

No. CTL/DEB/21-22/Noting Certificate/439

May 19, 2021

To Whomsoever It May Concern,

**CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION**

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Catalyst Trusteeship Limited (“**Debenture Trustee**”) hereby confirm that we have received and noted the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“**Regulations**”), provided to us by **MAS Financial Services Limited** (“**the Company**”) for the Half Year ended March 31, 2021.

This Certificate is being issued pursuant to the requirements of regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

**For Catalyst Trusteeship Limited**



For CATALYST TRUSTEESHIP LIMITED  
Authorised Signatory

**Authorised Signatory**

*Encl: Results submitted by Company*





The Power of Distribution

## MAS FINANCIAL SERVICES LIMITED

MFSL/SEC/EQ/2021/26

May 19, 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**

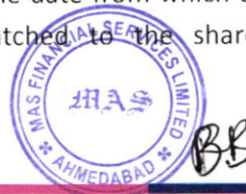
Trading Symbol: **MASFIN**

Dear Sir,

**Sub.: Outcome of Board Meeting of the Company held today i.e. Wednesday, May 19, 2021.**

The Board of Directors of the Company in its Meeting held today i.e. on May 19, 2021 has inter alia:

- Formed, reviewed and updated various policies of the Company;
- Appointed Mr. Ravi Kapoor, Proprietor of M/s. Ravi Kapoor & Associates, as Secretarial Auditor and Company Law Advisor of the company for the FY 2021-22 (*brief profile is annexed as Annexure-I*);
- Approved the Audited Standalone & Consolidated Financial Results along with Audit Report of the Company for the quarter & financial year ended on March 31, 2021;
- Approved the Audited Standalone & Consolidated Financial Statements along with Audit Report of the Company for the financial year ended on March 31, 2021;
- Granted additional powers to the Finance Committee of the Company;
- Approved the borrowing of funds by way of issuance of Secured / unsecured Non-Convertible debentures up to an aggregate amount of Rs. 700 Crores, in one or more tranches through Private placement basis in accordance with the rules and regulation framed by the Reserve Bank of India (RBI); The Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA) as amended from time to time, within the overall borrowing limits approved by the shareholders. The details required pursuant to the SEBI Circular dated September 09, 2015 will be shared at the time of issuance of the debt securities; and
- The Board has recommended a Dividend of Rs. 1.50/- (Rupees One and Fifty Paise only) per equity share of face value of Rs. 10/- each (i.e. @ 15 %) subject to the approval of the shareholders at the ensuing Annual General Meeting ('AGM') of the Company. The Company will inform in due course the date on which it will hold Annual General Meeting (AGM) for the financial year ended March 31, 2021 and the date from which dividend will be paid or demand drafts / warrants thereof will be dispatched to the shareholders, if approved by the shareholders.



Regd. Office :

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## MAS FINANCIAL SERVICES LIMITED

- The said meeting of the Board of Directors commenced at 04:00 P.M. and concluded at 06:50 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 and year ended on March 31, 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](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) and will also be simultaneously posted on the website of the Company at [www.mas.co.in](http://www.mas.co.in).

You are requested to take the same on record.

Thanking you,  
Yours faithfully,

For, MAS Financial Services Limited

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



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## MAS FINANCIAL SERVICES LIMITED

### Annexure-I

**Brief Profile of M/s. Ravi Kapoor & Associates, Practicing Company Secretaries, is given as follows:**

M/s. Ravi Kapoor & Associates is a leading firm of Practicing Company Secretaries registered with the Institute of Company Secretaries of India. Mr. Ravi Kapoor, having Certificate of Practice Number 2407 has rich and varied experience in Corporate Law matters. The firm is based in Ahmedabad.

The core competency of the firm lies under the Companies Act, 2013, SEBI, FEMA, NBFC and other allied Corporate Laws.

**Address:** 4th Floor, Shaival Plaza, Nr. Gujarat College, Ellisbridge, Ahmedabad - 380 006.

**Contact no.:** 079-26420336



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

Sr. No.	Particulars	Compliance					
		ISIN: INE348L08025	ISIN: INE348L08033	ISIN: INE348L07043	ISIN: INE348L07050	ISIN: INE348L07068	ISIN: INE348L07076
a	Credit Rating and change in credit rating (if any);	[ICRA]A(stable) – No change in rating		CARE A+; Stable [Single A Plus; Outlook: Stable] – No change in rating			CARE PP-MLD A+; Stable
b	Asset Cover	Not applicable to NBFC					
c	Debt-Equity Ratio (as on 31.03.2021)	3.12 times					
d	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	Annexure B	Annexure C	Annexure D	Annexure E	Annexure F
e	Next due date for the payment of interest.	Annexure A	Annexure B	Annexure C	Annexure D	Annexure E	Annexure F
f	Debt Service coverage ratio	Not applicable to NBFC					
g	Interest service coverage ratio	Not applicable to NBFC					
h	Outstanding redeemable preference shares (quantity and value)	NA	NA	NA	NA	NA	NA
i	Capital redemption reserve/ debenture redemption reserve	NA	NA	NA	NA	NA	NA
j	Net worth	Rs. 1,17,256.87 Lakh (as on 31.03.2021)					
k	Net profit after tax	Rs. 14,350.30 Lakh (as on 31.03.2021)					
l	Earnings per share	Basic - Rs. 26.25 / share Diluted - Rs. 26.25 / share (as on 31.03.2021)					



BB

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## MAS FINANCIAL SERVICES LIMITED

### Annexure A

Details of redemption & payment of interest during the year ending: March 31, 2021

Instrument Name	Rated, unsecured, subordinated, redeemable, listed, non-convertible debentures (NCDs)
ISIN	INE348L08025
Previous Due Date for payment of Interest	18-03-21
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	18-09-21
Next Due Date for payment of Principal	18-09-21
Amount of Interest Payable	1,35,36,986/-*
Redemption Amount	20,00,00,000/-

\* Subject to applicable rate of interest.

Date of Redemption is September 18, 2021.

### Annexure B

Details of redemption & payment of interest during the year ending: March 31, 2021

Instrument Name	Rated, unsecured, subordinated, redeemable, listed, non-convertible debentures (NCDs)
ISIN	INE348L08033
Previous Due Date for payment of Interest	31-03-2021
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	30-06-2021
Next Due Date for payment of Principal	NA
Amount of Interest Payable	Rs. 1,29,64,384/-*
Redemption Amount	NA

\* Subject to applicable rate of interest.



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## Annexure C

### Details of redemption & payment of interest during the year ending: March 31, 2021

Instrument Name	Rated, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures
ISIN	INE348L07043
Previous Due Date for payment of Interest	NIL <sup>#</sup>
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	24-07-2021
Next Due Date for payment of Principal	NA
Amount of Interest Payable	Rs. 9,00,00,000*
Redemption Amount	NA

<sup>#</sup> The said Non-Convertible Debentures were allotted as on 24/07/2020, with annual interest payment frequency.

\* Subject to applicable rate of interest.

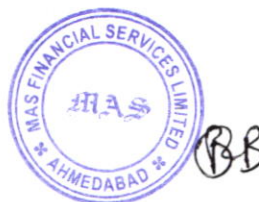
## Annexure D

### Details of redemption & payment of interest during the year ending: March 31, 2021

Instrument Name	Rated, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures
ISIN	INE348L07050
Previous Due Date for payment of Interest	NIL <sup>#</sup>
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	30-07-2021
Next Due Date for payment of Principal	NA
Amount of Interest Payable	Rs. 4,50,00,000*
Redemption Amount	NA

<sup>#</sup> The said Non-Convertible Debentures were allotted as on 30/07/2020, with annual interest payment frequency.

\* Subject to applicable rate of interest.



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**Annexure E**

**Details of redemption & payment of interest during the year ending: March 31, 2021**

Instrument Name	Rated, Senior, Redeemable, Taxable, Transferable, Listed, Non-Convertible Debentures
ISIN	INE348L07068
Previous Due Date for payment of Interest	NA <sup>#</sup>
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	19-08-2021
Next Due Date for payment of Principal	NA
Amount of Interest Payable	Rs. 9,00,00,000*
Redemption Amount	NA

<sup>#</sup> The said Non-Convertible Debentures were allotted as on 30/07/2020, with annual interest payment frequency.

\* Subject to applicable rate of interest.

**Annexure F**

**Details of redemption & payment of interest during the year ending: March 31, 2021**

Instrument Name	Rated, Senior, Listed, Transferable, Redeemable, Principal Protected Market Linked Non-Convertible Debentures
ISIN	INE348L07076
Previous Due Date for payment of Interest	NA <sup>#</sup>
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
Redemption Amount	If the Annualised Interest Rate is 8.80%: Rs. 1,18,374 (Per lakh) or If the Annualised Interest Rate is 8.75%: Rs. 1,18,266 (Per lakh) or If the Annualised Interest Rate is 0%: Rs. 1,00,000

<sup>#</sup> The said Market Linked Non-Convertible Debentures were allotted as on 30/03/2021.

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# B S R & Co. LLP

Chartered Accountants

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Goregaon (East), Mumbai - 400 063

Telephone: +91 22 6257 1000  
Fax: +91 22 6257 1010

## **Independent Auditor's Report on the Standalone Annual Financial Results under Regulation 33 and regulation 52 read with Regulation 63 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31 March 2021**

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

#### **Report on the audit of the Standalone Annual Financial Results**

##### **Qualified Opinion**

We have audited the accompanying standalone annual financial results of MAS Financial Services Limited (hereinafter referred to as the 'Company') for the year ended 31 March 2021, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'SEBI Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63 (2) of the SEBI Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2021.

##### **Basis for Qualified Opinion**

As described in Note 6 to the Statement, during the year ended 31 March 2021, the Company had changed its accounting policy for recognising gain on derecognition of loans upon assignment. As per the previous policy, such gain was recognised immediately in the profit or loss. As per the new policy adopted by the Company, such gain is recorded as 'unearned income on assigned loans' under the head other 'non-financial liabilities' and is amortised in the profit or loss over the period of the underlying residual tenure of the assigned loan portfolio. This change in accounting policy would constitute a departure from the Indian Accounting Standards prescribed under section 133 of the Act (Ind AS 109 – 'Financial Instruments') which requires the gain / loss to be recognised immediately in the profit or loss upon derecognition of assigned loans. In our view, this change in accounting policy is not in compliance with the requirements of Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' that permits to change the accounting policy only if the change satisfies given criteria therein.

Registered Office:

**Independent Auditor's Report on the Standalone Annual Financial Results under Regulation 33 and regulation 52 read with Regulation 63 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31 March 2021 (Continued)**

**MAS Financial Services Limited**

**Basis for Qualified Opinion (Continued)**

Had the Company not revised its policy, 'other equity' would have increased by Rs. 3,240.74 lakh, 'deferred tax assets' would have decreased by Rs. 1,090.17 lakh and 'liability on unearned income' would have decreased by Rs. 4,330.91 lakh to Nil as at 31 March 2021. Further, 'gain on assignment of financial assets' would have decreased by Rs. 799.62 lakh and Rs. 3,394.64 lakh and 'deferred tax credit' would have increased by of Rs. 201.19 lakh and Rs. 854.36 lakh for the quarter ended and year ended 31 March 2021, respectively. There is no impact on the net cash flows of the Company.

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143 (10) of the Companies Act, 2013 (the 'Act'). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

**Emphasis of matter**

As more fully described in Note 8 to the standalone annual financial results, the extent to which the COVID-19 pandemic will have impact on the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of the above matter.

**Management's and the Board of Directors' Responsibilities for the Standalone Annual Financial Results**

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit / loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.



**Independent Auditor's Report on the Standalone Annual Financial Results under Regulation 33 and regulation 52 read with Regulation 63 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31 March 2021 (*Continued*)**

**MAS Financial Services Limited**

**Management's and the Board of Directors' Responsibilities for the Standalone Annual Financial Results (*Continued*)**

In preparing the standalone annual financial results, Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of the standalone financial statements on whether the Company has adequate internal financial controls with reference to the standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone annual financial results made by Management and the Board of Directors.
- Conclude on the appropriateness of Management and the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

**Independent Auditor's Report on the Standalone Annual Financial Results under Regulation 33 and regulation 52 read with Regulation 63 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31 March 2021 (Continued)**

**MAS Financial Services Limited**

**Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results**

However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matter**

The standalone annual financial results include the results for the quarter ended 31 March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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

*Chartered Accountants*

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

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HIRACHA  
ND MOTA

Digitally signed  
by SAMEER  
HIRACHAND  
MOTA  
Date: 2021.05.19  
18:52:00 +05'30'

**Sameer Mota**

*Partner*

Membership No.109928

UDIN: 21109928AAAANQ4587

Mumbai  
19 May 2021

**MAS FINANCIAL SERVICES LIMITED**

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 CIN: L65910GJ1995PLC026064

**Statement of audited standalone financial results for the quarter and year ended 31 March 2021**

(₹ in Lakh)

Sr. No.	Particulars	Quarter ended			Year ended	
		31.03.2021 (Audited)	31.12.2020 (Unaudited)	31.03.2020 (Audited) (Restated refer note 7)	31.03.2021 (Audited)	31.03.2020 (Audited) (Restated refer note 7)
<b>1</b>	<b>INCOME</b>					
	(a) Revenue from operations					
	Interest income	11,394.56	10,800.94	13,796.70	48,307.24	55,509.01
	Gain on assignment of financial assets (Refer note 6)	1,741.63	2,293.92	2,727.11	8,058.70	10,117.19
	Fees and commission income	692.59	1,051.87	435.85	2,796.05	1,573.89
	Net gain on fair value changes	56.32	-	-	56.32	-
	<b>Total revenue from operations</b>	<b>13,885.10</b>	<b>14,146.73</b>	<b>16,959.66</b>	<b>59,218.31</b>	<b>67,200.09</b>
	(b) Other income	29.44	62.32	29.13	170.59	71.75
	<b>Total income</b>	<b>13,914.54</b>	<b>14,209.05</b>	<b>16,988.79</b>	<b>59,388.90</b>	<b>67,271.84</b>
<b>2</b>	<b>EXPENSES</b>					
	(a) Finance costs	6,108.28	6,393.87	6,881.10	26,449.08	27,220.31
	(b) Fees and commission expense	172.60	276.83	197.25	624.36	601.88
	(c) Impairment on financial instruments	751.64	1,348.61	3,132.43	7,488.62	8,247.29
	(d) Employee benefits expenses	730.43	728.29	1,277.24	2,972.89	5,240.79
	(e) Depreciation, amortisation and impairment	47.75	53.14	59.23	212.98	231.51
	(f) Other expenses	1,107.25	570.76	805.81	2,351.68	2,913.86
	<b>Total expenses</b>	<b>8,917.95</b>	<b>9,371.50</b>	<b>12,353.06</b>	<b>40,099.61</b>	<b>44,455.64</b>
<b>3</b>	<b>Profit before exceptional items and tax (1-2)</b>	<b>4,996.59</b>	<b>4,837.55</b>	<b>4,635.73</b>	<b>19,289.29</b>	<b>22,816.20</b>
<b>4</b>	<b>Exceptional items</b>	-	-	-	-	-
<b>5</b>	<b>Profit before tax (3-4)</b>	<b>4,996.59</b>	<b>4,837.55</b>	<b>4,635.73</b>	<b>19,289.29</b>	<b>22,816.20</b>
<b>6</b>	<b>Tax expense</b>					
	(a) Current tax	1,741.08	1,484.21	1,606.06	5,809.77	6,291.68
	(b) Short / (excess) provision for tax relating to prior years	-	-	-	-	(96.10)
	<b>Net current tax expense</b>	<b>1,741.08</b>	<b>1,484.21</b>	<b>1,606.06</b>	<b>5,809.77</b>	<b>6,195.58</b>
	(c) Deferred tax expense/(credit)	(397.12)	(264.70)	(420.18)	(870.78)	(34.73)
	<b>Total tax expense</b>	<b>1,343.96</b>	<b>1,219.51</b>	<b>1,185.88</b>	<b>4,938.99</b>	<b>6,160.85</b>
<b>7</b>	<b>Profit for the period / year from continuing operations (5-6)</b>	<b>3,652.63</b>	<b>3,618.04</b>	<b>3,449.85</b>	<b>14,350.30</b>	<b>16,655.35</b>
<b>8</b>	<b>Profit / (loss) from discontinued operations</b>	-	-	-	-	-
<b>9</b>	<b>Tax expense of discontinued operations</b>	-	-	-	-	-
<b>10</b>	<b>Profit / (loss) from discontinued operations (after tax) (8-9)</b>	-	-	-	-	-
<b>11</b>	<b>Profit for the period / year (7+10)</b>	<b>3,652.63</b>	<b>3,618.04</b>	<b>3,449.85</b>	<b>14,350.30</b>	<b>16,655.35</b>
<b>12</b>	<b>Other comprehensive income (OCI)</b>					
	(a) (i) Items that will not be reclassified to profit or loss					
	- Re-measurement of the defined benefit liabilities	68.15	(0.38)	(9.58)	67.01	(29.68)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(17.16)	0.10	2.41	(16.87)	7.47
	<b>Sub-total (a)</b>	<b>50.99</b>	<b>(0.28)</b>	<b>(7.17)</b>	<b>50.14</b>	<b>(22.21)</b>
	(b) (i) Items that will be reclassified to profit or loss					
	- Loans and advances through other comprehensive Income	59.77	1,036.97	380.82	936.29	658.09
	(ii) Income tax relating to items that will be reclassified to profit or loss	(15.03)	(261.01)	(95.85)	(235.65)	(165.64)
	<b>Sub-total (b)</b>	<b>44.74</b>	<b>775.96</b>	<b>284.97</b>	<b>700.64</b>	<b>492.45</b>
	<b>Other comprehensive income / (loss) (a+b)</b>	<b>95.73</b>	<b>775.68</b>	<b>277.80</b>	<b>750.78</b>	<b>470.24</b>
<b>13</b>	<b>Total comprehensive income for the period / year (11+12)</b>	<b>3,748.36</b>	<b>4,393.72</b>	<b>3,727.65</b>	<b>15,101.08</b>	<b>17,125.59</b>
<b>14</b>	<b>Earnings per share (of ₹10 each) (not annualized for interim periods)</b>					
	(a) Basic (₹)	6.68	6.62	6.31	26.25	30.47
	(b) Diluted (₹)	6.68	6.62	6.31	26.25	30.47





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**Standalone Balance Sheet**

(₹ in Lakh)

Particulars	As at 31.03.2021 (Audited)	As at 31.03.2020 (Audited) (Restated refer note 7)
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents	96,505.14	1,02,478.12
Bank balance other than cash and cash equivalents	3,180.75	190.55
Loans	3,80,513.40	3,34,846.64
Investments	23,503.36	3,750.03
Other financial assets	4,764.84	7,798.70
	<b>5,08,467.49</b>	<b>4,49,064.04</b>
<b>Non-financial assets</b>		
Income tax assets (net)	592.40	221.38
Deferred tax assets (net)	2,116.67	1,498.41
Property, plant and equipment	1,081.27	1,198.56
Capital work-in-progress	5,002.73	4,821.34
Right-of-use asset	37.70	128.44
Other intangible assets	8.76	11.07
Other non-financial assets	452.71	234.54
	<b>9,292.24</b>	<b>8,113.74</b>
	<b>5,17,759.73</b>	<b>4,57,177.78</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Financial liabilities</b>		
Payables		
(I) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	756.90	753.08
(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	31,411.52	-
Borrowings (other than debt securities)	2,91,975.30	2,52,021.34
Subordinated liabilities	5,996.55	5,989.18
Other financial liabilities	63,253.56	90,693.87
	<b>3,93,393.83</b>	<b>3,49,457.47</b>
<b>Non-financial liabilities</b>		
Current tax liabilities (net)	1,176.84	-
Provisions	396.38	45.65
Other non-financial liabilities	5,535.81	9,584.27
	<b>7,109.03</b>	<b>9,629.92</b>
	<b>4,00,502.86</b>	<b>3,59,087.39</b>
<b>EQUITY</b>		
Equity share capital	5,466.20	5,466.20
Other equity	1,11,790.67	92,624.19
	<b>1,17,256.87</b>	<b>98,090.39</b>
	<b>5,17,759.73</b>	<b>4,57,177.78</b>



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**Standalone Statement of Cash flow**

(₹ in Lakh)

Sr. No.	Particulars	Year ended 31.03.2021 (Audited)	Year ended 31.03.2020 (Audited)
		(Restated refer note 7)	
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit before exceptional items and tax	19,289.29	22,816.20
	Adjustments for :		
	Depreciation and amortisation	212.98	231.50
	Finance cost	26,449.08	27,220.31
	Provision for impairment on financial assets	4,067.96	2,256.51
	Loans written off (net of recoveries)	3,420.66	5,990.78
	(Profit) / loss on sale of property, plant and equipment	1.16	0.82
	Loss on sale of repossessed assets	351.42	347.26
	Interest income	(43,935.16)	(52,413.63)
	Interest income from deposits	(2,913.80)	(1,155.47)
	Income received in advance	8.79	(19.12)
	Income from debt component of optionally convertible preference shares (investment in subsidiary)	(91.37)	(32.78)
	Interest income from non-convertible debenture measured at amortised cost	(39.25)	(8.26)
	Interest income from pass through certificates	(2.20)	-
	Financial guarantee commission income	(2.51)	(4.69)
	Dividend income	(39.19)	(6.33)
	Gain on derecognition of leased assets	(2.81)	(0.83)
		(12,514.24)	(17,593.93)
	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	6,775.05	5,222.27
	Changes in working capital:		
	Adjustments for (increase)/decrease in operating assets:		
	Loans	(51,072.23)	(17,255.57)
	Advances received against loan agreements	(10,022.97)	10,022.97
	Deposits given as collateral	1.28	(13.51)
	Bank balance other than cash and cash equivalents	32.91	1,001.28
	Other financial asset	(362.62)	-
	Other non-financial asset	(502.57)	(415.44)
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade payables	3.80	199.76
	Security deposits from borrowers	(18,283.00)	(1,161.95)
	Other financial and non-financial liabilities	(3,328.48)	8,793.97
	Provisions	353.25	29.81
		(83,180.63)	1,201.32
	<b>CASH GENERATED FROM / (USED IN) OPERATIONS</b>	(76,405.58)	6,423.59
	Interest income received	50,250.89	46,923.64
	Dividend received	39.19	6.33
	Interest income on Investment measured at amortised cost	42.02	5.49
	Finance cost paid	(26,452.15)	(26,508.34)
	Income tax paid (net)	(5,003.95)	(7,942.84)
		18,876.00	12,484.28
	<b>NET CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)</b>	(57,529.58)	18,907.87
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Acquisition of property, plant and equipments and intangible assets, including capital advances	(201.35)	(453.77)
	Proceeds from sale of property, plant and equipments and intangible assets	0.10	0.53
	Change in Earmarked balances with banks	(3,023.12)	86.92
	Interest income from bank deposits	2,913.80	1,155.47
	(Purchase) / Redemption of investments at amortised cost	(19,663.42)	(500.00)
	Purchase of optionally convertible preference shares in subsidiary	-	(1,000.00)
	<b>NET CASH FLOW GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)</b>	(19,973.99)	(710.85)
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from debt securities and borrowings	1,22,900.00	95,425.00
	Repayments of borrowings	(74,114.40)	(42,349.22)
	Net increase in working capital borrowings	22,826.23	3,316.41
	Repayment of principal component of lease liabilities	(81.24)	(88.69)
	Dividends paid including dividend distribution tax	-	(7,648.05)
	<b>NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)</b>	71,530.59	48,655.45
	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	(5,972.98)	66,852.47
	Cash and cash equivalents at the beginning of the year	1,02,478.12	35,625.65
	Cash and cash equivalents at the end of the year	96,505.14	1,02,478.12





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**Components of cash and cash equivalents**

(₹ in Lakh)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Cash and bank balances comprises:		
(a) Cash on hand	5.75	7.43
(b) Balances with banks	48,975.82	76,439.38
(c) Bank deposits with original maturity of 3 months or less	47,523.57	26,031.31
<b>Cash and cash equivalents as per the balance sheet</b>	<b>96,505.14</b>	<b>1,02,478.12</b>

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 31.03.2020	Cash flows	Non-cash changes*	As at 31.03.2021
Debt securities	-	31,500.00	(88.48)	31,411.52
Borrowings other than debt securities	2,52,021.34	40,111.83	(157.87)	2,91,975.30
Subordinated liabilities	5,989.18	-	7.37	5,996.55
<b>Total liabilities from financing activities</b>	<b>2,58,010.52</b>	<b>71,611.83</b>	<b>(238.98)</b>	<b>3,29,383.37</b>

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

**Notes :**

- The audited standalone financial results of the Company have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (referred to as 'Ind AS') 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 and Regulation 52 read with Regulation 63(2) 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 19 May 2021.
- The Board of directors has recommended dividend of ₹ 1.5 per equity share of face value of ₹ 10 each, which is subject to approval by the shareholders of the Company.
- The financial results for the year ended 31 March 2021 have been audited by the statutory auditors of the Company.
- The accounting policies and practices followed in the preparation of the standalone financial results for the year ended 31 March 2021 are the same as those followed in the preparation of the standalone financial statement for the year ended 31 March 2020, except for the change in accounting policy as explained in note no. 6 below.
- Amortising the gain on assignment of financial assets over the residual tenure instead of booking upfront and management's response to comments of the statutory auditors in the Audit Report:**

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

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

Accordingly, during the year, the Company had changed its policy from the quarter ended 30 September 2020 for more transparent and fair representation of the financial results. As per the new policy, on derecognition of financial assets on account of direct assignment of loans, gain is recognized as "Unearned income on assigned loans" under the head other non-financial liabilities and amortized in the profit or loss over the underlying residual terms of the assigned portfolio.

Further, NBFC industry body Finance Industry Development Council (the 'association') which is represented by more than 100 NBFCs, has made representation to Reserve Bank of India and National Financial Reporting Authority ('NFRA') whereby the said change in accounting policy has also been requested by the association also. The association has requested RBI and NFRA to allow the gain on direct assignment transactions to be amortized instead of recognition of the gain in the statement of profit and loss immediately upon assignment of the loans due to above mentioned limitations.

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

The new accounting policy has been implemented retrospectively from the beginning of the earliest period presented i.e. 1 April 2019. On account of new policy, in case of derecognition of loans upon assignment prior to 1 April 2019, where underlying residual terms of the assigned portfolio was falling on or after 1 April 2019, the Company has reduced other equity by ₹ 4,615.06 lakh, reduced the deferred tax liability by ₹ 2,478.93 lakh and recognized unearned income on assigned loans under the head other non-financial liabilities of ₹ 7,093.99 lakh.

Had the Company not revised its policy, other equity would have increased by ₹ 3,240.74 lakh to ₹ 1,15,031.41, deferred tax assets would have decreased by ₹ 1,090.17 lakh and liability on unearned income would have decreased by ₹ 4,330.91 lakh to Nil as at 31 March 2021. Had the Company followed the accounting policy which it followed hitherto, the Company would have recognized gain on assignment of ₹ 942.01 lakh and ₹ 4,664.06 lakh for the quarter and year ended 31 March 2021 respectively. As per the new policy, the Company has recognized gain on assignment (on amortised basis) of ₹ 1,741.63 lakh and ₹ 8,058.70 lakh for the quarter and year ended 31 March 2021 respectively. Accordingly, gain on assignment would have decreased by ₹ 799.62 lakh and ₹ 3,394.64 lakh and deferred tax credit would have increased by ₹ 201.19 lakh and ₹ 854.36 lakh for the quarter and year ended 31 March 2021 respectively.





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- 7 As per the requirement of Ind AS 8, the Company has restated the financial information of previous financial year 2019-20 to reflect the change in accounting policy as per point no. 6 above. The following table summarises the reconciliation of figures restated with previously reported figures:

Particulars	(₹ in Lakh)	
	Quarter ended 31.03.2020	Year ended 31.03.2020
<b>Revised gain on assignment of financial assets</b>	<b>2,727.11</b>	<b>10,117.19</b>
Impact due to change in accounting policy	159.07	631.56
<b>Gain on assignment as previously reported before policy change</b>	<b>2,886.18</b>	<b>10,748.75</b>
<b>Revised profit before tax</b>	<b>4,635.73</b>	<b>22,816.20</b>
Add/(Less) adjustments for:		
Gain on assignment of financial assets reversed (recognised on date of assignment)	2,886.18	10,748.75
Gain on assignment of financial assets recorded (on amortisation basis)	(2,727.11)	(10,117.19)
<b>Profit before tax as previously reported before policy change</b>	<b>4,794.80</b>	<b>23,447.76</b>
<b>Revised deferred tax expense / (credit)</b>	<b>(420.18)</b>	<b>(34.73)</b>
Impact due to change in accounting policy	40.04	(534.40)
<b>Deferred tax credit as previously reported before policy change</b>	<b>(380.14)</b>	<b>(569.13)</b>
<b>Revised profit after tax</b>	<b>3,449.85</b>	<b>16,655.35</b>
Add/(Less) adjustments for:		
Gain on assignment of financial assets reversed (recognised on date of assignment)	2,886.18	10,748.75
Gain on assignment of financial assets recorded (on amortisation basis)	(2,727.11)	(10,117.19)
Tax Impact on above adjustments	(40.04)	534.40
<b>Profit after tax as previously reported before policy change</b>	<b>3,568.88</b>	<b>17,821.31</b>
<b>Revised basic earnings per share</b>	<b>6.31</b>	<b>30.47</b>
Impact due to change in accounting policy	0.22	2.13
<b>Basic earnings per share as previously reported before policy change</b>	<b>6.53</b>	<b>32.60</b>
<b>Revised diluted earnings per share</b>	<b>6.31</b>	<b>30.47</b>
Impact due to change in accounting policy	0.22	2.13
<b>Diluted earnings per share as previously reported before policy change</b>	<b>6.53</b>	<b>32.60</b>

Particulars	As on 31.03.2020
<b>Revised other equity</b>	<b>92,624.19</b>
Impact due to change in accounting policy	5,781.02
<b>Other equity as previously reported before policy change</b>	<b>98,405.21</b>
<b>Revised other non-financial liabilities</b>	<b>9,584.27</b>
Impact due to change in accounting policy	(7,725.54)
<b>Other non-financial liabilities as previously reported before policy change</b>	<b>1,858.73</b>
<b>Revised deferred tax asset / (liability)</b>	<b>1,498.41</b>
Impact due to change in accounting policy	(1,944.52)
<b>Deferred tax asset / (liability) as previously reported before policy change</b>	<b>(446.11)</b>

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

The impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans which are subject to a number of management judgements and estimates. In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers, along with the associated impact on the Indian and global economy. The Company has separately incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic and the associated support packages in the measurement of impairment loss allowance. The Company has been duly servicing its debt obligations, maintains a healthy capital adequacy ratio and has adequate capital and financial resources to run its business. As at 31 March 2021, the cumulative amount of management overlay provisions stood at ₹ 5,622.97 lakh in the standalone financial results, to reflect deterioration in the macroeconomic 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.

The Honourable Supreme Court of India in a public interest litigation (Gajendra Sharma vs. Union of India & Anr), vide an interim order dated 3 September 2020 ('interim order'), has directed that no additional borrower accounts shall be classified as impaired ('non-performing assets' or 'NPA') which were not declared NPA till 31 August 2020, till further orders. Based on the said interim order, the Company has not classified any standard account as of 31 August 2020 as NPA after 31 August 2020. The Company has classified those accounts as stage 3 and provisioned accordingly for financial reporting purposes.

The interim order granted to not declare accounts as NPA stood vacated on 23 March 2021 vide the judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors, and other connected matters, in accordance with the instructions in paragraph 5 of the RBI circular no. RB1/2021-22/17DOR. STR.REC.4/21.04.048/2021-22 dated 7 April 2021 issued in this connection, the Company has continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms and as per ECL model under Ind AS financial statements for the quarter and year ended 31 March 2021.





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- 9 In accordance with the instructions given in aforementioned RBI Circular dated 7 April 2021 and the methodology for calculation of interest on interest based on guidance issued by Indian Banks' Association, the Company has put in place a Board approved policy to refund / adjust interest on interest charged to borrowers during the moratorium period, i.e. 1 March 2020 to 31 August 2020. The Company has calculated the said amount and made a provision in the financial statements for the year ended 31 March 2021.
- 10 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 31 March 2021 and accordingly, no amount is required to be transferred to impairment reserve.

**11 Disclosures pertaining to fund raising by issuance of debt securities by large corporate:**

The Company, as per the SEBI circular SEBI/HO/DDHS/CIR/P/2018/144, and the definitions therein, is a large corporate and hence is required to disclose the following information about its borrowings.

i) Initial disclosure as per annexure - 'A' for the FY: 2021-22

Sr. No.	Particulars	Details
1	Name of the company	MAS Financial Services Limited
2	CIN	L65910GJ1995PLC026064
3	Outstanding borrowing of Company as on 31 March 2021 (₹ In lakh)	1,83,354.60
4	Highest credit rating during the previous FY along with name of the credit rating agency	ACUTE AA-/Stable by ACUTE Ratings & Research
5	Name of stock exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE Limited

ii) Annual disclosure as per annexure - B1 for the year ended 31 March 2021

Sr. No.	Particulars	Details
1	Incremental borrowing done in FY (a)	1,22,900.00
2	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	30,725.00
3	Actual borrowings done through debt securities in FY 2020-21 (c)	31,500.00
4	Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c)	Nil
5	Reasons for short fall, if any, in mandatory borrowings through debt securities	N.A.

Notes:

- (i) Figures pertain to long-term borrowing based on original maturity of more than one year.  
 (ii) Figures are taken based on cash flows / principal maturity value, excluding accrued interest, if any.

**12 Disclosure as required under RBI notification no. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17 April 2020 on COVID-19 Regulatory Package - Asset Classification and Provisioning.**

Particulars	31 March 2021	31 March 2020
i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended *	23,281.30	17,829.70
ii) Respective amount where asset classification benefits is extended	Nil **	4,789.08
iii) Provision made on the cases where asset classification benefit is extended	-	-
iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions	N.A.	N.A.

\* Outstanding as on 31 March 2021 and 31 March 2020 on account of all cases where moratorium benefit is extended by the Company up to 31 August 2020.

\*\* There are Nil accounts where asset classification benefit is extended till 31 March 2021. Post the moratorium period, the movement of aging has been at actuals.

Note: The Company has complied with Ind-AS and guidelines duly approved by the Board for recognition of the impairments.

- 13 The Government of India, Ministry of Finance, vide its notification dated 23 October 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts ('the Scheme'), as per the eligibility criteria and other aspects specified therein and irrespective of whether RBI moratorium was availed or not. During the quarter ended 31 December 2020, the Company has implemented the Scheme and credited the accounts of the eligible borrowers as per the Scheme. Further, the Company has filed claim for reimbursement as per the procedure specified in the Scheme.
- 14 The Board of Directors in its meeting held on 16 June 2020 had approved issuance of non-convertible debentures ('NCDs') in tranches up to ₹ 50,000 lakh on a private placement basis. Up to the date of finalization of these financial results, NCDs amounting to ₹ 25,000 lakh have been issued to various investors on a private placement basis. These NCDs are listed on BSE Limited.
- 15 All secured NCDs issued by the Company are secured by way of a first ranking, exclusive and continuing charge on identified standard receivables ('Hypothecated Receivables') to maintain the value of security at all times equal to 1.10x (One Decimal One Zero times) or 110.0% (One Hundred and Ten Percent) of the aggregate amount of principal outstanding (including accrued interest) of the NCDs as per the respective term-sheets of outstanding secured NCDs. These NCDs are proposed to be guaranteed by the guarantor by way of the Government of India guarantee.
- 16 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. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.



**MAS FINANCIAL SERVICES LIMITED**

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

- 17 During the year, to relieve COVID-19 pandemic related stress, the Company has invoked resolution plans 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 the RBI on 6 August 2020. Disclosure as per format prescribed under notification no. RBI/2020-21/17 DOR.No.BP.BC/4/21 04.048/2020-21 (for restructuring of accounts of Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances having exposure less than or equal to Rs. 25 crores) for the year ended 31 March 2021 is as follows:

No. of accounts restructured	Amount (₹ in lakh)*
425	446.20

\* Including MRR portion on assigned loans

- 18 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.
- 19 The figures for the last quarter of the current year and previous year are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures up to third quarter.
- 20 Previous period / year figures have been regrouped / reclassified, wherever found necessary, to conform to current period / year classification.



Ahmedabad  
19 May 2021

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



**ANNEXURE I****Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results - Standalone - On account of amortising the gain on assignment over the tenure of the loans instead of booking it upfront**Statement on Impact of Audit Qualifications for the Financial Year ended 31 March 2021  
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(₹ in lakhs)

I.	Sl. No.	Particulars	Audited figures (as reported before adjusting for qualifications)	Adjusted figures (audited figures after adjusting for qualifications)
	1.	Turnover / total income	59,388.90	55,994.26
	2.	Total expenditure	40,099.61	40,099.61
	3.	Net profit/(loss) before tax	19,289.29	15,894.65
	4.	Earnings per share	26.25	21.61
	5.	Total assets	5,17,759.73	5,16,669.56
	6.	Total liabilities	4,00,502.86	3,96,171.95
	7.	Net worth	1,17,256.87	1,20,497.61
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

**II. Audit qualification (each audit qualification separately):****a. Details of audit qualification:**

As described in Note 6 to the Statement, during the year ended 31 March 2021, the Company had changed its accounting policy for recognising gain on derecognition of loans upon assignment. As per the previous policy, such gain was recognised immediately in the profit or loss. As per the new policy adopted by the Company, such gain is recorded as 'unearned income on assigned loans' under the head other 'non-financial liabilities' and is amortised in the profit or loss over the period of the underlying residual tenure of the assigned loan portfolio. This change in accounting policy would constitute a departure from the Indian Accounting Standards prescribed under section 133 of the Act (Ind AS 109 – 'Financial Instruments') which requires the gain / loss to be recognised immediately in the profit or loss upon derecognition of assigned loans. In our view, this change in accounting policy is not in compliance with the requirements of Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' that permits to change the accounting policy only if the change satisfies given criteria therein.

Had the Company not revised its policy, 'other equity' would have increased by ₹ 3,240.74 lakh, 'deferred tax assets' would have decreased by ₹ 1,090.17 lakh and 'liability on unearned income' would have decreased by ₹ 4,330.91 lakh to Nil as at 31 March 2021. Further, 'gain on assignment of financial assets' would have decreased by ₹ 799.62 lakh and ₹ 3,394.64 lakh and 'deferred tax credit' would have increased by of ₹ 201.19 lakh and ₹ 854.36 lakh for the quarter ended and year ended 31 March 2021, respectively. There is no impact on the net cash flows of the Company.

**b. Type of audit qualification: Qualified Opinion****c. Frequency of qualification: Appearing since quarter ended 30 September 2020.****d. For Audit qualification(s) where the impact is quantified by the auditor, management's views:**

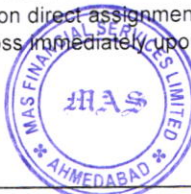
Till quarter ended 30 June 2020, on derecognition of loans in its entirety upon assignment, as per Ind AS 109 'Financial Instruments', the Company has been recognising the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including new asset obtained less any new liability assumed) as gain immediately in the statement of profit or loss.

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

Further, NBFC industry body Finance Industry Development Council (the 'association') which is represented by more than 100 NBFCs, has made representation to Reserve Bank of India and National Financial Reporting Authority ('NFRA') whereby the said change in accounting policy has also been requested by the association also. The association has requested RBI and NFRA to allow the gain on direct assignment transactions to be amortized instead of recognition of the gain in the statement of profit and loss immediately upon assignment of the loans due to above mentioned limitations.

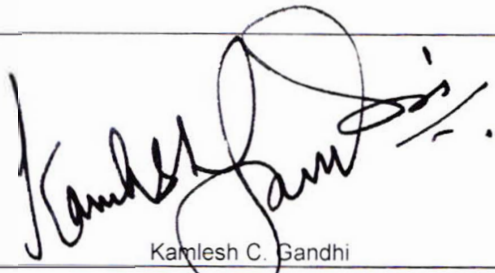
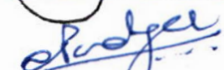
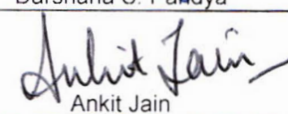
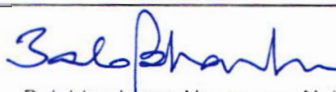
For detailed understanding, please visit following web address:

<https://www.mas.co.in/financial-results.aspx#>



*[Handwritten signature]*



e.	For Audit qualification(s) where the impact is not quantified by the auditor: Not Applicable
III.	<b>Signatories:</b>
Chairman & Managing Director	 Kamlesh C. Gandhi
Director & Chief Executive Officer	 Darshana S. Paddy
Chief Financial Officer	 Ankit Jain
Audit Committee Chairman	 Balabhaskaran Narayanan Nair
Statutory Auditor	For B S R & Co. LLP Chartered Accountants Firm's Registration No: 101248W/W-100022 <b>SAMEER</b> <b>HIRACHA</b> <b>ND MOTA</b> <small>Digitally signed by SAMEER HIRACHAND MOTA Date: 2021.05.19 18:52:56 +05'30'</small> <b>Sameer Mota</b> Partner Membership No: 109928
Place: Ahmedabad Date: 19 May 2021	Place: Mumbai Date: 19 May 2021



# B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,  
Nesco IT Park 4, Nesco Center,  
Western Express Highway,  
Goregaon (East), Mumbai - 400 063

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## **Independent Auditor's Report on the Consolidated Annual Financial Results under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31 March 2021**

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

#### **Report on the audit of the Consolidated Annual Financial Results**

##### **Qualified Opinion**

We have audited the accompanying consolidated annual financial results of MAS Financial Services Limited (the 'Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as the 'Group'), for the year ended 31 March 2021, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (the 'SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'SEBI Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate audited financial statements of the subsidiary, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated annual financial results:

- a. include the annual financial results of the following entities:

<b>Name of companies</b>	<b>Relationship</b>
MAS Financial Services Limited	Holding Company
MAS Rural Housing & Mortgage Finance Limited	Subsidiary

- b. are presented in accordance with the requirements of Regulation 33 of the SEBI Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31 March 2021.

##### **Basis for Qualified Opinion**

As described in Note 6 to the Statement, during the year ended 31 March 2021, the Group had changed its accounting policy for recognising gain on derecognition of loans upon assignment. As per the previous policy, such gain was recognised immediately in the profit or loss. As per the new policy adopted by the Group, such gain is recorded as 'unearned income on assigned loans' under the head 'other non-financial liabilities' and is amortised in the profit or loss over the period of the underlying residual tenure of the assigned portfolio. This change in accounting policy would constitute a departure from the Indian Accounting Standards prescribed under section 133 of the Act (Ind AS 109 – 'Financial Instruments') which requires the gain / loss to be recognised immediately in the profit or loss upon derecognition of assigned loans.

Registered Office:

**Independent Auditor's Report on the Consolidated Annual Financial Results under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31 March 2021 (*Continued*)**

**MAS Financial Services Limited**

**Basis for Qualified Opinion (*Continued*)**

In our view, this change in accounting policy is not in compliance with the requirements of Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' that permits to change the accounting policy only if the change satisfies given criteria therein.

Had the Group not revised its policy, 'other equity' would have increased by Rs. 3,319.53 lakh, 'non-controlling interest' would have increased by Rs. 53.26 lakh, 'deferred tax assets' would have decreased by Rs. 1,139.10 lakh and 'liability on unearned income' would have decreased by Rs. 4,511.89 lakh to Nil as at 31 March 2021. Further, 'gain on assignment of financial assets' would have decreased by Rs. 814.86 lakh and Rs. 3,461.49 lakh and 'deferred tax credit' would have increased by of Rs. 205.08 lakh and Rs. 871.19 lakh for the quarter ended and year ended 31 March 2021, respectively. There is no impact on the net cash flows of the Group.

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143 (10) of the Companies Act, 2013 (the 'Act'). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

**Emphasis of matter**

As more fully described in Note 8 to the consolidated annual financial results, the extent to which the COVID-19 pandemic will have impact on the Group's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of the above matter.

**Management's and the Board of Directors' Responsibilities for the Consolidated Annual Financial Results**

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit / loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI Listing Regulations.



**Independent Auditor's Report on the Consolidated Annual Financial Results under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31 March 2021 (*Continued*)**

**MAS Financial Services Limited**

**Management's and the Board of Directors' Responsibilities for the Consolidated Annual Financial Results (*Continued*)**

The respective Management and the Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, Management and the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

**Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143 (3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of the consolidated financial statements on whether the company has adequate internal financial controls with reference to the consolidated financial statements in place and the operating effectiveness of such controls.

**Independent Auditor's Report on the Consolidated Annual Financial Results under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31 March 2021 (*Continued*)**

**MAS Financial Services Limited**

**Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results (*Continued*)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated annual financial results made by Management and the Board of Directors.
- Conclude on the appropriateness of Management and the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results / financial information of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated annual financial results of which we are the independent auditors. For the other entity included in the consolidated annual financial results, which has been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by him. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33 (8) of the Listing Regulations, as amended, to the extent applicable.

**Independent Auditor's Report on the Consolidated Annual Financial Results under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31 March 2021 (*Continued*)**

**MAS Financial Services Limited**

**Other Matters**

- (a) The consolidated annual financial results include the audited financial results of a subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 28,454.04 lakh as at 31 March 2021, total revenue (before consolidation adjustments) of Rs. 3,527.13 lakh and total profit after tax (before consolidation adjustments) of Rs. 288.63 lakh and net cash inflows of Rs 98.82 lakh for the year ended on that date, as considered in the consolidated annual financial results, which has been audited by its independent auditor. The independent auditor's report on the financial statements of this entity has been furnished to us by Management and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on the report of such auditor and the procedures performed by us are as stated in paragraph above.

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

- (b) The consolidated annual financial results include the results for the quarter ended 31 March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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

*Chartered Accountants*

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

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by SAMEER  
HIRACHAND  
MOTA  
Date: 2021.05.19  
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**Sameer Mota**

*Partner*

Mumbai  
19 May 2021

Membership No: 109928  
UDIN: 21109928AAAANS9484





**MAS FINANCIAL SERVICES LTD.**

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

**Statement of audited consolidated financial results for the quarter and year ended 31 March 2021**

(₹ in Lakh)

Sr. No.	Particulars	Quarter ended			Year ended	
		31.03.2021 (Audited)	31.12.2020 (Unaudited)	31.03.2020 (Audited) (Restated refer note 7)	31.03.2021 (Audited)	31.03.2020 (Audited) (Restated refer note 7)
<b>1</b>	<b>INCOME</b>					
	(a) Revenue from operations					
	Interest income	12,223.55	11,632.22	14,669.91	51,728.66	59,282.81
	Gain on assignment of financial assets (Refer note 6)	1,756.87	2,313.14	2,701.95	8,125.55	10,098.08
	Fees and commission income	696.55	1,056.56	440.77	2,813.92	1,584.52
	Net gain on fair value changes	29.90	-	-	29.90	-
	<b>Total revenue from operations</b>	<b>14,706.87</b>	<b>15,001.92</b>	<b>17,812.63</b>	<b>62,698.03</b>	<b>70,965.41</b>
	(b) Other income	19.01	7.81	14.93	73.20	35.91
	<b>Total income</b>	<b>14,725.88</b>	<b>15,009.73</b>	<b>17,827.56</b>	<b>62,771.23</b>	<b>71,001.32</b>
<b>2</b>	<b>EXPENSES</b>					
	(a) Finance costs	6,569.98	6,895.63	7,415.55	28,493.54	29,629.80
	(b) Fees and commission expense	172.60	276.83	197.25	624.36	601.88
	(c) Impairment on financial instruments	889.27	1,452.46	3,339.11	7,784.81	8,466.18
	(d) Employee benefits expenses	865.69	860.18	1,443.96	3,503.32	5,869.00
	(e) Depreciation, amortisation and impairment	57.75	63.56	72.40	257.24	285.05
	(f) Other expenses	1,174.17	604.73	847.59	2,511.05	3,121.57
	<b>Total expenses</b>	<b>9,729.46</b>	<b>10,153.39</b>	<b>13,315.86</b>	<b>43,174.32</b>	<b>47,973.48</b>
<b>3</b>	<b>Profit before exceptional items and tax (1-2)</b>	<b>4,996.42</b>	<b>4,856.34</b>	<b>4,511.70</b>	<b>19,596.91</b>	<b>23,027.84</b>
<b>4</b>	<b>Exceptional items</b>	-	-	-	-	-
<b>5</b>	<b>Profit before tax (3-4)</b>	<b>4,996.42</b>	<b>4,856.34</b>	<b>4,511.70</b>	<b>19,596.91</b>	<b>23,027.84</b>
<b>6</b>	<b>Tax expense</b>					
	(a) Current tax	1,771.18	1,513.71	1,625.76	5,935.17	6,391.18
	(b) Short / (Excess) provision for tax relating to prior years	(0.29)	-	-	(0.29)	(95.99)
	<b>Net current tax expense</b>	<b>1,770.89</b>	<b>1,513.71</b>	<b>1,625.76</b>	<b>5,934.88</b>	<b>6,295.19</b>
	(c) Deferred tax expense/(credit)	(415.74)	(276.13)	(468.25)	(890.40)	(76.03)
	<b>Total tax expense</b>	<b>1,355.15</b>	<b>1,237.58</b>	<b>1,157.51</b>	<b>5,044.48</b>	<b>6,219.16</b>
<b>7</b>	<b>Profit for the period / year from continuing operations (5-6)</b>	<b>3,641.27</b>	<b>3,618.76</b>	<b>3,354.19</b>	<b>14,552.43</b>	<b>16,808.68</b>
<b>8</b>	<b>Profit / (loss) from discontinued operations</b>	-	-	-	-	-
<b>9</b>	<b>Tax expense of discontinued operations</b>	-	-	-	-	-
<b>10</b>	<b>Profit / (loss) from discontinued operations (after tax) (8-9)</b>	-	-	-	-	-
<b>11</b>	<b>Profit for the period / year (7+10)</b>	<b>3,641.27</b>	<b>3,618.76</b>	<b>3,354.19</b>	<b>14,552.43</b>	<b>16,808.68</b>
<b>12</b>	<b>Other comprehensive income (OCI)</b>					
	(a) (i) Items that will not be reclassified to profit or loss					
	- Re-measurement of the defined benefit liabilities	73.26	0.65	(12.46)	75.21	(33.82)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(18.44)	(0.17)	3.13	(18.55)	8.51
	<b>Sub-total (a)</b>	<b>54.82</b>	<b>0.48</b>	<b>(9.33)</b>	<b>56.66</b>	<b>(25.31)</b>
	(b) (i) Items that will be reclassified to profit or loss					
	- Loans and advances through other comprehensive Income	144.51	988.59	388.08	960.33	665.35
	(ii) Income tax relating to items that will be reclassified to profit or loss	(36.36)	(248.83)	(97.68)	(241.70)	(167.47)
	<b>Sub-total (b)</b>	<b>108.15</b>	<b>739.76</b>	<b>290.40</b>	<b>718.63</b>	<b>497.88</b>
	<b>Other comprehensive income / (loss) (a+b)</b>	<b>162.97</b>	<b>740.24</b>	<b>281.07</b>	<b>775.29</b>	<b>472.57</b>
<b>13</b>	<b>Total comprehensive income for the period / year (11+12)</b>	<b>3,804.24</b>	<b>4,359.00</b>	<b>3,635.26</b>	<b>15,327.72</b>	<b>17,281.25</b>
<b>14</b>	<b>Profit for the period / year attributable to</b>					
	Owners of the Parent	3,633.06	3,600.26	3,389.89	14,436.01	16,739.40
	Non-controlling interest	8.21	18.50	(35.70)	116.42	69.28
<b>15</b>	<b>Other comprehensive income for the period / year attributable to</b>					
	Owners of the Parent	135.86	754.53	279.75	765.41	471.63
	Non-controlling interest	27.11	(14.29)	1.32	9.88	0.94
<b>16</b>	<b>Total comprehensive income for the period / year attributable to</b>					
	Owners of the Parent	3,768.92	4,354.79	3,669.64	15,201.42	17,211.03
	Non-controlling interest	35.32	4.21	(34.38)	126.30	70.22
<b>17</b>	<b>Earnings per share (of ₹10 each) (not annualized for interim periods)</b>					
	(a) Basic (₹)	6.65	6.59	6.20	26.41	30.62
	(b) Diluted (₹)	6.65	6.59	6.20	26.41	30.62





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CIN: L65910GJ1995PLC026064

## **Consolidated Balance Sheet**

(₹ in Lakh)

Particulars	As at 31.03.2021 (Audited)	As at 31.03.2020 (Audited) (Restated refer note 7)
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents	98,711.42	1,04,585.56
Bank balance other than cash and cash equivalents	3,219.70	192.60
Loans	4,06,330.95	3,60,186.73
Investments	20,158.38	500.00
Other financial assets	4,975.97	8,061.19
<b>Total financial assets</b>	<b>5,33,396.42</b>	<b>4,73,526.08</b>
<b>Non-financial assets</b>		
Income tax assets (net)	592.40	223.22
Deferred tax assets (net)	2,256.16	1,626.01
Property, plant and equipment	1,144.80	1,282.91
Capital work-in-progress	5,002.73	4,821.34
Right-of-use asset	53.82	167.65
Other intangible assets	9.25	11.80
Other non-financial assets	507.49	317.82
<b>Total non-financial assets</b>	<b>9,566.65</b>	<b>8,450.75</b>
<b>Total assets</b>	<b>5,42,963.07</b>	<b>4,81,976.83</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Financial liabilities</b>		
Payables		
(I) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	828.77	812.78
(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	31,411.52	-
Borrowings (other than debt securities)	3,13,866.80	2,73,599.82
Subordinated liabilities	5,996.55	5,989.18
Other financial liabilities	63,467.40	91,051.12
<b>Total financial liabilities</b>	<b>4,15,571.04</b>	<b>3,71,452.90</b>
<b>Non-financial liabilities</b>		
Current tax liabilities (net)	1,214.93	-
Provisions	396.97	47.22
Other non-financial liabilities	5,745.30	9,852.82
<b>Total non-financial liabilities</b>	<b>7,357.20</b>	<b>9,900.04</b>
<b>Total liabilities</b>	<b>4,22,928.24</b>	<b>3,81,352.94</b>
<b>EQUITY</b>		
Equity share capital	5,466.20	5,466.20
Other equity	1,12,521.87	93,241.97
<b>Equity attributable to the owners of the Holding Company</b>	<b>1,17,988.07</b>	<b>98,708.17</b>
Non-controlling interest	2,046.76	1,915.72
<b>Total equity</b>	<b>1,20,034.83</b>	<b>1,00,623.89</b>
<b>Total liabilities and equity</b>	<b>5,42,963.07</b>	<b>4,81,976.83</b>



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**Consolidated Statement of Cash flow**

(₹ in Lakh)

Sr. No.	Particulars	Year ended 31.03.2021 (Audited)	Year ended 31.03.2020 (Audited)
A.	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		(Restated refer note 7)
	Profit before exceptional items and tax	19,596.91	23,027.84
	Adjustments for :		
	Depreciation and amortisation	257.24	285.05
	Finance cost	28,493.54	29,629.80
	Provision for impairment on financial assets	4,217.94	2,448.57
	Loss assets written off (net)	3,566.87	6,017.61
	(Profit) / loss on sale of property, plant and equipment	1.16	0.82
	Loss on sale of repossessed assets	351.42	347.26
	Interest income	(47,293.77)	(56,070.04)
	Interest income from bank deposits	(2,971.87)	(1,272.86)
	Income received in advance	8.78	(19.12)
	Interest income from non-convertible debenture measured at amortised cost	(39.25)	(8.26)
	Interest income from pass through certificates	(2.20)	-
	Gain on derecognition of leased asset	(2.83)	(0.95)
		(13,412.97)	(18,642.12)
	<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	6,183.94	4,385.72
	Changes in working capital:		
	Adjustments for (increase)/decrease in operating assets:		
	Loans	(51,754.90)	(16,527.02)
	Advances received against loan agreements	(10,021.24)	10,021.74
	Deposits given as collateral	1.31	(14.02)
	Bank balance other than cash and cash equivalents	21.16	1,001.16
	Other financial asset	(378.14)	(2.24)
	Other non-financial asset	(465.88)	(453.64)
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade payables	15.99	212.68
	Security deposits from borrowers	(18,346.25)	(1,142.45)
	Other financial and non-financial liabilities	(3,404.37)	8,471.99
	Provisions	349.75	30.03
		(83,982.57)	1,598.23
	<b>CASH GENERATED FROM / (USED IN) OPERATIONS</b>	(77,798.63)	5,983.95
	Interest income received	53,631.90	50,576.96
	Interest income on Investment measured at amortised cost	42.02	5.49
	Finance cost paid	(28,596.83)	(28,882.27)
	Income tax paid (net)	(5,089.20)	(8,045.23)
		19,987.89	13,654.95
	<b>CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)</b>	(57,810.74)	19,638.90
B.	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Acquisition of property, plant and equipments and intangible assets, including capital advances	(201.41)	(461.41)
	Proceeds from sale of property, plant and equipments and intangible assets	0.10	0.53
	Change in Earmarked balances with banks	(3,048.26)	86.92
	Interest income from bank deposits	2,971.87	1,272.86
	(Purchase) / Redemption of investments at amortised cost	(19,660.90)	(500.00)
	<b>CASH FLOW GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)</b>	(19,938.60)	398.90
C.	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from debt securities and borrowings	1,29,110.00	99,825.00
	Repayments of borrowings	(79,972.01)	(50,530.22)
	Net decrease in working capital borrowings	22,848.29	3,316.10
	Repayment of lease liabilities	(106.43)	(118.78)
	Dividends paid including dividend distribution tax	(4.65)	(7,692.87)
	<b>CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)</b>	71,875.20	44,799.23
	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	(5,874.14)	64,837.03
	Cash and cash equivalents at the beginning of the year	1,04,585.56	39,748.53
	Cash and cash equivalents at the end of the year	98,711.42	1,04,585.56





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**Components of cash and cash equivalents**

(₹ in Lakh)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Cash and bank balances comprises:		
(a) Cash on hand	18.07	21.49
(b) Balances with banks	51,169.78	78,532.77
(c) Bank deposits with original maturity of 3 months or less	47,523.57	26,031.30
<b>Cash and cash equivalents as per the balance sheet</b>	<b>98,711.42</b>	<b>1,04,585.56</b>

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 31.03.2020	Cash flows	Non-cash changes*	As on 31.03.2021
Debt securities	-	31,500.00	(88.48)	31,411.52
Borrowings other than debt securities	2,73,599.82	40,486.28	(219.30)	3,13,866.80
Borrowings other than debt securities	5,989.18	-	7.37	5,996.55
<b>Total liabilities from financing activities</b>	<b>2,79,589.00</b>	<b>71,986.28</b>	<b>(300.41)</b>	<b>3,51,274.87</b>

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

**Notes :**

- The audited 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 and Regulation 52 read with Regulation 63(2) 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 19 May 2021.
- The Board of directors of the Parent has recommended dividend of ₹ 1.5 per equity share of face value of ₹ 10 each, which is subject to approval by the shareholders of the Parent.
- The financial results for the year ended 31 March 2021 have been audited by the statutory auditors of the Parent.
- The accounting policies and practices followed in the preparation of the consolidated financial results are the same as those followed in the preparation of the consolidated financial statement for the year ended 31 March 2020, except for the change in accounting policy as explained in note no. 6 below.
- Amortising the gain on assignment of financial assets over the residual tenure instead of booking upfront and management's response to comments of the statutory auditors in the Audit Report:**

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

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

Accordingly, during the year, the Group had changed its policy from the quarter ended 30 September 2020 for more transparent and fair representation of the financial results. As per the new policy, on derecognition of financial assets on account of direct assignment of loans, gain is recognized as "Unearned income on assigned loans" under the head other non-financial liabilities and amortized in the profit or loss over the underlying residual terms of the assigned portfolio.

Further, NBFC industry body Finance Industry Development Council (the "association") which is represented by more than 100 NBFCs, has made representation to Reserve Bank of India and National Financial Reporting Authority (NFRA) whereby the said change in accounting policy has also been requested by the association itself. The association has requested RBI and NFRA to allow the gain on direct assignment transactions to be amortized instead of recognition of the gain in the statement of profit and loss immediately upon assignment of the loans.

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

The new accounting policy has been implemented retrospectively from the beginning of the earliest period presented i.e. 1 April 2019. On account of new policy, in case of derecognition of loans upon assignment prior to 1 April 2019, where underlying residual terms of the assigned portfolio was falling on or after 1 April 2019, the Group has reduced other equity by ₹ 4,633.32 lakh, reduced the deferred tax liability by ₹ 2,495.38 lakh, reduced non-controlling interest by ₹ 12.33 lakh and recognized unearned income on assigned loans under the head other non-financial liabilities ₹ 7,141.03 lakh.

Had the Group not revised its policy, other equity would have increased by ₹ 3,319.53 lakh to ₹ 1,15,841.40 lakhs, non-controlling interest would have increased by ₹ 53.26 lakh, deferred tax assets would have decreased by ₹ 1,139.10 lakh and liability on unearned income would have decreased by ₹ 4,511.89 lakh to Nil as at 31 March 2021. Had the Group followed the accounting which it followed hitherto, the Group would have recognized gain on assignment of ₹ 942.01 lakh and ₹ 4,664.06 lakh for the quarter and year ended 31 March 2021, respectively. As per the new policy, the Group has recognized gain on assignment (on amortised basis) of ₹ 1,756.87 lakh and ₹ 8,125.55 lakh for the quarter and year ended 31 March 2021, respectively. Accordingly, gain on assignment would have decreased by ₹ 814.86 lakh and ₹ 3,461.49 lakh and deferred tax credit would have increased by ₹ 205.08 lakh and ₹ 871.19 lakh for the quarter and year ended 31 March 2021, respectively.



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- 7 As per the requirement of Ind AS 8, the Group has restated the financial information of previous financial year 2019-20 to reflect the change in accounting policy as per point no. 6 above. The following table summarises the reconciliation of figures restated with previously reported figures:

Particulars	(₹ in Lakh)	
	Quarter ended 31.03.2020	Year ended 31.03.2020
<b>Revised gain on assignment of financial assets</b>	2,701.95	10,098.08
Impact due to change in accounting policy	290.23	832.35
<b>Gain on assignment as previously reported before policy change</b>	<b>2,992.18</b>	<b>10,930.43</b>
<b>Revised profit before tax</b>	<b>4,511.70</b>	<b>23,027.84</b>
Add/(Less) adjustments for:		
Gain on assignment of financial assets reversed (recognised on date of assignment)	2,992.18	10,930.43
Gain on assignment of financial assets recorded (on amortisation basis)	(2,701.95)	(10,098.08)
<b>Profit before tax as previously reported before policy change</b>	<b>4,801.93</b>	<b>23,860.19</b>
<b>Revised deferred tax expense / (credit)</b>	<b>(468.25)</b>	<b>(76.03)</b>
Impact due to change in accounting policy	73.05	(485.11)
<b>Deferred tax credit as previously reported before policy change</b>	<b>(395.20)</b>	<b>(561.14)</b>
<b>Revised profit after tax</b>	<b>3,354.19</b>	<b>16,808.68</b>
Add/(Less) adjustments for:		
Gain on assignment of financial assets reversed (recognised on date of assignment)	2,992.18	10,930.43
Gain on assignment of financial assets recorded (on amortisation basis)	(2,701.95)	(10,098.08)
Tax Impact on above adjustments	(73.05)	485.11
<b>Profit after tax as previously reported before policy change</b>	<b>3,571.37</b>	<b>18,126.14</b>
<b>Revised profit for the period / year attributable to owners of the parent</b>	<b>3,389.89</b>	<b>16,739.40</b>
Impact due to change in accounting policy	177.61	1,256.36
<b>Profit for the period / year attributable to owners of the parent as previously reported before policy change</b>	<b>3,567.50</b>	<b>17,995.76</b>
<b>Revised profit for the period / year attributable to non-controlling interest</b>	<b>(35.70)</b>	<b>69.28</b>
Impact due to change in accounting policy	39.58	61.10
<b>Profit for the period / year attributable to non-controlling interest as previously reported before policy change</b>	<b>3.88</b>	<b>130.38</b>
<b>Revised total comprehensive income attributable to owners of the parent</b>	<b>3,669.64</b>	<b>17,211.03</b>
Impact due to change in accounting policy	177.61	1,256.36
<b>Total comprehensive income attributable to owners of the parent as previously reported before policy change</b>	<b>3,847.25</b>	<b>18,467.39</b>
<b>Revised total comprehensive income attributable to non-controlling interest</b>	<b>(34.38)</b>	<b>70.22</b>
Impact due to change in accounting policy	39.58	61.10
<b>Total comprehensive income attributable to non-controlling interest as previously reported before policy change</b>	<b>5.20</b>	<b>131.32</b>
<b>Revised basic earnings per share</b>	<b>6.20</b>	<b>30.62</b>
Impact due to change in accounting policy	0.33	2.30
<b>Basic earnings per share as previously reported before policy change</b>	<b>6.53</b>	<b>32.92</b>
<b>Restated diluted earnings per share</b>	<b>6.20</b>	<b>30.62</b>
Impact due to change in accounting policy	0.33	2.30
<b>Diluted earnings per share as previously reported before policy change</b>	<b>6.53</b>	<b>32.92</b>

Particulars	As on 31.03.2020
<b>Revised other equity</b>	<b>93,241.97</b>
Impact due to change in accounting policy	5,889.67
<b>Other equity as previously reported before policy change</b>	<b>99,131.64</b>
<b>Revised other non-financial liabilities</b>	<b>9,852.82</b>
Impact due to change in accounting policy	(7,973.37)
<b>Other non-financial liabilities as previously reported before policy change</b>	<b>1,879.45</b>
<b>Revised deferred tax asset / (liability)</b>	<b>1,626.01</b>
Impact due to change in accounting policy	(2,010.29)
<b>Deferred tax asset / (liability) as previously reported before policy change</b>	<b>(384.28)</b>
<b>Revised non-controlling interest</b>	<b>1,915.72</b>
Impact due to change in accounting policy	73.43
<b>Non-controlling interest as previously reported before policy change</b>	<b>1,989.15</b>



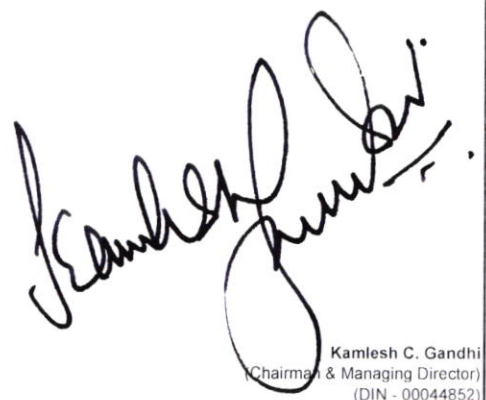
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- 8 In accordance with the board approved moratorium policy read with the RBI guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 - Regulatory Package', the Group had granted moratorium up to six months on the payment of installments which became due between 1 March 2020 and 31 August 2020 to all eligible borrowers. This relaxation did not automatically trigger a significant increase in credit risk. The Group continued to recognize interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period did not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.
- The impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the Group's assessment of impairment loss allowance on its loans which are subject to a number of management judgements and estimates. In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers, along with the associated impact on the Indian and global economy. The Group has separately incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic and the associated support packages in the measurement of impairment loss allowance. The Group has been duly servicing its debt obligations, maintains a healthy capital adequacy ratio and has adequate capital and financial resources to run its business. As at 31 March 2021, the cumulative amount of management overlay provisions stood at ₹ 5,954.19 lakh in the consolidated financial results, to reflect deterioration in the macroeconomic 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.
- The Honourable Supreme Court of India in a public interest litigation (Gajendra Sharma vs. Union of India & Anr), vide an interim order dated 3 September 2020 ('interim order'), has directed that no additional borrower accounts shall be classified as impaired ('non-performing assets' or 'NPA') which were not declared NPA till 31 August 2020, till further orders. Based on the said interim order, the Group has not classified any standard account as of 31 August 2020 as NPA after 31 August 2020. The Group has classified those accounts as stage 3 and provisioned accordingly for financial reporting purposes.
- The interim order granted to not declare accounts as NPA stood vacated on 23 March 2021 vide the judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors, and other connected matters, in accordance with the instructions in paragraph 5 of the RBI circular no. RB1/2021-22/17DOR, STR.REC.4/21.04.048/2021-22 dated 7 April 2021 issued in this connection, the Group has continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms and as per ECL model under Ind AS financial statements for the quarter and year ended 31 March 2021.
- 9 In accordance with the instructions given in aforementioned RBI Circular dated 7 April 2021 and the methodology for calculation of interest on interest based on guidance issued by Indian Banks' Association, the Group has put in place a Board approved policy to refund / adjust interest on interest charged to borrowers during the moratorium period, i.e. 1 March 2020 to 31 August 2020. The Group has estimated the said amount and made a provision in the financial statements for the year ended 31 March 2021.
- 10 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 31 March 2021 and accordingly, no amount is required to be transferred to impairment reserve.
- 11 The Government of India, Ministry of Finance, vide its notification dated 23 October 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts ('the Scheme'), as per the eligibility criteria and other aspects specified therein and irrespective of whether RBI moratorium was availed or not. During the quarter ended 31 December 2020, the Group has implemented the Scheme and credited the accounts of the eligible borrowers as per the Scheme. Further, the Group has filed claim for reimbursement as per the procedure specified in the Scheme.
- 12 The Board of Directors of the Parent in its meeting held on 16 June 2020 had approved issuance of non-convertible debentures ('NCDs') in tranches up to ₹ 50,000 lakh on a private placement basis. Up to the date of finalization of these financial results, NCDs amounting to ₹ 25,000 lakh have been issued to various investors on a private placement basis. These NCDs are listed on BSE Limited.
- 13 All secured NCDs issued by the Parent are secured by way of a first ranking, exclusive and continuing charge on identified standard receivables ('Hypothecated Receivables') to maintain the value of security at all times equal to 1.10x (One Decimal One Zero times) or 110.0% (One Hundred and Ten Percent) of the aggregate amount of principal outstanding (including accrued interest) of the NCDs as per the respective term-sheets of outstanding secured NCDs. These NCDs are proposed to be guaranteed by the Guarantor by way of the Government of India Guarantee.
- 14 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. The Group will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.
- 15 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.
- 16 The figures for the last quarter of the current year and previous year are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures up to third quarter.
- 17 Previous period / year figures have been regrouped / reclassified, wherever found necessary, to conform to current period / year classification.

Ahmedabad  
19 May 2021



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

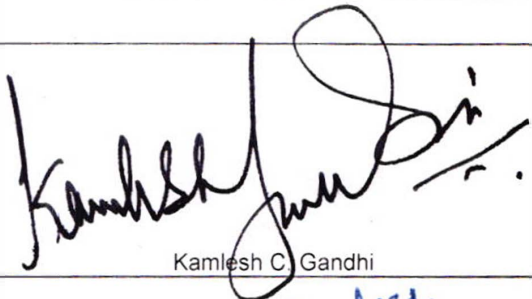
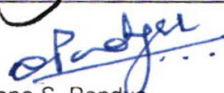
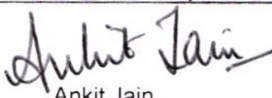

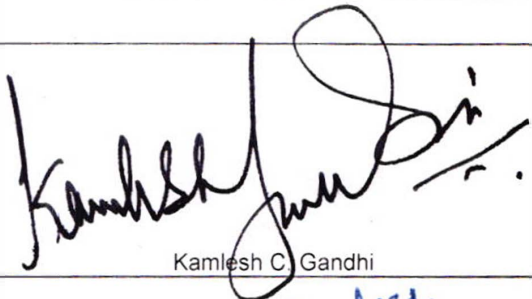
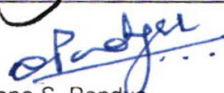
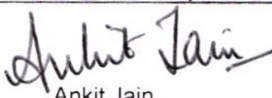

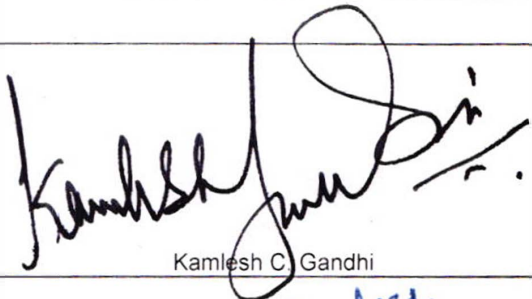
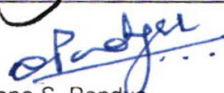
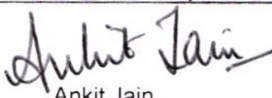



# ANNEXURE I

## Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results - Consolidated - On account of amortising the gain on assignment over the tenure of the loans instead of booking it upfront

Statement on Impact of Audit Qualifications for the Financial Year ended 31 March 2021 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]			
(₹ in lakhs)			
I.	Sl. No.	Particulars	Audited figures (as reported before adjusting for qualifications)
			Adjusted figures (audited figures after adjusting for qualifications)
	1.	Turnover / total income	62,771.23
	2.	Total expenditure	43,174.32
	3.	Net profit/(loss) before tax	19,596.91
	4.	Earnings per share	26.41
	5.	Total assets	5,42,963.07
	6.	Total liabilities	4,22,928.24
	7.	Net worth attributable to the owners of the Holding Company	1,17,988.07
	8.	Non-controlling interest	2,046.76
	9.	Any other financial item(s) (as felt appropriate by the management)	-
II. Audit qualification (each audit qualification separately):			
a. Details of audit qualification:			
<p>As described in Note 6 to the Statement, during the year ended 31 March 2021, the Group had changed its accounting policy for recognising gain on derecognition of loans upon assignment. As per the previous policy, such gain was recognised immediately in the profit or loss. As per the new policy adopted by the Group, such gain is recorded as 'unearned income on assigned loans' under the head 'other non-financial liabilities' and is amortised in the profit or loss over the period of the underlying residual tenure of the assigned portfolio. This change in accounting policy would constitute a departure from the Indian Accounting Standards prescribed under section 133 of the Act (Ind AS 109 – 'Financial Instruments') which requires the gain / loss to be recognised immediately in the profit or loss upon derecognition of assigned loans. In our view, this change in accounting policy is not in compliance with the requirements of Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' that permits to change the accounting policy only if the change satisfies given criteria therein.</p> <p>Had the Group not revised its policy, 'other equity' would have increased by ₹ 3,319.53 lakh, 'non-controlling interest' would have increased by ₹ 53.26 lakh, 'deferred tax assets' would have decreased by ₹ 1,139.10 lakh and 'liability on unearned income' would have decreased by ₹ 4,511.89 lakh to Nil as at 31 March 2021. Further, 'gain on assignment of financial assets' would have decreased by ₹ 814.86 lakh and ₹ 3,461.49 lakh and 'deferred tax credit' would have increased by ₹ 205.08 lakh and ₹ 871.19 lakh for the quarter ended and year ended 31 March 2021, respectively. There is no impact on the net cash flows of the Group.</p>			
b. Type of audit qualification: Qualified Opinion			
c. Frequency of qualification: Appearing since quarter ended 30 September 2020.			
d. For Audit qualification(s) where the impact is quantified by the auditor, management's views:			
<p>Till quarter ended 30 June 2020, on derecognition of loans in its entirety upon assignment, as per Ind AS 109 'Financial Instruments', the Group has been recognising the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including new asset obtained less any new liability assumed) as gain immediately in the statement of profit or loss.</p> <p>In view of the Group, earlier accounting treatment inflates the income at the time of assignment and leads to reporting higher earnings per share, potentially higher dividend pay-out and improved capital adequacy ratio. Further, after taking views from RBI circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 which states that the responsibility of preparing and ensuring fair presentation of the financial statements of a NBFC vests primarily with its Board of Directors, RBI circular no. DNBS. PD. No. 301/3.10.01/2012-13 dated 21 August 2012 which had clearly mandated the NBFCs to amortise the gain on assignment over the tenure of the loan and also as per paragraph 19 of Ind AS 1 'Presentation of Financial Statements', management has concluded that the upfront booking of income which is to be received over underlying residual tenure of the assigned portfolio would be so misleading for the users of the financial statements, that it would conflict with the objective of the financial statements set out in the Conceptual Framework for Financial Reporting under Ind AS and therefore to present a true and fair view of the Group's financial position, financial performance for the given period, from the quarter ended 30 September 2020, the Group had departed from the requirements of Ind AS 109 and changed its policy for more transparent and fair representation of the financial results.</p> <p>Further, NBFC industry body Finance Industry Development Council (the "association") which is represented by more than 100 NBFCs, has made representation to Reserve Bank of India and National Financial Reporting Authority ('NFRA') whereby the said change in accounting policy has also been requested by the association itself. The association has requested RBI to allow the gain on direct assignment transactions to be amortized instead of recognition of the gain in the statement of profit and loss immediately upon assignment of the loans due to above mentioned limitations.</p>			
For detailed understanding, please visit following web address:			
<a href="https://www.mas.co.in/financial-results.aspx#">https://www.mas.co.in/financial-results.aspx#</a>			



	<p>e. For Audit qualification(s) where the impact is not quantified by the auditor: Not Applicable</p>												
<p>III. <u>Signatories:</u></p>	<table border="1"> <tr> <td data-bbox="183 277 774 514">Chairman &amp; Managing Director</td> <td data-bbox="774 277 1406 514">   Kamlesh C. Gandhi </td> </tr> <tr> <td data-bbox="183 514 774 622">Director &amp; Chief Executive Officer</td> <td data-bbox="774 514 1406 622">   Darshana S. Pandya </td> </tr> <tr> <td data-bbox="183 622 774 730">Chief Financial Officer</td> <td data-bbox="774 622 1406 730">   Ankit Jain </td> </tr> <tr> <td data-bbox="183 730 774 838">Audit Committee Chairman</td> <td data-bbox="774 730 1406 838">   Balabharan Narayanan Nair </td> </tr> <tr> <td data-bbox="183 838 774 1180">Statutory Auditor</td> <td data-bbox="774 838 1406 1180"> <p>For <b>B S R &amp; Co. LLP</b>  Chartered Accountants  Firm's Registration No: 101248W/W-100022</p> <p><b>SAMEER</b> Digitally signed by SAMEER  <b>HIRACHAND</b> HIRACHAND  <b>MOTA</b> MOTA  <b>ND MOTA</b> Date: 2021.05.19 18:55:06 +05'30'</p> <p><b>Sameer Mota</b>  Partner  Membership No: 109928</p> </td> </tr> <tr> <td data-bbox="183 1180 774 1265"> Place: Ahmedabad  Date: 19 May 2021 </td> <td data-bbox="774 1180 1406 1265"> Place: Mumbai  Date: 19 May 2021 </td> </tr> </table>	Chairman & Managing Director	 Kamlesh C. Gandhi	Director & Chief Executive Officer	 Darshana S. Pandya	Chief Financial Officer	 Ankit Jain	Audit Committee Chairman	 Balabharan Narayanan Nair	Statutory Auditor	<p>For <b>B S R &amp; Co. LLP</b>  Chartered Accountants  Firm's Registration No: 101248W/W-100022</p> <p><b>SAMEER</b> Digitally signed by SAMEER  <b>HIRACHAND</b> HIRACHAND  <b>MOTA</b> MOTA  <b>ND MOTA</b> Date: 2021.05.19 18:55:06 +05'30'</p> <p><b>Sameer Mota</b>  Partner  Membership No: 109928</p>	Place: Ahmedabad Date: 19 May 2021	Place: Mumbai Date: 19 May 2021
Chairman & Managing Director	 Kamlesh C. Gandhi												
Director & Chief Executive Officer	 Darshana S. Pandya												
Chief Financial Officer	 Ankit Jain												
Audit Committee Chairman	 Balabharan Narayanan Nair												
Statutory Auditor	<p>For <b>B S R &amp; Co. LLP</b>  Chartered Accountants  Firm's Registration No: 101248W/W-100022</p> <p><b>SAMEER</b> Digitally signed by SAMEER  <b>HIRACHAND</b> HIRACHAND  <b>MOTA</b> MOTA  <b>ND MOTA</b> Date: 2021.05.19 18:55:06 +05'30'</p> <p><b>Sameer Mota</b>  Partner  Membership No: 109928</p>												
Place: Ahmedabad Date: 19 May 2021	Place: Mumbai Date: 19 May 2021												





**PRESS RELEASE**

**MAS Financial Services Limited results – 4<sup>th</sup> quarter FY 21**

**A Robust Financial Performance**

**104 Quarters of Consistent Financial Performance**

**Wednesday, 19<sup>th</sup> May 2021, Ahmedabad:** The Board of Directors of MAS Financial Services Limited (MAS Financial) (BSE: 540749, NSE: MASFIN), specialized in MSME financing, announced today the audited financial results for the year and quarter ended 31<sup>st</sup> March, 2021.

The consistent financial performance during all the past turbulent period is the testimony of the strong fundamentals of the company; which is being followed over two decades.

Commenting on the performance, **Mr. Kamlesh Gandhi - Founder, Chairman & Managing Director, MAS Financial** said, "In consonance with our mission and vision of creating value for stakeholders on a very large scale through efficient last mile delivery of credit, the main focus of the company continues to remain on maintaining :

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

With a Tier-1 capital adequacy ratio of **24.81%** and total capital adequacy of **26.85%**, sufficient liquidity due to very efficient liability management, stable quality of portfolio of **1.52% of net stage 3 assets** and by creating and maintaining additional provisioning buffer which stands at **1.39%** of on book assets should not only enable the company to navigate the current unprecedented situation successfully but also regain its growth trajectory of **20-25% once the economy normalizes**".

**As per IND-AS**

MAS Financial Services Limited reports Assets under Management (AUM) of ₹ 5372.44 Crore and profit after tax of ₹ 36.53 Crore for the quarter ended 31<sup>st</sup> March 2021 from ₹ 5966.28 Crore and ₹ 34.50 Crore respectively for the quarter ended 31<sup>st</sup> March 2020

- A growth of 5.88% in PAT over the corresponding period of the previous year.



Handwritten signature and circular stamp of MAS Financial Services Limited, Ahmedabad.



- A contraction of 9.95% in AUM over the corresponding period of the previous year, due to adoption of cautious approach on disbursement while maintaining high Collection efficiency.

The profit after tax for year ended 31<sup>st</sup> March 2021 is ₹ 143.50 Crore – A contraction of 13.84 % over the corresponding period of the previous year mainly due to contraction in AUM.

- The total special COVID provision as on 31<sup>st</sup> March 2021 stood at ₹ 56.23 Crore for the total on book assets of ₹ 4049.75 Crores i.e. 1.39 %. The additional special COVID provision during the FY 2021 was ₹ 35.90 crore. The special COVID provision during FY 2020 was ₹ 20.33 Crore.
- The portfolio quality remained stable at 1.52% net stage 3 assets of AUM as compared to 1.14% over the corresponding period of the previous year, despite of the prolonged ongoing crisis followed by the unprecedented pandemic situation.

The Disbursement during the quarter ended 31<sup>st</sup> March 2021 was ₹ 1294.11 Crore as compared to ₹ 1031.23 Crore during the quarter ended 31<sup>st</sup> December 2020 resulting into AUM of ₹ 5372.44 Crore as on 31<sup>st</sup> March 2021. AUM as on 31<sup>st</sup> December 2020 was ₹ 5054.66 Crore.

#### Performance Highlights:

Capital Adequacy Ratio (including Tier II capital) as of 31<sup>st</sup> March, 2021 stood at 26.85%. The Tier-I capital stood at 24.81%.

(₹ in CR)

Particulars	Q4'21	Q4'20	QoQ	FY 21	FY 20	YoY
Assets Under Management	5372.44	5966.28	9.95%↓	5372.44	5966.28	9.95%↓
Total Income	139.15	169.89	18.10%↓	593.89	672.72	11.72%↓
Profit Before Tax	49.97	46.36	7.78%↑	192.89	228.16	15.46%↓
Profit After Tax	36.53	34.50	5.88%↑	143.50	166.55	13.84%↓
Gross Stage 3 Assets % to AUM	1.94%	1.42%	52 bps ↑	1.94%	1.42%	52 bps ↑
Net Stage 3 Assets % to AUM	1.52%	1.14%	38 bps ↑	1.52%	1.14%	38 bps ↑

(₹ in CR)

Asset Under Management (AUM)*	March-21	March-20	YoY
Micro-Enterprise loans	2970.46	3637.36	18.33%↓
SME loans	1872.37	1773.97	5.55%↑
2-Wheeler loans	326.71	400.26	18.38%↓
Commercial Vehicle loans	202.90	154.69	31.17%↑
<b>TOTAL AUM</b>	<b>5372.44</b>	<b>5966.28</b>	<b>9.95%↓</b>

\*Represents underlying assets in each of the category. As on 31<sup>st</sup> March, 2021 58.48% of the total underlying assets is through various NBFCs.



**Amortising the gain on assignment of loans over the tenure of the assets in place of booking it upfront – Further strengthening the fundamentals of the company:**

For more transparent and fair representation, on de-recognition of financial assets (assigned loans), the gain has been recognized as deferred revenue i.e. "Interest Receivable on loan transfer transactions" (Other Non-Financial Liabilities) in place of Retained earnings which is amortized over the maturity of the financial assets derecognized (assigned loans) in place of recognizing gain upfront through profit & loss statement as made applicable while migrating to IND AS. **The necessary adjustments are done accordingly** for all the related period ensuring that the assets are recognized at fair value in lines with the IND AS requirement, and the gains would be amortized over the maturity of assets.

For detailed understanding, please visit following web address: <https://www.mas.co.in/financial-results.aspx#>

Further, NBFC industry body "Finance Industry Development Council" (FIDC) which is represented by more than 100 NBFCs, has made representation to Reserve Bank of India and National Financial Reporting Authority ('NFRA') whereby the said change, which is adopted by the company in accounting policy has been requested.

**Dividend**

- In consonance to our policy of rewarding the shareholders the Board of directors of the Company has recommended final dividend of Rs.1.5 per equity share of face value of Rs. 10 each, which is subject to approval by shareholders of the Company.

**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 12<sup>th</sup> May 2021 took on record the audited Financial Results of the company for the year and quarter ended 31<sup>st</sup> March, 2021.

**As per IND-AS**

MAS Rural Housing and Mortgage Finance Limited reports Assets under Management (AUM) of ₹ 284.89 Crore and profit after tax of ₹ 2.89 Crore for the year 31<sup>st</sup> March 2021 from ₹ 286.54 Crore and ₹ 1.72 Crore respectively for year ended 31<sup>st</sup> March 2020.

- A growth of 68.05% in PAT and contraction of 0.58% in AUM over the corresponding period of the previous year.

- The total special COVID provision as on 31<sup>st</sup> March 2021 stood at ₹ 3.31 Crore for the total on book assets of ₹ 264.37 Crores i.e. 1.25 %. The additional special COVID provision was of ₹ 0.86 Crore during





the quarter and ₹ 1.29 crore during the FY 2021. The special COVID provision during FY 2020 was ₹ 2.02 Crore.

-The Profit after tax for quarter ended March 21 is ₹ 0.20 Crore in comparison to Rs. - 0.89 Crore in the corresponding period of the previous year.

**Performance Highlights:**

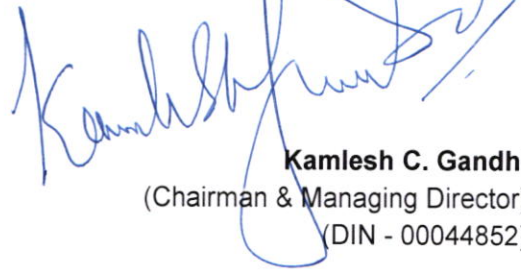
- The portfolio quality remained stable despite of the ongoing crisis followed by the unprecedented situation at 0.26% net stage 3 assets of AUM as compared to 0.25% over the corresponding period of the previous year.
- Capital Adequacy Ratio (including Tier II capital) as of **31<sup>st</sup> March 2021** stood at 43.45%. The Tier-I capital stood at 35.12%.

(₹ in CR)

Particulars	Q4'21	Q4'20	QoQ	FY 21	FY 20	YoY
Assets Under Management	284.89	286.54	0.58%↓	284.89	286.54	0.58%↓
Total Income	8.57	9.07	5.45%↓	35.27	38.37	8.07%↓
Profit Before Tax	0.28	-1.23	N.A. ↑	3.78	2.24	69.11%↑
Profit After Tax	0.20	-0.89	N.A. ↑	2.89	1.72	68.05%↑
Gross Stage 3 Assets % to AUM	0.37%	0.34%	03 bps ↑	0.37%	0.34%	03 bps↑
Net Stage 3 Assets % to AUM	0.26%	0.25%	01 bps ↑	0.26%	0.25%	01 bps↑

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

For and on behalf of the Board of Directors

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



Place : Ahmedabad  
Date : May 19, 2021