgage Finance Ltd.	600,000	468,333
<b>3</b>	<b>Expenditure reimbursed by:</b>		
	MAS Rural Housing & Mortgage Finance Ltd.	8,618,091	3,828,102
<b>4</b>	<b>Remuneration paid:</b>		
	Mr. Kamlesh C. Gandhi	17,408,778	10,894,357
	Mr. Mukesh C. Gandhi	17,301,538	10,788,419
		<b>As at 30<sup>th</sup> September 2015 Rupees</b>	<b>As at 31<sup>st</sup> March 2015 Rupees</b>
<b>5</b>	<b>Guarantees given:</b>		
	MAS Rural Housing & Mortgage Finance Ltd.	820,000,000	820,000,000
	<b>Guarantees outstanding as at period / year end:</b>		
	MAS Rural Housing & Mortgage Finance Ltd.	641,735,028	639,986,973
<b>6</b>	<b>Investment outstanding as at period / year end:</b>		
	MAS Rural Housing & Mortgage Finance Ltd.	107,500,000	107,500,000

29. Figures of previous year / period have been regrouped / reclassified wherever necessary to conform to current period's classification.



For and on behalf of Board of Directors

*Kamlesh C. Gandhi*

Kamlesh C. Gandhi  
(Chairman & Managing Director)

*P. Maheshwari*

Punita Maheshwari  
(Company Secretary)

*Mukesh C. Gandhi*

Mukesh C. Gandhi  
(Whole Time Director)

Place: Ahmedabad  
Date: 04.11.2015

For: MAS Financial Services Ltd.

*P. Maheshwari*

Company Secretary

