



The Power of Distribution

# MAS FINANCIAL SERVICES LIMITED

MFSL/SEC/EQ/2020/45

12<sup>th</sup> August, 2020

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 ended on June 30, 2020**

Please find enclosed herewith Press Release for the quarter ended on June 30, 2020.

Thanking you,

Yours faithfully,

FOR, **MAS FINANCIAL SERVICES LIMITED**

**RIDDHI BHAYANI**  
**(COMPANY SECRETARY & COMPLIANCE OFFICER)**  
**MEMBERSHIP NO.: A41206**



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## PRESS RELEASE

### MAS Financial Services Limited results – 1<sup>st</sup> quarter FY 21

#### A Robust Financial Performance

#### 101 Quarters of Consistent Financial Performance

**Wednesday, 12<sup>th</sup> August 2020, Ahmedabad:** The Board of Directors of MAS Financial Services Limited (MAS Financial) (BSE: 540749, NSE: MASFIN), a specialized retail financing company, announced today the unaudited financial results for the first quarter ended 30 June, 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 "Enabled by our 25 years of experience, the main focus of the company during this challenging time remained 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 **32.20%**, sufficient liquidity due to very efficient liability management, excellent quality of portfolio of around **1.14%** of net stage 3 assets and by creating additional provisioning buffer which stands at **1.62%** of on book assets should enable the company to navigate the current unprecedented situation successfully.

#### **Update on Moratorium**

- **Borrowers:** The constant engagement with the clients resulted in to **74%** and **87%** collection efficiency by value in the month of June and July respectively despite of having granted moratorium. This effectively translates to 26% and 13% of the customers by value under moratorium for the month of June and July respectively.
- **Lenders:** The Company did not avail any moratorium facility from its lender as the liquidity position of the company remained strong.



**As per IND-AS**

**MAS Financial Services Limited reports Assets under Management (AUM) of ₹ 5657.73 Crore and profit after tax of ₹ 35.64 Crore for the quarter ended 30 June 2020 from ₹ 5578.21 Crore and ₹ 40.73 Crore respectively for quarter ended 30 June 2019**

- A growth of 1.43% in AUM and contraction of 12.50 % in PAT over the corresponding period of the previous year.
- The Company has made additional special contingent provision of ₹ 30.54 Crore during the quarter due to Covid-19, the total special COVID provision as on 30<sup>th</sup> June 2020 stood at ₹ 50.88 Crore for the total on book assets of ₹ 3134.75 Crores i.e.1.62% of the total on book assets.

**(Excluding this special contingent provision the PAT stands at ₹ 58.48 Crore registering growth of 43.59% over the corresponding period of the previous year)**

- The portfolio quality remained stable at 1.14% 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 COVID provisioning is not netted off against assets in any stage and the same stands as the additional provisioning.

**Performance Highlights:**

Capital Adequacy Ratio (including Tier II capital) as of 30 June, 2020 stood at 34.93%. The Tier-I capital stood at 32.20%.

(₹ in CR)

Particulars	Q1'21	Q1'20	QoQ	FY 20
Assets Under Management	5657.73	5578.21	1.43%↑	5966.28
Total Income	159.12	159.23	0.07%↓	683.12
Profit Before Tax	47.64	62.66	23.97%↓	234.48
Profit After Tax	35.64	40.73	12.50%↓	178.21
Profit After Tax (Without special contingent provision for Covid-19)	58.48	40.73	43.59%↑	193.43
Gross Stage 3 Assets % to AUM	1.41%	1.39%	0.02 bps↑	1.42%
Net Stage 3 Assets % to AUM	1.14%	1.14%	0.00 bps	1.14%

- Note: The Company has made further special contingent provision of ₹ 30.54 Crore during the quarter due to Covid-19, thereby the total special COVID provision as on 30<sup>th</sup> June 2020 stood at ₹ 50.88 Crore. Excluding this special contingent provision the PAT stands at ₹ 58.48 Crore registering growth of 43.59% over the corresponding period of the previous year.



*[Handwritten Signature]*



(₹ in CR)

Asset Under Management (AUM)*	Jun-20	Jun-19	YoY
Micro-Enterprise loans	3424.15	3595.46	4.76%↓
SME loans	1674.02	1375.48	21.70%↑
2-Wheeler loans	400.77	455.17	11.95%↓
Commercial Vehicle loans	158.78	152.10	4.40%↑
<b>TOTAL AUM</b>	<b>5657.73</b>	<b>5578.21</b>	<b>1.43%↑</b>

\*Represents underlying assets in each of the category. As on 30 June, 2020 57.32% of the total underlying assets is through various NBFCs.

Following information explains the net impact on income due to recognition of assigned portfolio based on INDAS: (₹ in CR)

Sr. No.	Particulars	Q1 FY 21	Q1 FY 20	FY 20
1	Upfront spread booked on present value basis on portfolio assigned (based on INDAS)	14.44	20.03	107.49
2	Income booked on asset created out of spread receivable (based on INDAS)	1.92	1.54	6.39
3	Spread that would have been booked on assigned portfolio on amortization basis (based on I-GAAP)	17.64	25.85	107.56
4	<b>Net Impact on income due to upfront booking of spread on the assigned portfolio (based on INDAS) (1+2-3)</b>	<b>-1.28</b>	<b>-4.28</b>	<b>6.32</b>

#### 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 29<sup>th</sup> July 2020 took on record the unaudited Financial Results of the company for quarter ended 30<sup>th</sup> June, 2020.

#### As per IND-AS

~~MAS~~ Rural Housing and Mortgage Finance Limited reports Assets under Management (AUM) of ₹ 284.16 Crore and profit after tax of ₹ 0.95 Crore for the quarter ended 30 June 2020 from ₹ 271.63 Crore and ₹ 1.12 Crore respectively for quarter ended 30 June 2019.

- A Growth of 4.61% in AUM and contraction of 14.79% in PAT over the corresponding period of the previous year. The covid provision stands at ₹ 2.10 crore.

#### Performance Highlights:

- The company is engaged predominantly in to affordable and rural housing financing. Moratorium was granted to all such borrowers. The collection in this segment for the month of June-20 and July-20 is 80% and 83% respectively by value.

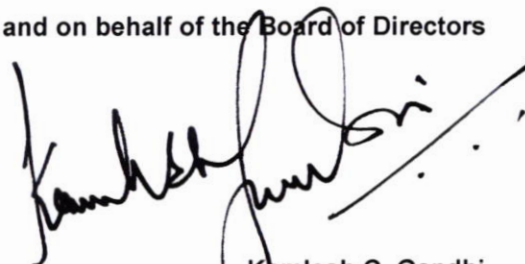


- The portfolio quality improved despite of the ongoing crisis followed by the unprecedented situation at 0.26% net stage 3 assets of AUM as compared to 0.29% over the corresponding period of the previous year.
- Capital Adequacy Ratio (including Tier II capital) as of **30 June 2020** stood at **42.07%**. The Tier-I capital stood at **33.26%**.

(₹ in CR)

Particulars	Q1'21	Q1'20	QoQ	FY'20
Assets Under Management	284.16	271.63	4.61%↑	286.54
Total Income	8.63	9.80	11.90%↓	39.88
Profit Before Tax	1.28	1.43	10.92%↓	4.25
Profit After Tax	0.95	1.12	14.79%↓	3.23
Gross Stage 3 Assets % to AUM	0.36%	0.40%	0.04 bps↓	0.34%
Net Stage 3 Assets % to AUM	0.26%	0.29%	0.03 bps↓	0.25%

For and on behalf of the Board of Directors



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



Place : Ahmedabad  
Date : August 12, 2020