



The Power of Distribution

MAS FINANCIAL SERVICES LIMITED

MFSL/SEC/EQ/2021/11

10th February, 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.: Press Release for the quarter and nine months ended on 31st December, 2020

Please find enclosed herewith Press Release for the quarter and nine months ended 31st December, 2020.

Thanking you,

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

Riddhi Bhaveshbhai Bhayani
Company Secretary and Compliance Officer
ACS No.: 41206



Encl.: As above

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PRESS RELEASE

MAS Financial Services Limited results – 3rd quarter FY 21

A Robust Financial Performance

103 Quarters of Consistent Financial Performance

Wednesday, 10th February 2021, Ahmedabad: The Board of Directors of MAS Financial Services Limited (MAS Financial) (BSE: 540749, NSE: MASFIN), specialized in MSME financing, announced today the unaudited financial results for the Quarter ended 31 December, 2020.

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 light of the current situation 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 **30.35%** and total capital adequacy of **32.61%**, sufficient liquidity due to very efficient liability management, stable quality of portfolio of around **1.00%** of net stage 3 assets (if the company had classified borrower accounts without the effect of Hon'ble Supreme Court order net stage 3 assets would have been **1.33%**) and by creating additional provisioning buffer which stands at 1.66% of on book assets should enable the company to navigate the current unprecedented situation successfully".



As per IND-AS

MAS Financial Services Limited reports Assets under Management (AUM) of ₹ 5054.66 Crore and profit after tax of ₹ 106.98 Crore for the 9M ended 31 December 2020 from ₹ 5960.38 Crore and ₹ 132.06 Crore respectively for 9M ended 31 December 2019

- A contraction of 15.20% in AUM over the corresponding period of the previous year, due to adopting a cautious approach on disbursement while maintaining high Collection efficiency.
- Contraction of 18.99% in PAT over the corresponding period of the previous year due to contraction in AUM and maintaining high level of liquidity due to the current market scenario.
- The total special COVID provision as on 31 December 2020 stood at ₹ 56.05 Crore for the total on book assets of ₹ 3381.17 Crores i.e. 1.66 % of the total on book assets with an additional special COVID provision of ₹ 3.94 Crore during the quarter and ₹ 35.72 crore during the 9M FY 2021 due to Covid-19.

(Excluding this special COVID provision the PAT stands at ₹ 133.70 Crore growth of 1.25% over the corresponding period of the previous year)

The profit after tax for quarter ended 31 December 2020 is ₹ 36.18 Crore – A contraction of 25.16% over the corresponding period of the previous year.

(Excluding this special COVID provision the PAT for quarter ended 31 December 2020 stands at ₹ 39.13 Crore contraction of 19.06% over the corresponding period of the previous year)

- The portfolio quality improved at 1.00% net stage 3 assets of AUM as compared to 1.16% in September quarter and 1.06% over the corresponding period of the previous year despite of the prolonged ongoing crisis followed by the unprecedented pandemic situation.

Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma Vs. Union of India & Anr), vide an interim order dated 3 September 2020, has directed that accounts which were not declared NPA till 31 August 2020 shall not be declared as NPA till further orders. Accordingly, the Company has not classified any accounts which were not NPA as of 31 August 2020, as per RBI norms, as NPA after 31 August 2020.

However, if the Company had classified such borrower accounts as stage 3 assets on 31st December 2020, net stage 3 assets would have been 1.33%.

- The special COVID provisioning is not netted off against assets in any stage and the same stands as additional provisioning.



Performance Highlights:

Capital Adequacy Ratio (including Tier II capital) as of **31 December, 2020** stood at 32.61%. The Tier-I capital stood at 30.35%.

(₹ in CR)

Particulars	Q3'21	Q3'20	QoQ	9M'21	9M'20	9Mo9M	FY 20
Assets Under Management	5054.66	5960.38	15.20%↓	5054.66	5960.38	15.20%↓	5966.28
Total Income	142.09	173.38	18.05%↓	454.74	502.83	9.56%↓	672.72
Profit Before Tax	48.38	64.87	25.43%↓	142.93	181.80	21.38%↓	228.16
Profit After Tax	36.18	48.34	25.16%↓	106.98	132.06	18.99%↓	166.55
Profit After Tax (Without special COVID provision for Covid-19)	39.13	48.34	19.06%↓	133.70	132.06	1.25%↑	181.77
Gross Stage 3 Assets % to AUM	1.32%	1.29%	03 bps↑	1.32%	1.29%	03 bps↑	1.42%
Net Stage 3 Assets % to AUM	1.00%	1.06%	06 bps↓	1.00%	1.06%	06 bps↓	1.14%

- Note: The total special COVID provision as on 31 December 2020 stood at ₹ 56.05 Crore for the total on book assets of ₹ 3381.17 Crores i.e. 1.66 % of the total on book assets with an additional special COVID provision of ₹ 3.94 Crore during the quarter and ₹ 35.72 crore during the 9M FY 21 due to Covid-19. Excluding this special COVID provision the PAT stands at ₹ 39.13 Crore contraction of 19.06% over the corresponding period of the previous year

(₹ in CR)

Asset Under Management (AUM)*	Dec-20	Dec-19	YoY
Micro-Enterprise loans	3033.27	3669.65	17.34%↓
SME loans	1541.64	1678.23	8.14%↓
2-Wheeler loans	323.31	452.44	28.54%↓
Commercial Vehicle loans	156.45	160.06	2.26%↓
TOTAL AUM	5054.66	5960.38	15.20%↓

*Represents underlying assets in each of the category. As on 31 December, 2020 58.26% 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 derecognition of financial assets (assignment of loan), 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#>



Note on RAS Rural Housing and Mortgage Finance Limited (Subsidiary)

The Board of Directors of RAS Rural Housing and Mortgage Finance Limited in their meeting held on 3rd February 2021 took on record the unaudited Financial Results of the company for quarter ended 31 December, 2020.

As per IND-AS

RAS Rural Housing and Mortgage Finance Limited reports Assets under Management (AUM) of ₹ 277.32 Crore and profit after tax of ₹ 2.68 Crore for the 9M ended 31 December 2020 from ₹ 284.05 Crore and ₹ 2.60 Crore respectively for 9M ended 31 December 2019.

- A contraction of 2.37% in AUM and growth of 3.08% in PAT over the corresponding period of the previous year. The COVID provision stands at ₹ 2.45 crore i.e. 0.96% of the total on book assets.

The Profit after tax for quarter ended December 20 is ₹ 0.46 Crore –A growth of 19.72% over corresponding period of the previous year

Performance Highlights:

- The portfolio quality improved despite of the ongoing crisis followed by the unprecedented situation at 0.03% net stage 3 assets of AUM as compared to 0.25% over the corresponding period of the previous year.

However, if the Company had classified borrower accounts without the effect of Hon'ble Supreme Court order (as mentioned above), net stage 3 assets would have been 0.26%.

- Capital Adequacy Ratio (including Tier II capital) as of 31 December 2020 stood at 44.14%. The Tier-I capital stood at 35.65%.

Particulars	Q3'21	Q3'20	QoQ	9M'21	9M'20	9Mo9M	FY'20
Assets Under Management	277.32	284.05	2.37%↓	277.32	284.05	2.37%↓	286.54
Total Income	8.60	9.73	11.64%↓	26.70	29.30	8.88%↓	38.37
Profit Before Tax	0.60	0.60	0.09%↑	3.51	3.47	1.15%↑	2.24
Profit After Tax	0.46	0.38	19.72%↑	2.68	2.60	3.08%↑	1.72
Gross Stage 3 Assets % to AUM	0.03%	0.34%	31 bps↓	0.03%	0.34%	31 bps↓	0.34%
Net Stage 3 Assets % to AUM	0.03%	0.25%	22 bps↓	0.03%	0.25%	22 bps↓	0.25%

For and on behalf of the Board of Directors



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

Place : Ahmedabad
Date : February 10, 2021