



The Power of Distribution

MAS FINANCIAL SERVICES LIMITED

MFSL/SEC/EQ/2020/09

February 07, 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**

Trading Symbol: **MASFIN**

Dear Sir,

Sub.: Investor Presentation for the quarter and nine months ended on December 31, 2019

Please find enclosed herewith Investor Presentation for the quarter and nine months ended December 31, 2019.

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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INVESTOR
PRESENTATION –
Q3 FY20



The Power of Distribution

REGISTERED OFFICE

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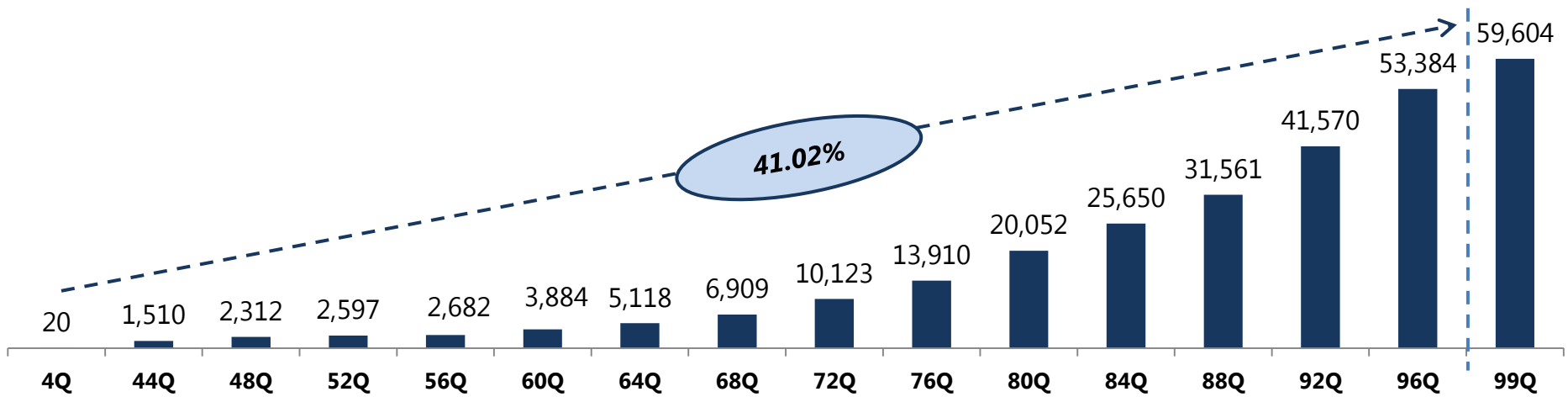
Journey of 99 Quarters: Consistent Performance

Consistent Growth in AUM and PAT

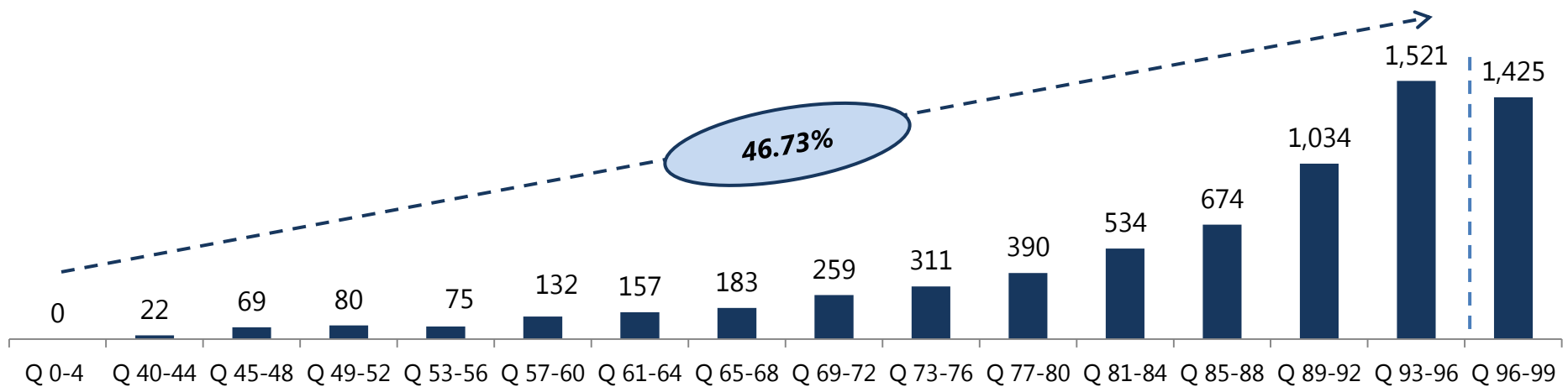


Asset Under Management (AUM)

In INR Mn



Profit After Tax (PAT)



Figures up to March 17 is as per I-GAAP and from thereon it is IND-AS

Major events and milestones in the history

H1 20

AUM crossed INR 60 Bn. on a consolidated basis.

2019

AUM crossed INR 50 Bn.
Bank loan rating upgraded to “ACUITE AA -” with Stable outlook and Short term rating assigned as ACUITE A1+.

2018

Listing of Equity Shares on Bombay Stock Exchange & National Stock Exchange

2016

Bank loan rating upgraded to “IND A” with Stable outlook
Raised Subordinate Debentures of INR 400 Mn

2015

Raised Subordinate Debentures of INR 200 Mn

2014

Sarva Capital purchased 50% CCPS held by FMO from secondary market

2013

Disbursement & AUM crossed INR 10 Bn

2012

Fourth round of capital infusion of INR 650 Mn by DEG

2011

Listing of NCDs on Bombay Stock Exchange

2008

Second and third round of Capital infusion by FMO & ICICI Venture of INR 435 Mn and INR 400 Mn respectively
Floated housing finance subsidiary

2006

First round of Capital infusion of INR 65 Mn by Bellwether Micro Fund

1995

HAS Financial Services Limited got incorporated . Started retail finance operations into Two-wheeler loans and Micro-Enterprise loans.

Understanding *MAS*



Vision, Mission and Belief

Team MAS

Fundamentals – Assets, Liability and Operational excellence

Going Forward.....



VISION

To be one of the most efficient distributors of financial services and create value on a very large scale.

MISSION

To constantly endeavour, to attain excellence and create a very wide Financial distribution network and to be catalyst; in providing the most efficient financial services which we term as financial inclusion.

BELIEF

“We have miles to go & Promises to keep.....”

“Together we can and we will”



TEAM HAS

EXPERIENCED PROMOTERS



Mr. Kamlesh Chimanlal Gandhi
Chairman & MD

- **Mr. Kamlesh Chimanlal Gandhi**, aged 54 years, is the Founder, Chairman and Managing Director of *MAS* since inception.
- He visualized the opportunities in the retail financial services very early and has been leading the strategic initiatives and the execution team at *MAS*.
- He has close to 30 years of experience in the financial services sector.
- Under his leadership the company grew very consistently at CAGR of more than 40% over all these years.



Mr. Mukesh Chimanlal Gandhi
Director & CFO

- **Mr. Mukesh Chimanlal Gandhi**, aged 62 years, is a Co-founder, whole-time Director and Chief Financial Officer of *MAS* Financial Services Limited. He has been associated with the Company since May 25, 1995
- He was designated as the Director (Finance) and Chief Financial Officer of the Company on March 20, 2015. He holds bachelor's and Master's degrees in commerce from Gujarat University
- He has over 30 years of experience in the financial services sector, with the Company
- He is also the chairman of the Gujarat Finance Company Association and a director of the Finance Industry Development Council

EMINENT DIRECTORS



Mrs. Darshana Saumil Pandya
Executive Director & CEO

- **Darshana Saumil Pandya**, aged 47 years, is an executive Director and Chief Executive Officer of **MAS** Financial. She has been associated with the Company since June 1, 1996, and as an executive Director since December 23, 2016
- She holds a bachelor's degree in commerce from Gujarat University
- She has over 20 years of experience in the financial service sector



Mr. Bala Bhaskaran
Independent Director

- He has been associated with the Company as a Director since November 1995 and as an independent Director since April 2014
- He is a management graduate with two decades of experience in the consultancy and financial sector.
- He has a number of management consultancy inputs from his rich experience
- He has done his engineering from IIT-Madras, MBA from IIM-Bangalore and CFA from ICFAI



Mr. Chetan Ramniklal Shah
Independent Director

- He has been associated with the Company since June 2008 and as an independent Director since April 2014
- He holds bachelor's degrees in commerce and law (general) from Gujarat University
- He is also a qualified chartered accountant registered with the Institute of Chartered Accountants of India
- He has over 33 years of experience in the financial services sector and has in the past worked with the Natpur Co-operative Bank as the Manager – Finance



Mr. Umesh Rajanikant Shah
Independent Director

- He has been associated with the Company as an independent Director since December 2016
- He is a Chartered Accountant
- He has more than 35 years of experience in the diverse fields connected with Finance, Accounting, Auditing and Taxation
- He also has 5 years hands-on experience of working in an NBFC



Mrs. Daksha Niranjani Shah
Independent Director

- She is a business graduate from Indian Institute of Management (IIM), Ahmedabad, specializing in Finance and Marketing and also a student of Economics and Statistics.
- She worked as a Programme Director of Vikas Centre for Development and Friends of Women's World Banking by serving and building capacity of more than 80 Microfinance Organizations all over India.
- She worked as Managing Director of Pahal Financial Services Pvt. Ltd from 2011 to 2014. At present she is the Managing Director of Altura Financial Services Ltd since 2014.

Team **MA\$**



CORE TEAM

Consisting of more than 35 employees being with **MA\$** since inception and inclusion of lateral talents who have proven their capability, dedication and loyalty.

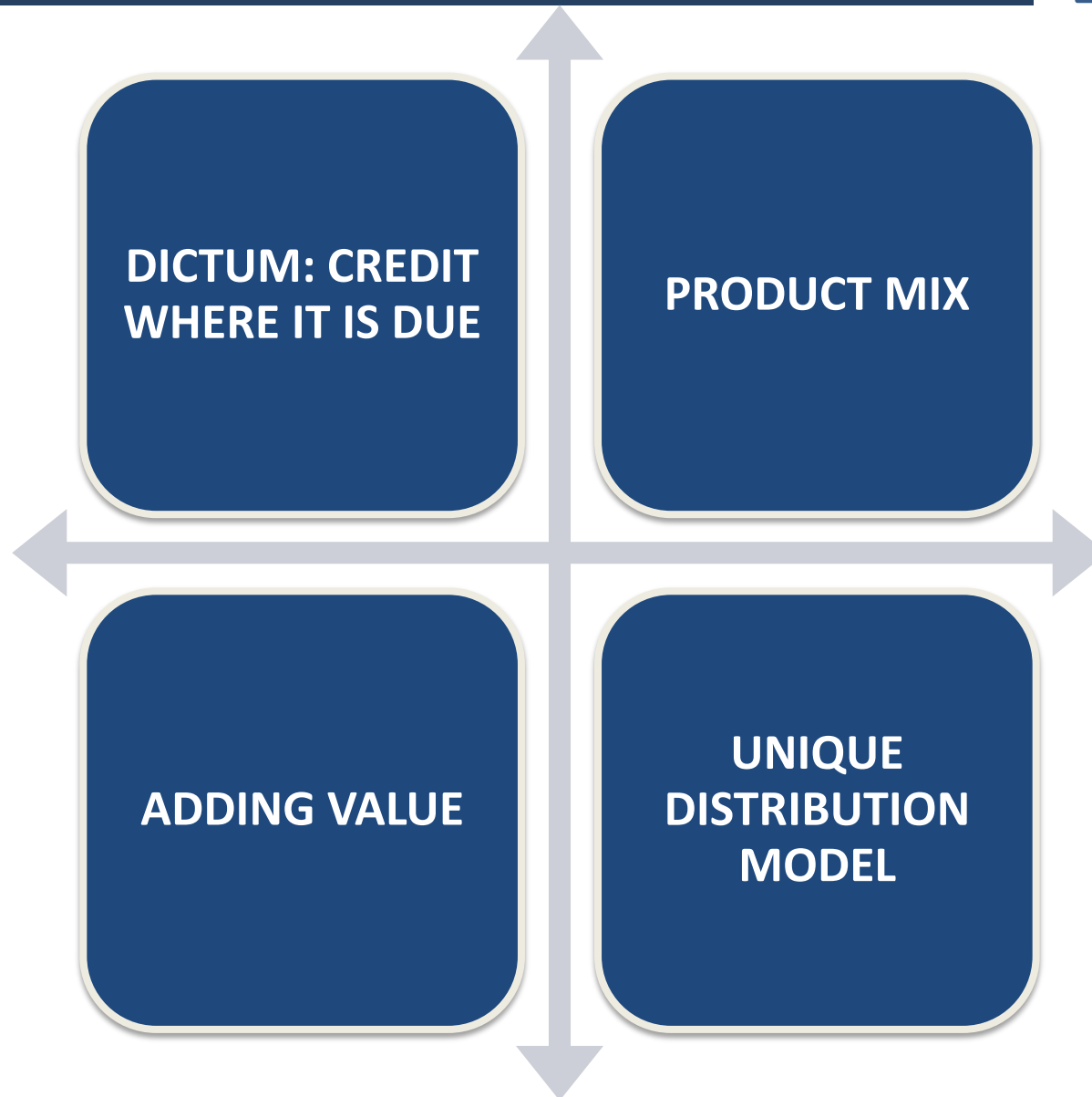
EXECUTION TEAM

Consisting of more than 1500 employees who works along with the core team towards accomplishing the company's Mission and Vision.



FUNDAMENTALS

Asset Creation:



Liability Management:



Operational Excellence: Key Enablers



**Focusing on
extending credit
where it is due**

HR Policy

**Being a
Learning
Organization**

Understanding the fact that the operational excellence is key in lending business

GOING FORWARD

Going Forward.....



Asset Creation

- To anchor to our belief that, growth along with quality is the key to enhance the shareholders' value.
- Anticipated growth for the next five years to be in the range of 20% - 30% and maintain healthy ROA and ROCE, which will be among the best in the industry.
- We will continue serving the informal LIG and MIG class of customers spread over rural, semi urban and urban areas leveraging on our more than two decades of experience and striving to add value to our clients.
- SME and Housing finance offers huge potential and company will maintain adequate focus as it is anticipated as one of the key growth drivers.
- The distribution network of the current states in operation will be strengthened and endeavors will be to provide one of the most efficient financial services which we term as the Power of Distribution. The company will also explore the potentiality of entering into new geographies.
- Strengthening and expanding the association with various channel partners will be one of the key focus areas.

Liability Management

- Ideal debt resource mix, ensuring continuous flow of funds while maintaining optimum utilization of capital.
- The assets created by the company is expected to generate good securitization/assignment demand thereby enabling the company to de-risk and maintain the off book portfolio.

Operational Excellence

- Learning and Unlearning is a constant endeavor at HAS and will strive to improve the efficiency in all the area of operations.



Q3 FY19-20 RESULTS

Overview

SPECIALISED IN RETAIL LENDING SINCE 25 YEARS

Diversified Product Portfolio



Strong Retail Presence & Wide Distribution Network

6 states and
NCT of Delhi



105 branches



7,00,000+

Active loan accounts

3,430

Customer locations

Sourcing Intermediaries



324



326



138 NBFCs

CONSISTENT GROWTH

AUM with immaculate Quality



AUM: INR 59,604 Mn
(YoY Growth of 20.27%)

Gross Stage 3 Assets: 1.29%

Net Stage 3 Assets: 1.06%

Consistent Profitability & Returns

Revenue: INR 1,836 Mn



PAT: INR 551 Mn

22.08%

Return on Avg. Net
Worth*



5.16%
Return on
Avg. Balance Sheet

Assets*

3.72%
Return on Avg. AUM*

EFFICIENT LIABILITY MANAGEMENT

Capitalization



TOTAL CRAR: 30.11%

TIER I CRAR : 28.79%

TIER II CRAR : 1.32%



42.18% of AUM
Assigned to Banks/FIs

Fund Raising

9.15%

Cost of borrowings*

- Direct Assignment
- Cash credit
- Term loans
- Sub Debt

All the above figures are for Q3FY 20 & as per IND-AS

* Figures have been annualized.

Diversified product offerings presenting significant growth opportunities



MAS focuses on serving the underserved credit needs of mid and low income group segments

Micro-Enterprise Loans



- Loans of up to INR 300,000 to Micro-Enterprises which primarily include retailers, traders, small manufacturers and service providers
- Tenure up to 36 months; Average ticket size in 9M FY20 – INR 38,482
- AUM as of Dec 31,2019– INR 36,696 Mn**

SME Loans



- Loans of up to INR 50 mn to SMEs which primarily include manufacturers, distributors, dealers and service providers engaged in various industries
- SME loans include working capital loans, loans for machinery and loans to purchase Industrial Sheds.
- Tenure up to 60 months; Average ticket size in 9M FY20 – INR 4.93 Mn
- AUM as of Dec 31,2019– INR 16,782 Mn**

Two Wheeler Loans



- Two-wheeler loans to our customers, which primarily include farmers, self-employed and salaried individuals and professionals
- Tenure up to 36 months; Average ticket size in 9M FY20 – INR 51,072
- AUM as of Dec 31,2019– INR 4,524 Mn**

Commercial Vehicle (CV) Loans

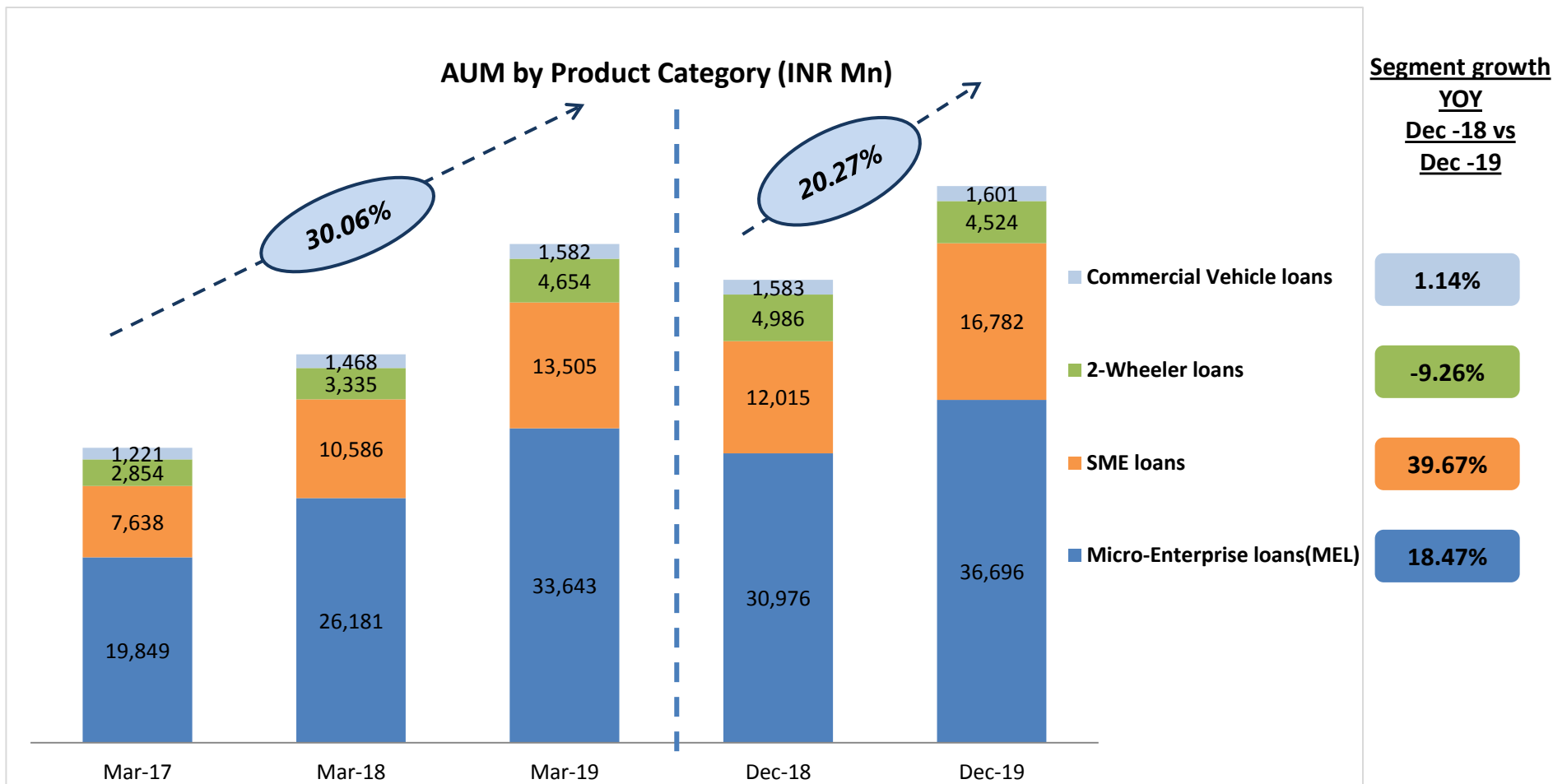


- Loans of up to INR 700,000 for the purchase of new and used CVs to small road transporters, used cars to small traders and manufactures and tractors to the persons engaged in Agricultural activities
- Tenure up to 60 months; Average ticket size in 9M FY20 – INR 2,09,360
- AUM as of Dec 31,2019– INR 1,601 Mn**

Recent Growth in Overall AUM



MAS' has exhibited steady growth in AUM over the years



PARTICULARS	MAR-17	MAR-18	MAR-19	DEC-18	DEC-19
AUM	31,561	41,570	53,384	49,560	59,604

All the above figures are as per IND-AS, except FY17

Robust and Comprehensive Credit Assessment and Risk Management Framework



H.A.S. aims to give credit where it is due with the dictum of adherence and adaptability

Robust credit assessment

Credit assessment process overview by Product



Micro-Enterprise Loans

- Analysis of business potential and end use, cash flows and model (business to have cash profit for the previous 3 years)
- Requires a guarantor or co-applicant according to the assessment of the applicant's profile

SME Loans

- Business operating history is required from minimum 1 year to 5 years depending on loan size
- 50-70% of turnover to be reflected in current account
- Eligibility criteria is based on turnover, debt/equity ratio and net worth on a case-to-case basis

Two-wheeler Loans

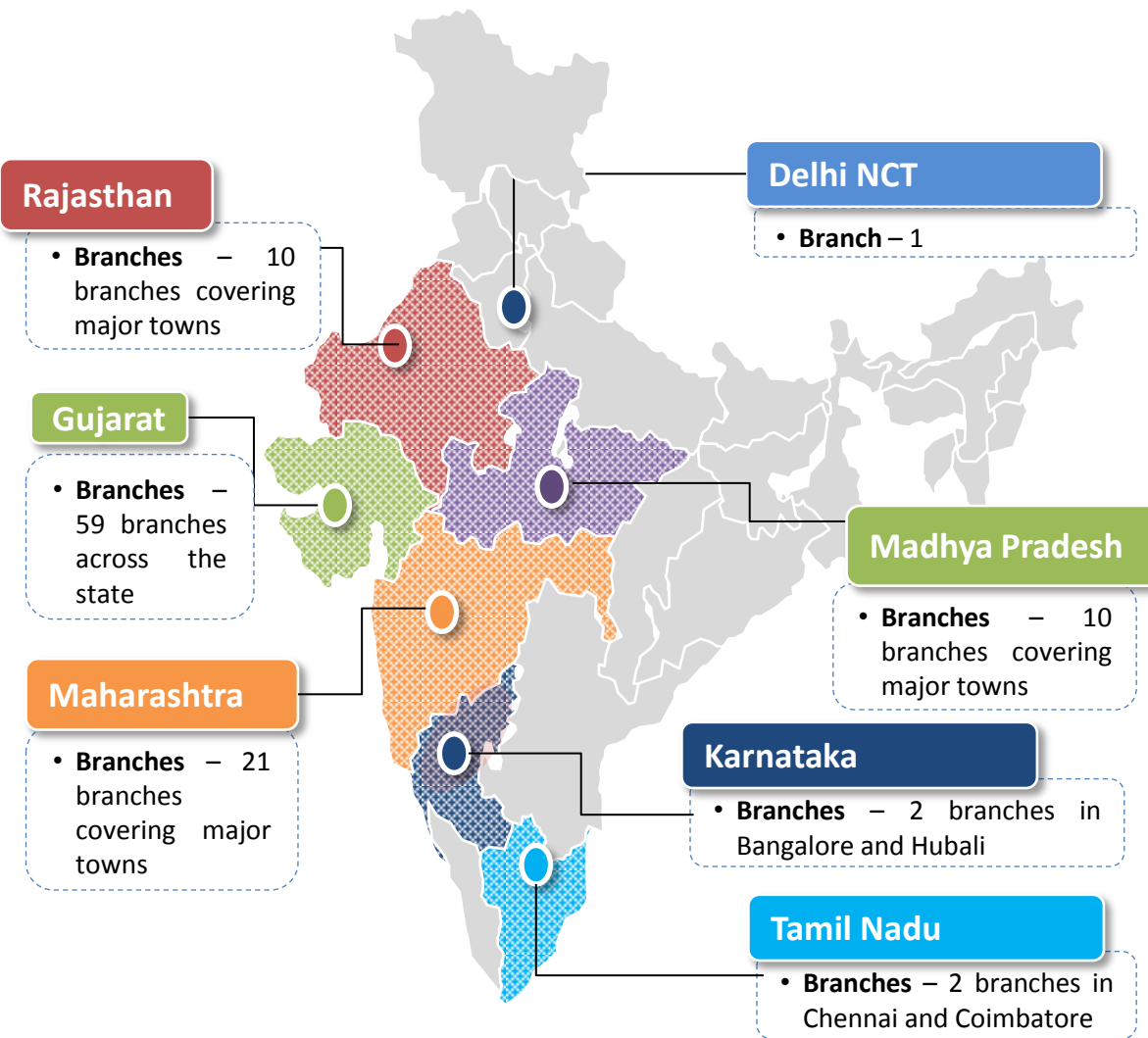
- At least one property (residential or business) should be owned by the applicant or jointly residing family members
- For a student applicant, a co-applicant is compulsory

Commercial Vehicle Loans

- Requires vehicle hypothecation and insurance cover
- Analysis of income, experience, and business stability requirements depending on whether the applicant is a first time user, first time owner, fleet operator or a captive user

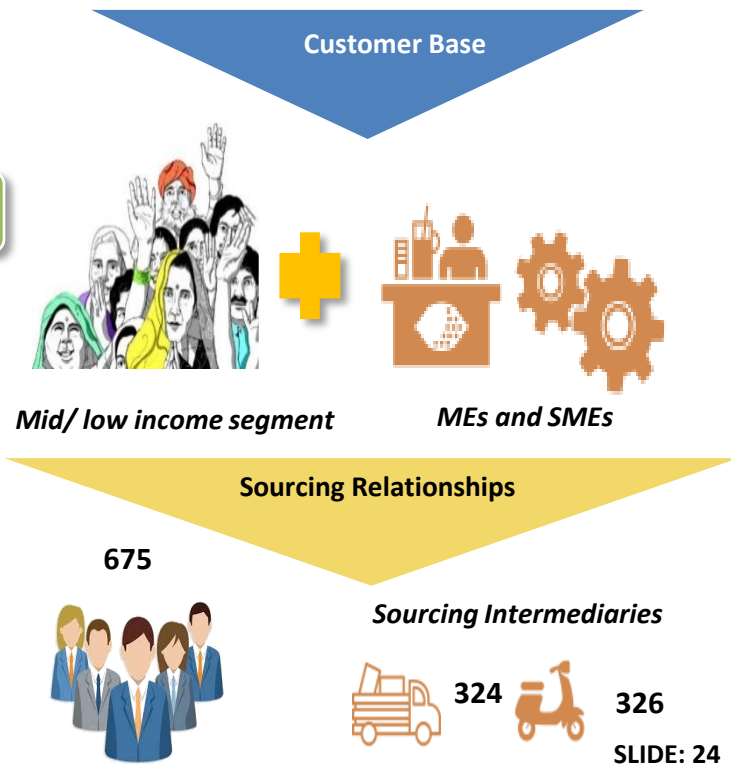
Retail Presence and Distribution

700,000+ active customers across 3,430 locations in Rural, semi urban and urban locations



Presence in the high growth markets in West and South

- HAS has expanded to 105 branches in 6 states and NCT Delhi
- Currently HAS' retail portfolio is concentrated in Gujarat and Maharashtra



Unique and Robust Distribution Network Through NBFC Partners



Efficient last mile delivery of credit across its product range namely MEL, SME, 2 Wheeler and Commercial Vehicle Loans

Value chain approach has proven to be the most potent one to solve informality because of proximity to the end borrowers

AIM & Our Understanding

Better quality of intermediation with advantage of adequate capital base along with better understanding of the operations and demography

Revenue sharing model ensures scalability of the relationships where the operational cost and credit cost to be borne by the partner NBFCs is considered. The partnership is with full recourse to the partner

Unique and Robust Distribution Network Through NBFC Partners



Operational Dynamics

Key Criteria for starting relationship:

Promoters
Evaluation

Product
Alignment

Operational
Excellence

Growth Strategy

Capital Base

Financial
Performance

Credit Assessment

Pre-Engagement Due Diligence

- Promoters' Domain Expertise
- Strategic alignment
- Range of Products
- On site system and Operational Setup

Transaction Level Due Diligence

- Alignment of Credit screen for various products
- Creation of portfolio
- On site audit of the portfolio Hypothecated

Periodical Deep Diving

- Continuous engagement in order to improve their Systems & Operations to ensure the quality of portfolio and compliance

Unique and Robust Distribution Network Through NBFC Partners



MAS

- Widens its network while maintaining a relatively lower risk profile
- Establishes knowledge partnerships and increase its local market knowledge

NBFCs

- Value addition in improving their systems and operations which helps in scalability and Sustainability of business.
- Gets vital liability support due to our understanding of the retail products

IMPACT

Borrowers

- Creates an all-round enabling situation of extending credit where it is due by extending credit with deep penetration and understanding

Eco - System

- Catalyst in Efficient last mile delivery of credit.

Unique and Robust Distribution Network Through NBFC Partners



TRACK RECORD

- Started with 1 NBFC in 2008, currently having relationship with more than 100 such NBFCs having virtual presence Pan India.
- Have grown at a CAGR of around 35% in last five years across our product range with immaculate track record.

GOING FORWARD

- Huge potential to grow along with these NBFCs partners across our product range for efficient last mile delivery of credit.
- 360° view for scalability and sustainability of relationship in the form of :
 - a) Providing Liability Solution
 - b) Product Development & Strengthening their system and Operations
 - c) Capital Advisory

Retailed focused partner NBFCs – An Overview

Retail focused small regional NBFCs inevitable for last mile delivery of credit.

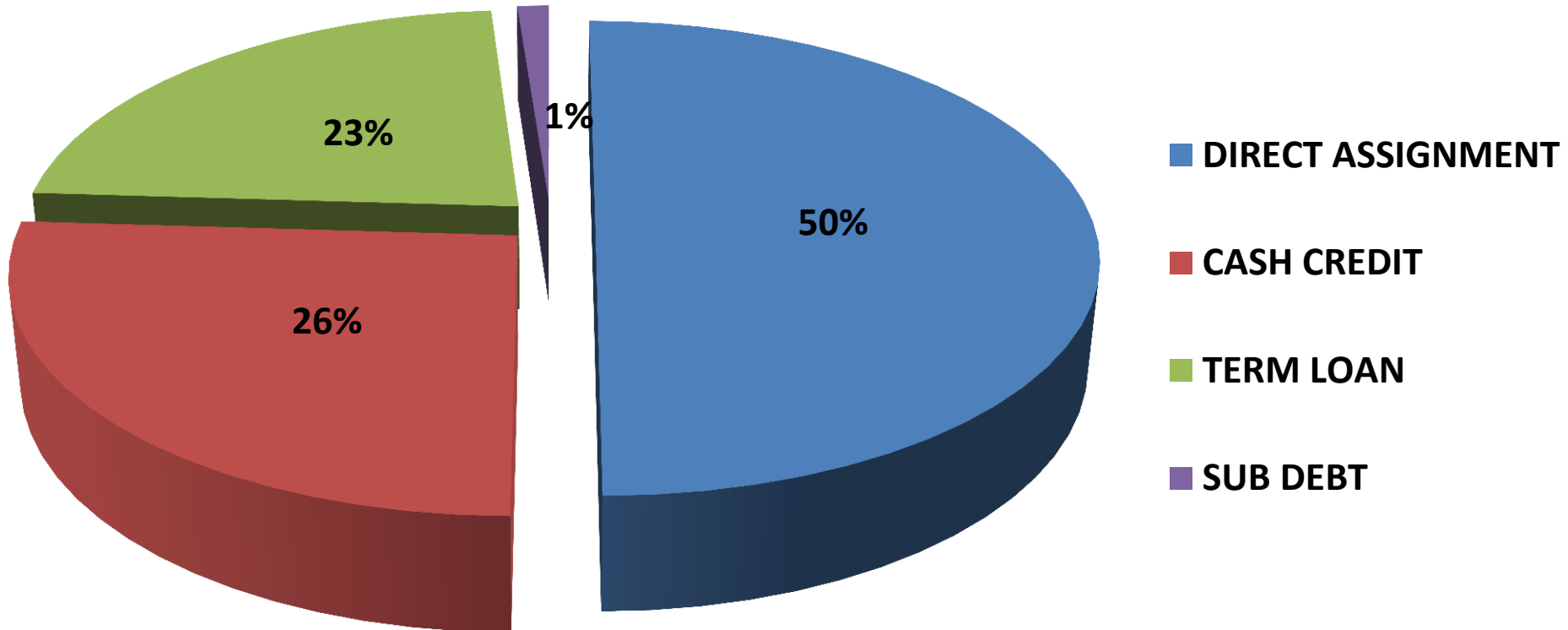
Adequately Capitalized

Experienced Management

Matching ALM with no liquidity issue for repayment.
Demonstrated their capabilities during the recent turbulence.

Assets quality on track.

Borrowing Mix as on 31st Dec 2019



- **Efficient liability management ensures :**
 - Adequate liquidity round the year.
 - No asset liability mismatch.
 - Tie up for the fund requirement of the whole financial year.

Liability Management



Liability Planning:

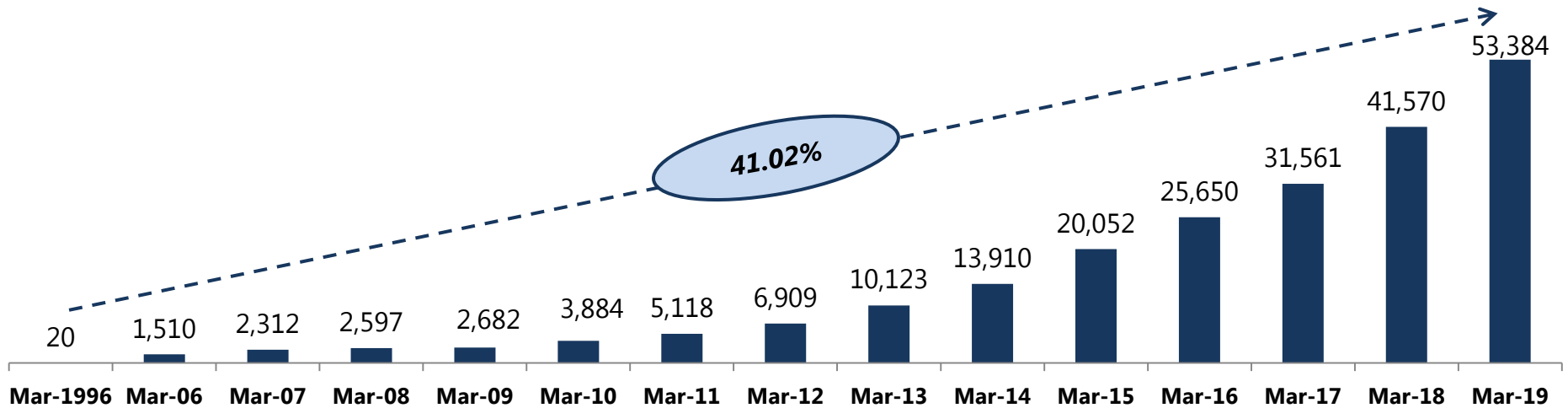
- The composition of our liability mix ensures healthy ALM and well diverse resource mix.
- The Company withstood the litmus test very successfully during this which was one of the most challenging year
 - **A testimony to its very efficient liability management.**
- Capital adequacy ratio, as on 31st Dec 2019 is 30.11% against regulatory norms of 15%. Tier I capital is 28.79% as against requirement of 10%. Tier II capital is just 1.32% which will increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen ALM.
- Around 75% of the portfolio is MSME loans which qualifies as Priority Sector Lending. Over the years we have maintained around 35% to 40% of AUM as off book through Direct assignment transactions. It is with door to door maturity and without recourse to the company. This further strengthens the liability management.
- The total Cash credit limit available to the company is Rs. 17.95 BN. spread across 18 banks. The utilization level is maintained at 65% - 70% of the total Cash Credit Facility, ensuring sufficient liquidity on hand.
- Leverage Ratio on balance sheet works out to be 2.99 times and going forward plan is to maintain the leverage at optimum level.

Consistent Growth in AUM and PAT

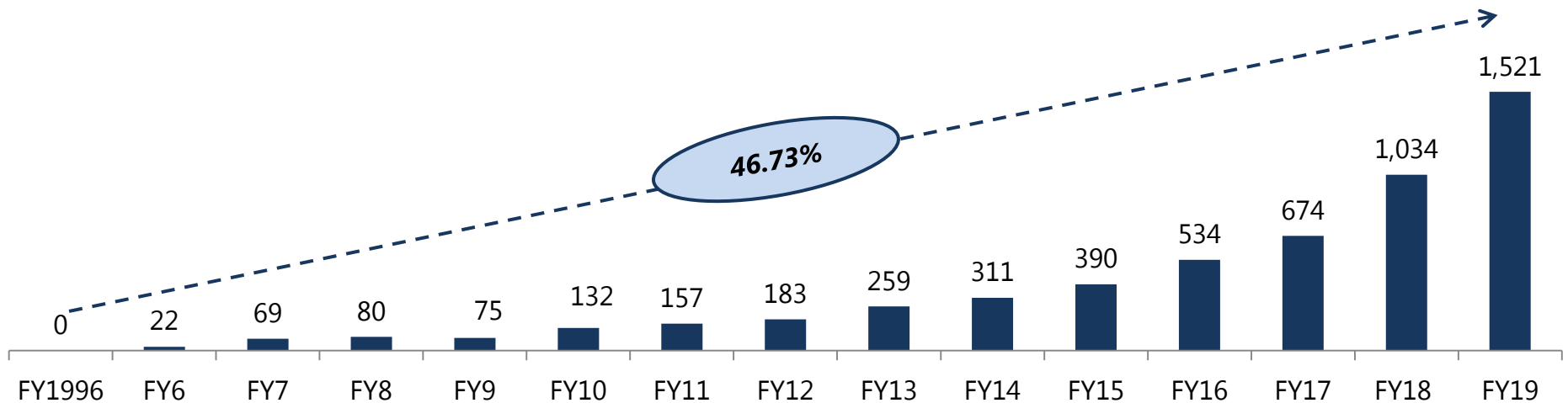


Asset Under Management (AUM)

In INR Mn

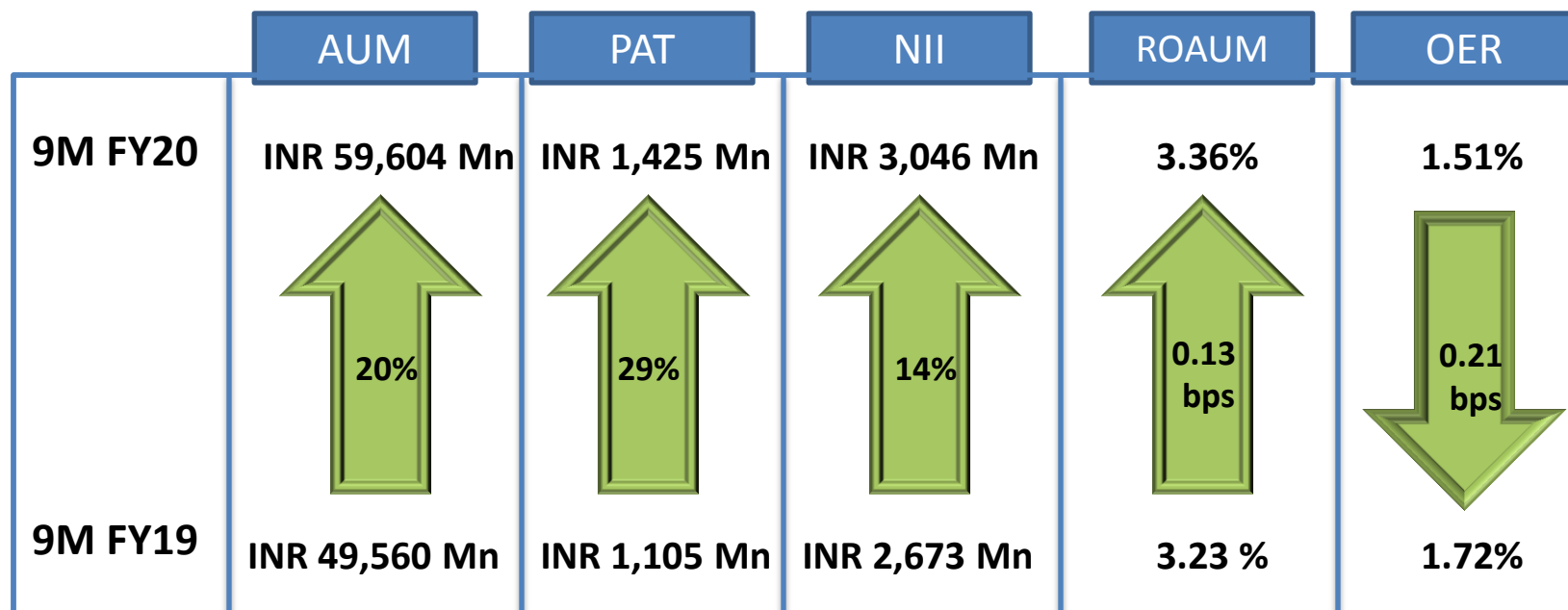


Profit After Tax (PAT)



Figures up to March 17 is as per I-GAAP and from thereon it is IND-AS

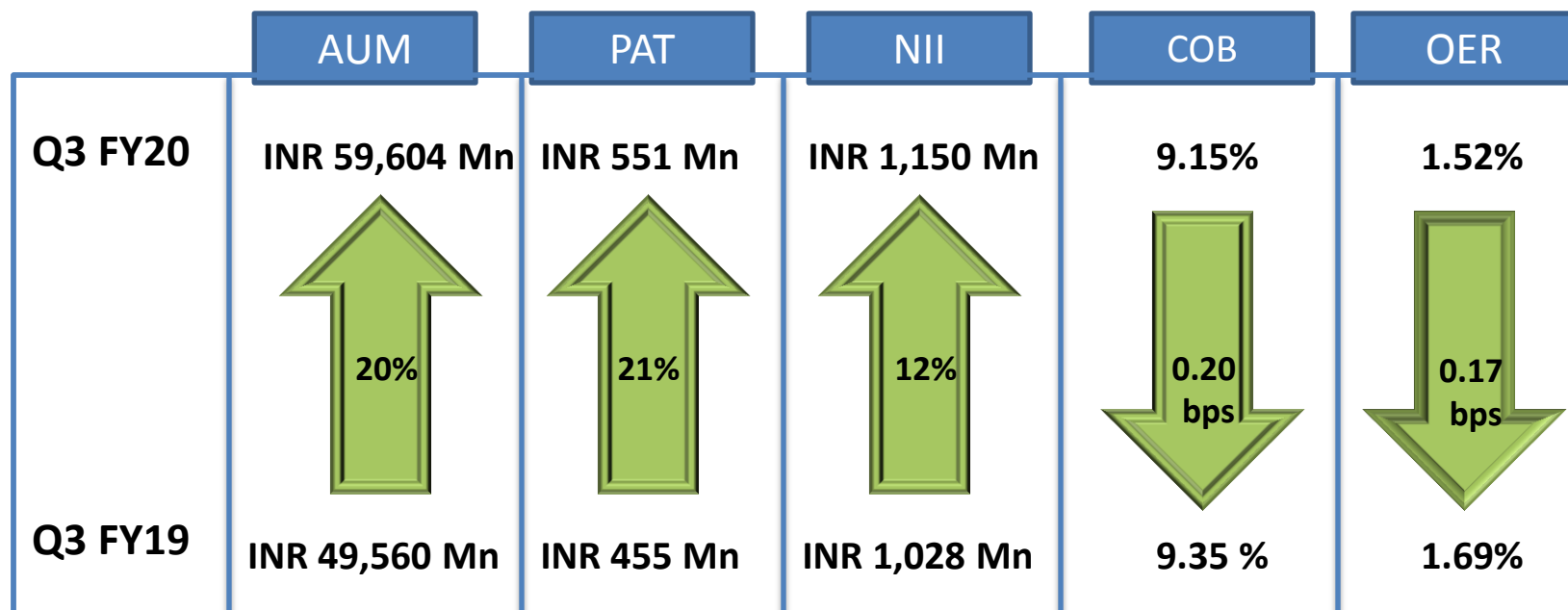
Key Achievements Highlights – 9M FY 20 vs 9M FY 19



ABBREVIATIONS

AUM	ASSET UNDER MANAGEMENT
PAT	PROFIT AFTER TAX
NII	NET INTEREST INCOME
ROAUM	RETURN ON AUM
OER	OPERATING EXPENSE RATIO

Key Achievements Highlights – Q3 FY 20 vs Q3 FY 19



ABBREVIATIONS

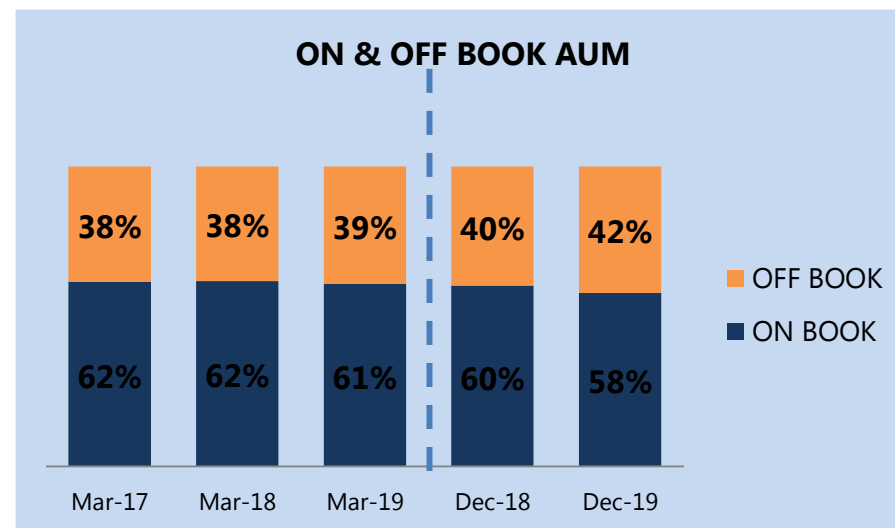
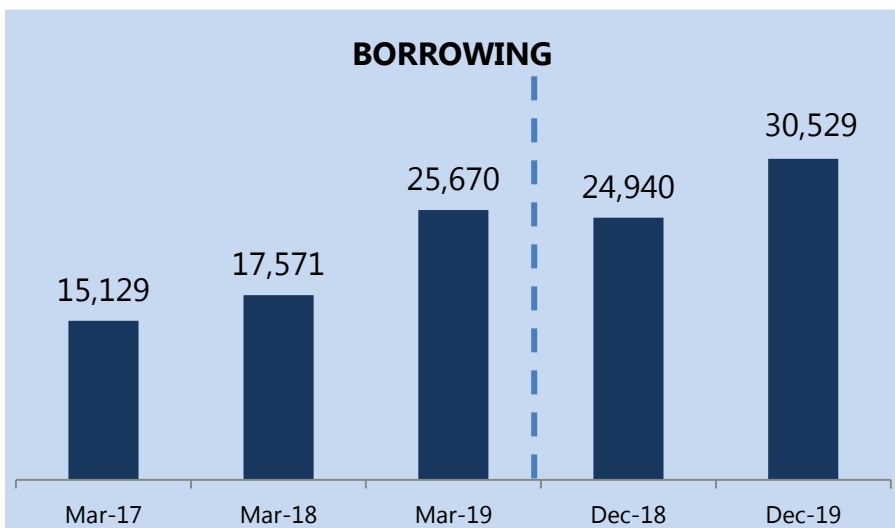
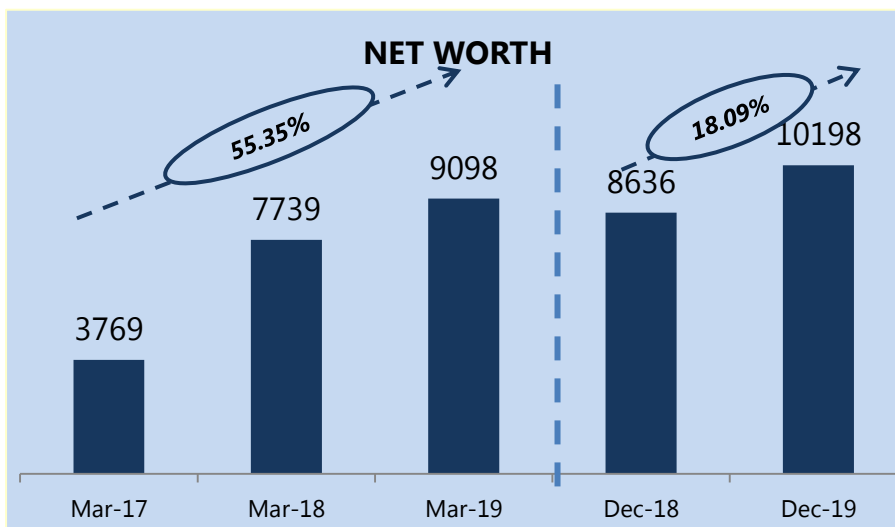
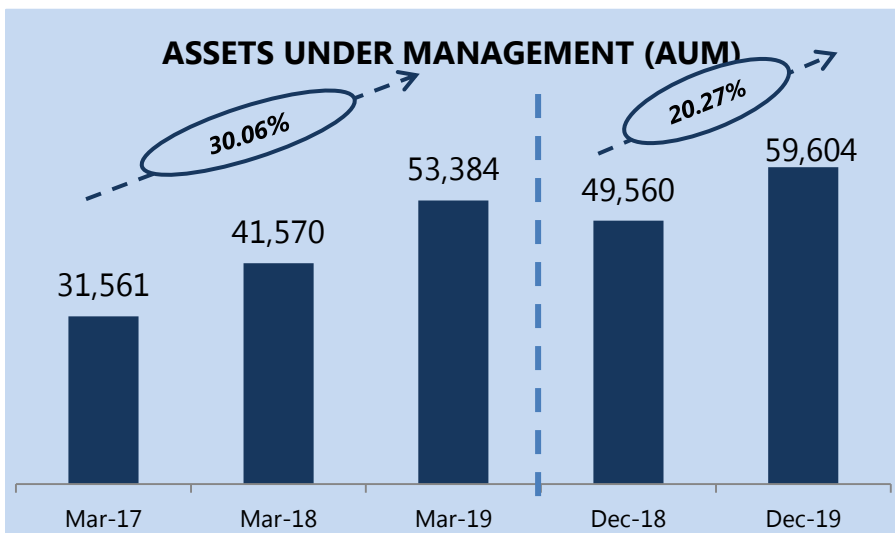
AUM	ASSET UNDER MANAGEMENT
PAT	PROFIT AFTER TAX
NII	NET INTEREST INCOME
COB	COST OF BORROWING
OER	OPERATING EXPENSE RATIO

Financial Performance Trends – Q3 FY20



Robust Performance

In INR Mn



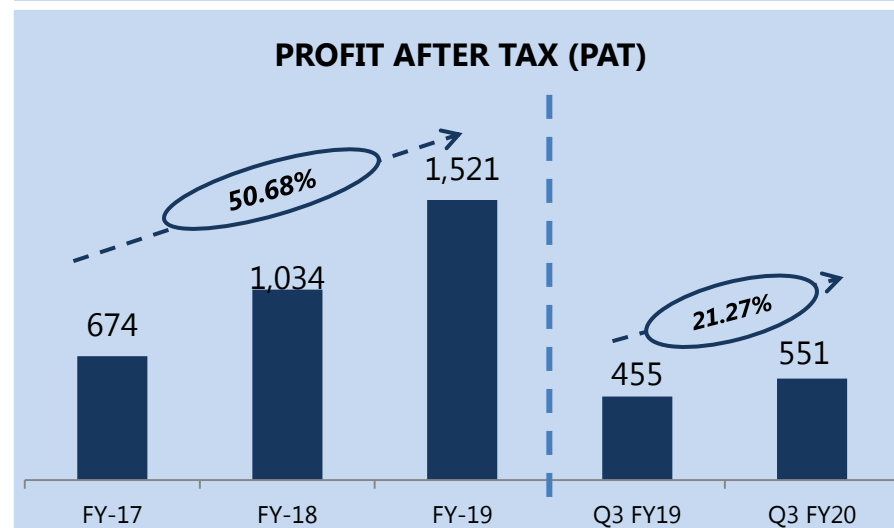
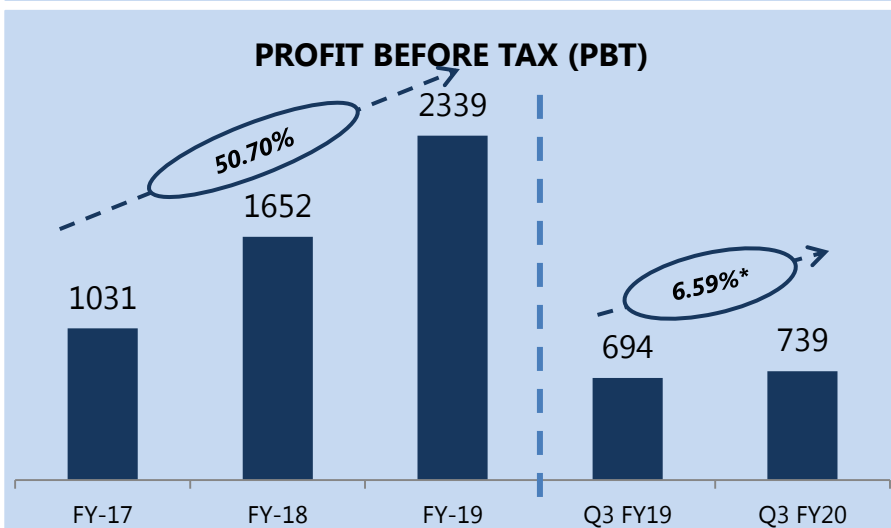
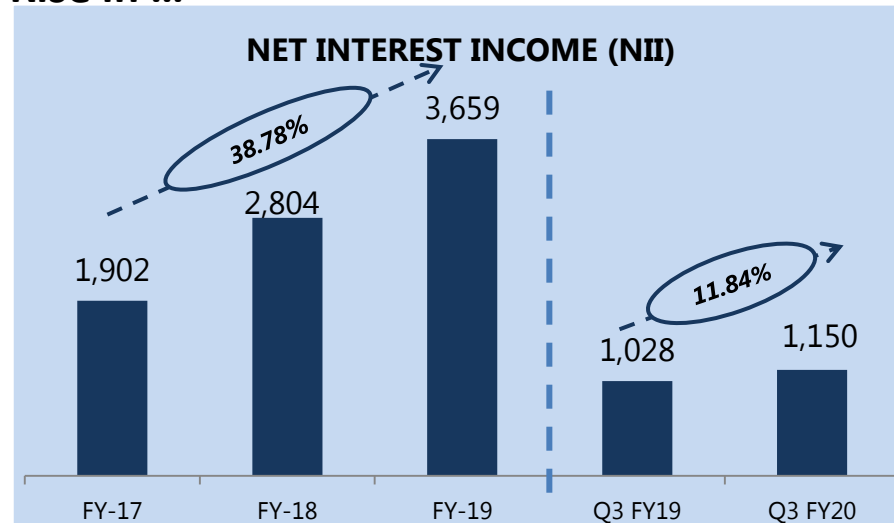
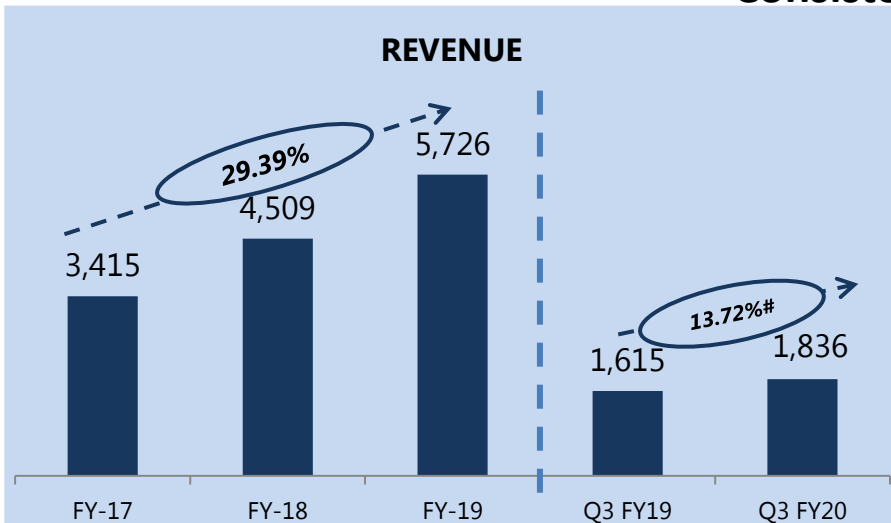
All the above figures are as per IND-AS, except FY17

Financial Performance Trends – Q3 FY20



Consistent Rise in ...

In INR Mn



Note :# The adjusted revenue growth for Q3 FY20 stands at 16.20%.

For Q3 FY19 : Additional - treasury income of Rs.26.64mn. and net impact on income of Rs.14.06mn. due to upfront booking of spread on the assigned portfolio.

The revenue growth For 9 months ending at Dec.31, 19 is 22.36%.

* The company continued with the practice of using the part of the tax benefit to further strengthen the quality of the portfolio by aggressively writing off the stage 3 Assets. The net stage 3 Assets on AUM improved to 1.06% as on December 19 against 1.13% as on December 18 and is maintained at the same level of 1.06% as of September 19 despite of the significant stress experienced across all the segments of the economy during this period. The company registered a healthy growth in its PAT of 21.27% over corresponding quarter and 28.98% over corresponding 9 months basis.

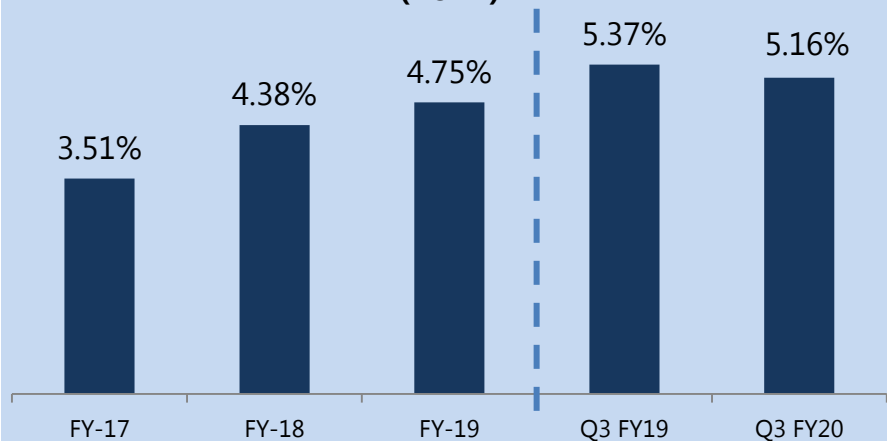
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Financial Performance Trends – Q3 FY20

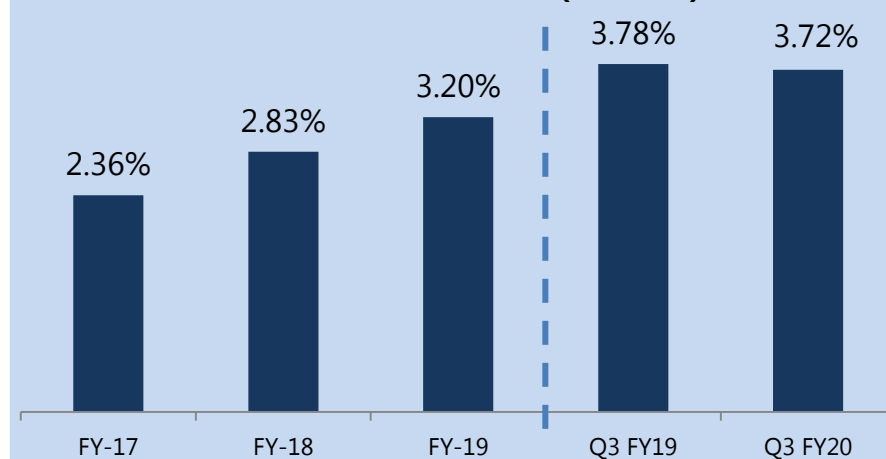


Focus on Efficiency

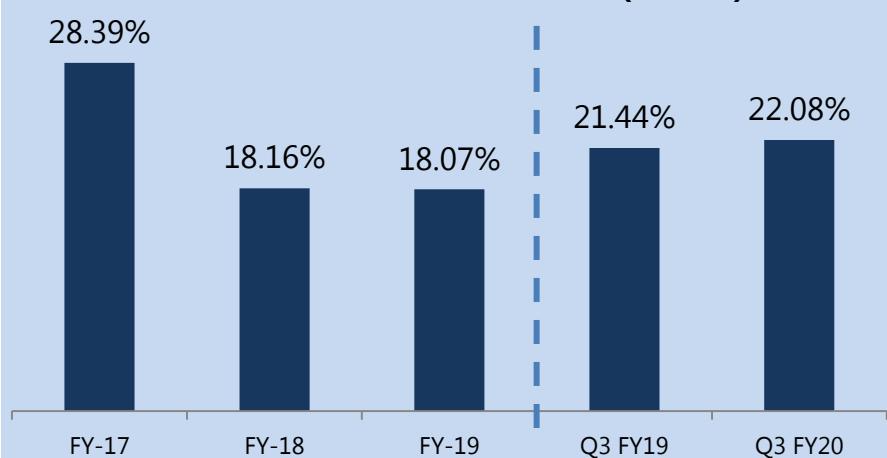
RETURN ON AVG. BALANCE SHEET ASSETS (ROTA)*



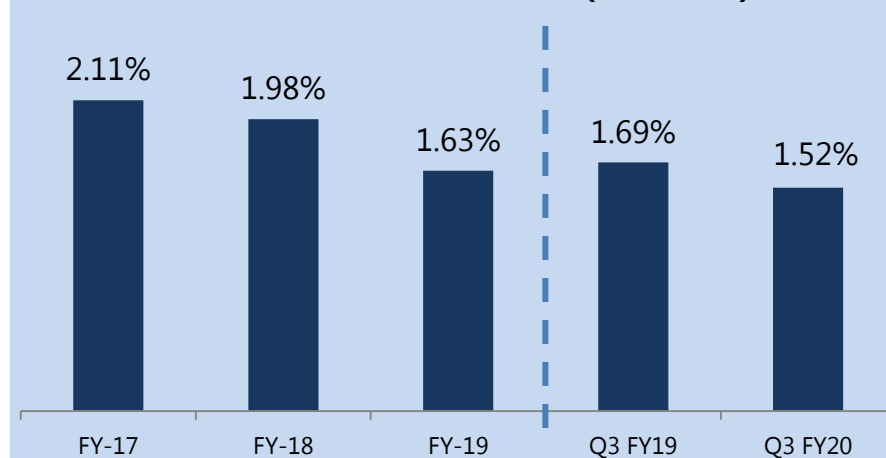
RETURN ON AVG. AUM (ROAUM)*



RETURN ON AVG. NET WORTH (RONW)*



OPERATING EXPENSE RATIO (OE RATIO)*



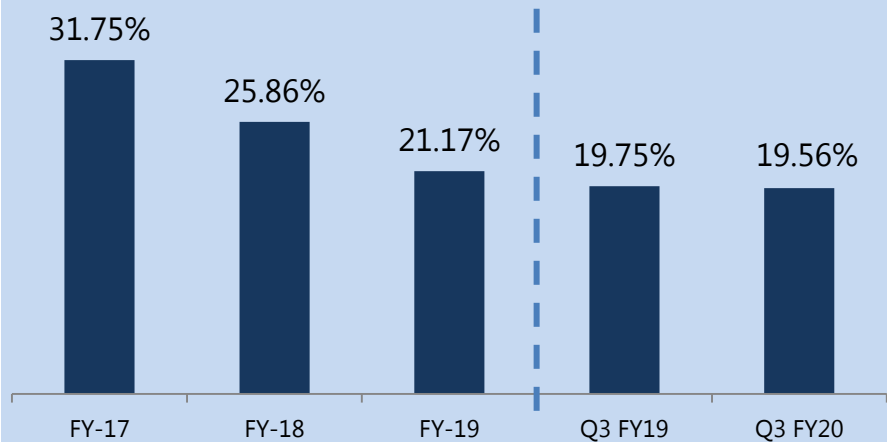
All the above figures are as per IND-AS, except FY17

*Quarterly figures have been annualized. SLIDE: 37

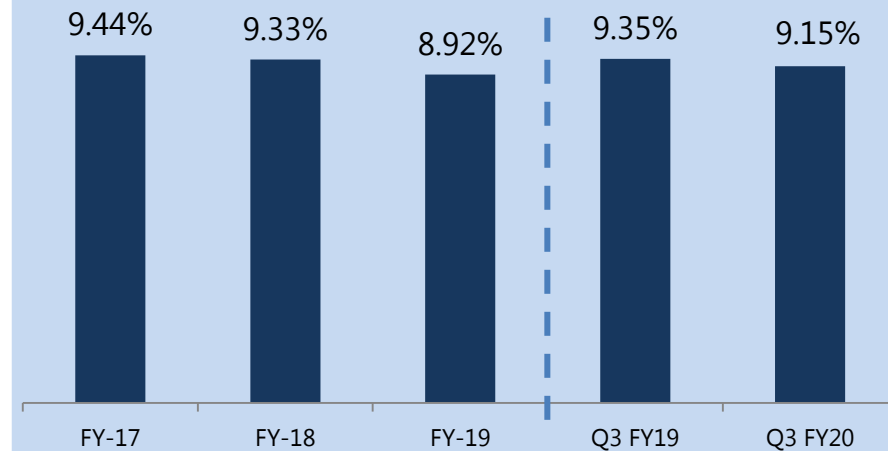
Financial Performance Trends – Q3 FY20



OPERATING EXPENSE AS % OF NII*

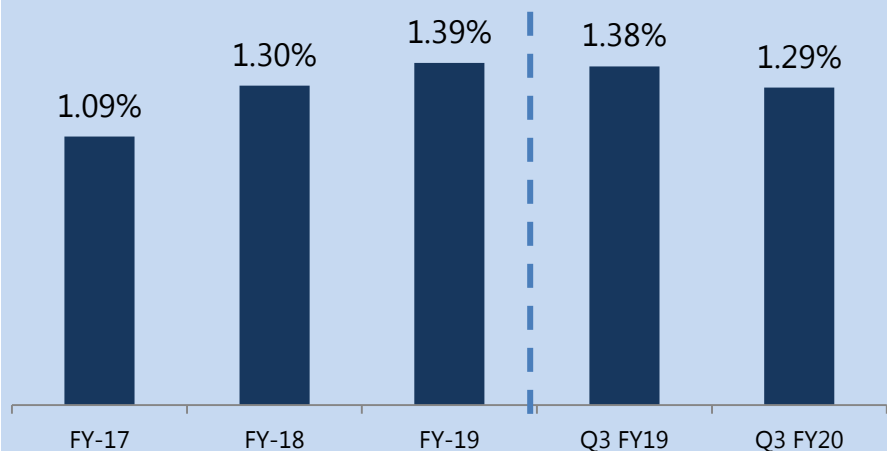


COST OF BORROWING (COB)*

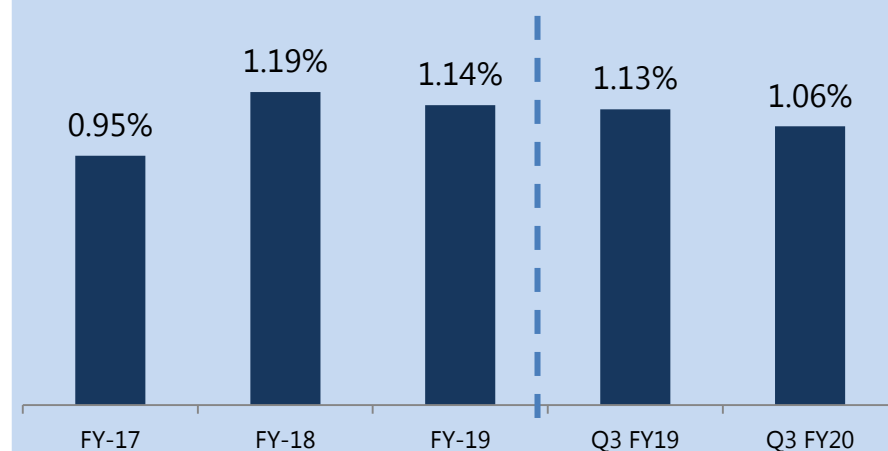


Efficiently maintaining the quality of assets

GROSS STAGE 3 ASSETS



NET STAGE 3 ASSETS



*Quarterly figures have been annualized.

Stage 3 Assets classification criteria

For FY17: >4 months installment overdue

From FY18 onwards: >3 months installment overdue

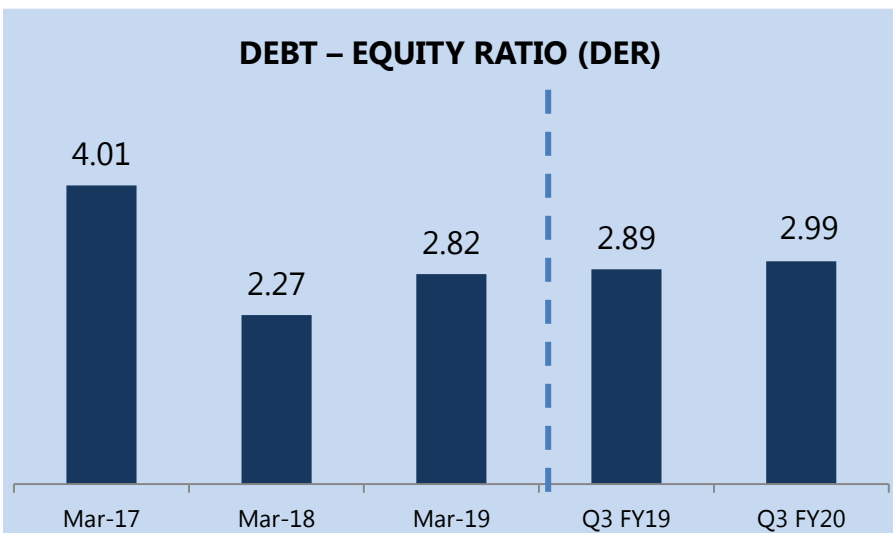
All the above figures are as per IND-AS, except FY17

Financial Performance Trends – Q3 FY20

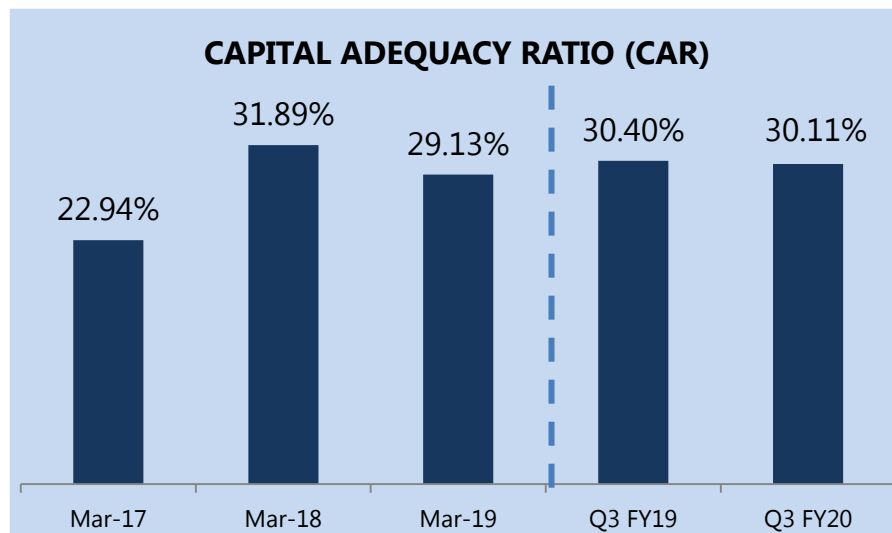


Adequately Capitalized

DEBT – EQUITY RATIO (DER)

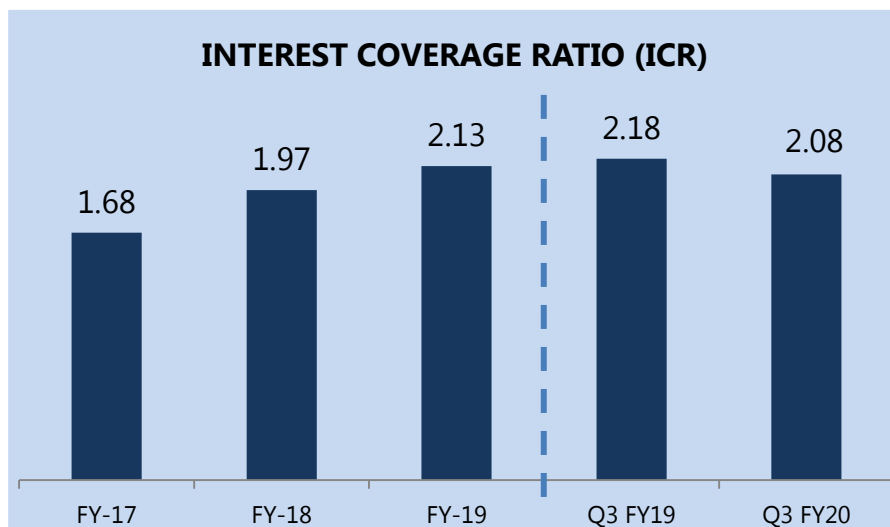


CAPITAL ADEQUACY RATIO (CAR)



Healthy Coverage

INTEREST COVERAGE RATIO (ICR)

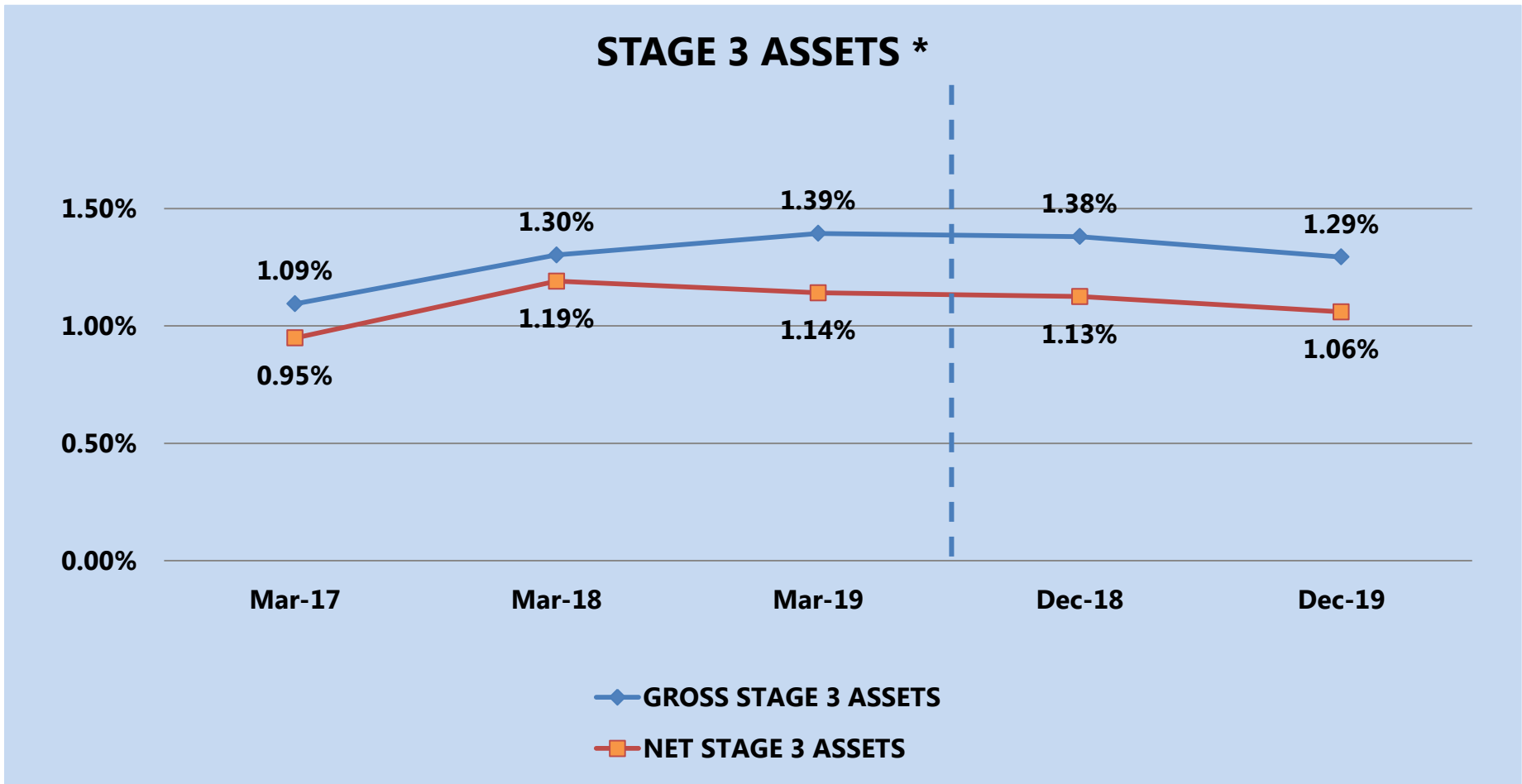


All the above figures are as per IND-AS, except FY17

Quality of the portfolio : Consistently maintained



Catalyst in growth of Entrepreneurs, not creating just borrowers



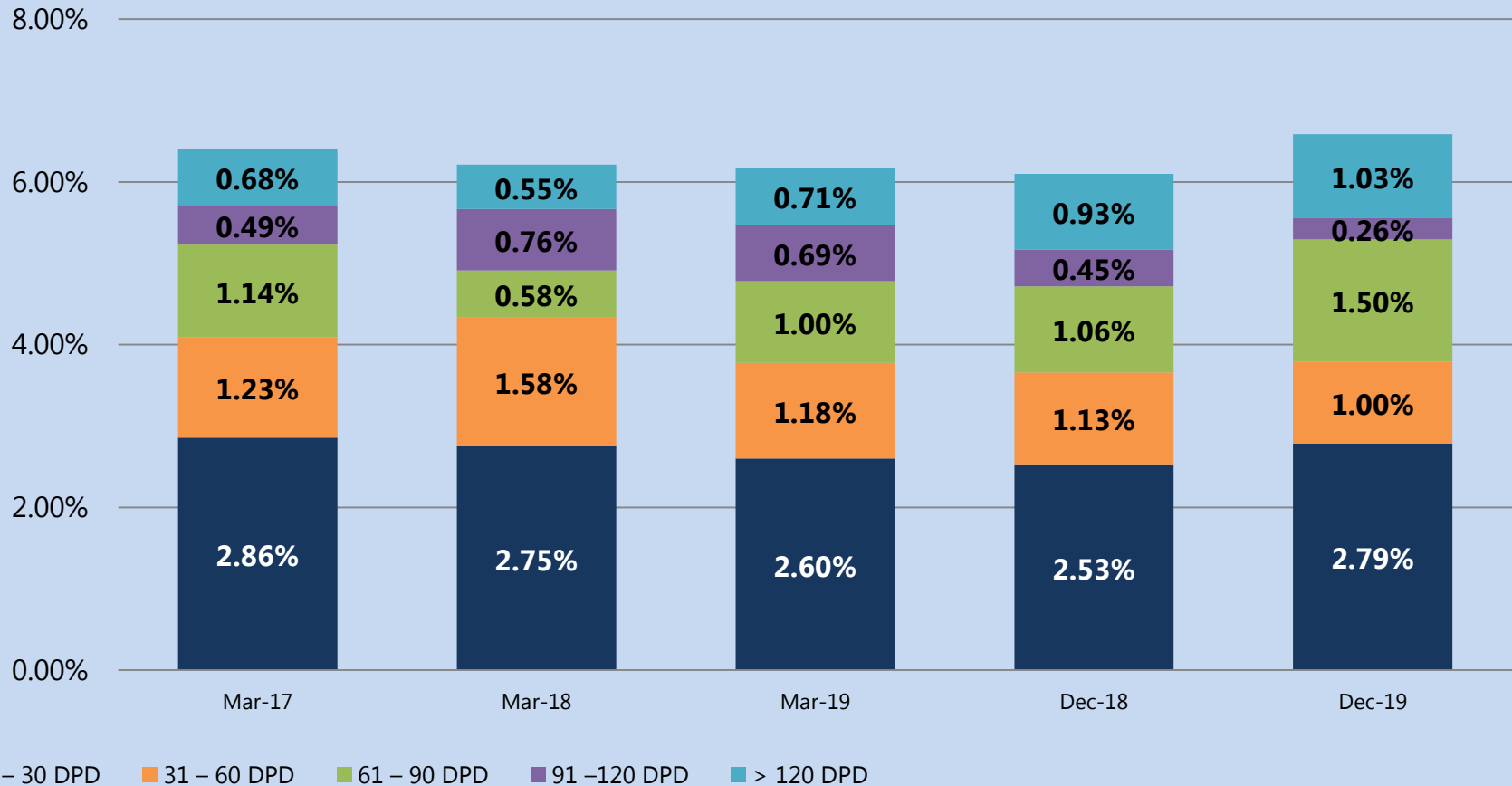
**Stage 3 Assets classification criteria*
FY17: >4 months installment overdue
From FY18 onwards: >3 months installment overdue

All the above figures are as per IND-AS, except FY17

Asset Under Management - Credit Quality

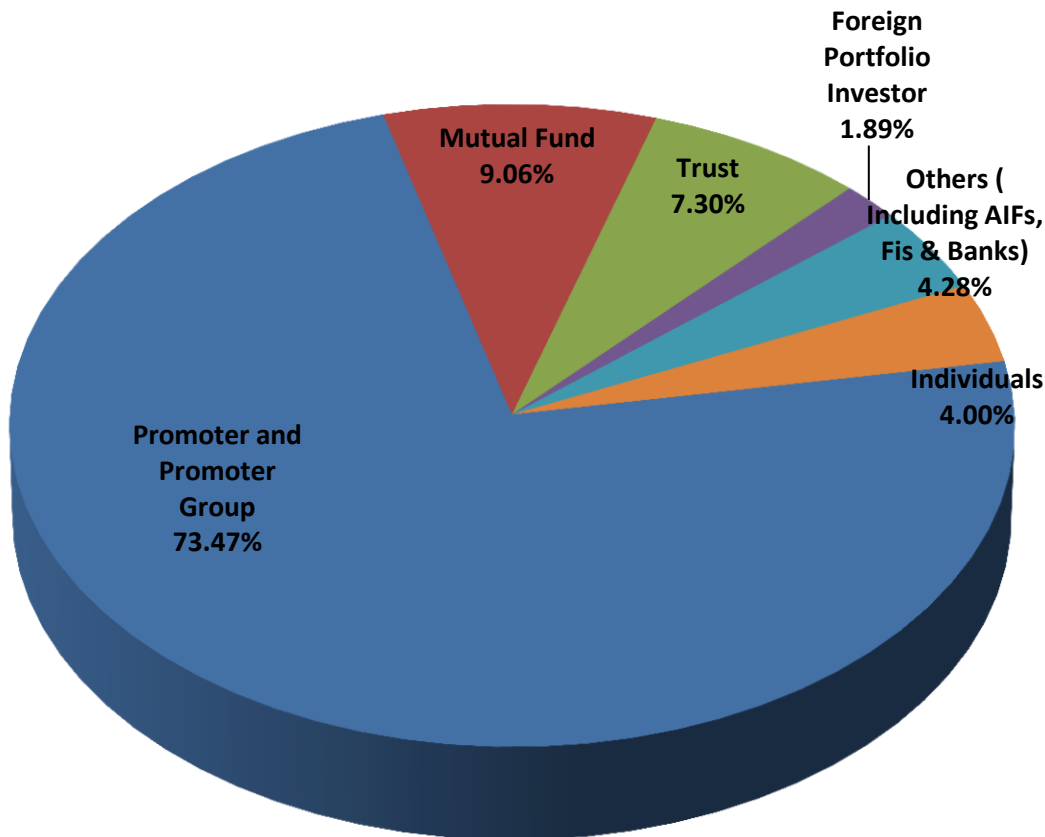


ASSET UNDER MANAGEMENT- DPD



All the above figures are as per IND-AS, except FY17

Shareholding as on 31st Dec 2019



Marquee Non Promoter Shareholders

- SCHRODER INTERNATIONAL SELECTION FUND INDIAN OPPORTUNITIES
- JPMORGAN INDIA SMALLER COMPANIES FUND
- INDIA EMERGING OPPORTUNITIES FUND LIMITED
- MIRAE ASSET INDIA
- UNISUPER LIMITED AS TRUSTEE FOR UNISUPER
- MOTILAL PRIVATE EQUITY
- AXIS MUTUAL FUND
- IDFC MUTUAL FUND
- TATA AIA LIFE INSURANCE
- RELIANCE ALTERNATIVE INVESTMENT FUND
- MOTILAL OSWAL MUTUAL FUND
- ASK INVESTMENT MANAGERS PRIVATE LIMITED

Financial Statement: FY18 – 9M FY20



PROFIT & LOSS STATEMENT				
INR Mn.	FY 2018	FY 2019	9M FY19	9M FY20
Total Revenue	4509	5726	4170	5103
Expenses	2857	3387	2471	3237
Finance Costs	1705	2067	1497	2057
Operating Expense	725	775	588	640
Provisions and Loan Losses	428	545	386	541
Profit Before Tax	1652	2339	1699	1865
Profit After Tax	1034	1521	1105	1425
Other comprehensive income	161	-66	-74	19
Total comprehensive income	1195	1455	1031	1444
BALANCE SHEET STATEMENT				
INR Mn.	Mar-18	Mar-19	9M FY19	9M FY20
ASSETS				
Financial assets	26371	36435	34939	42797
Loans	25463	32185	29585	34177
other financial assets	908	4249	5353	8620
Non-financial assets	606	601	595	692
Total assets	26977	37036	35534	43488
LIABILITIES				
Financial liabilities	18903	27494	26549	33033
Debt securities	597	598	598	599
Borrowings (other than debt securities)	12252	19598	18933	24438
Other Financial Liabilities	6054	7297	7018	7996
Non-financial liabilities	335	444	349	257
Total liabilities	19238	27937	26898	33290
EQUITY				
Equity share capital	547	547	547	547
Other equity	7192	8552	8090	9652
Total equity	7739	9098	8636	10198
Total liabilities and equity	26977	37036	35534	43488

All the above figures are as per IND-AS

Assignment Income Reconciliation

IN INR MN

Sr. No.	Particulars	Q3 FY20	Q3 FY19	9M FY20	9M FY19	FY19
1	Upfront spread booked on present value basis on portfolio assigned during the year (based on IND-AS)	344.03	303.47	786.26	659.16	941.45
2	Income booked on asset created out of spread receivable (based on IND-AS)	15.93	12.38	46.73	35.03	49.62
3	Spread that would have been booked on assigned portfolio on amortization basis (based on I-GAAP)	269.38	211.21	785.74	610.40	852.64
4	Net Impact on income due to upfront booking of spread on the assigned portfolio (based on IND-AS) (1+2-3)	90.57	104.64	47.25	83.79	138.42

Credit Quality

Particulars	Dec-19		Dec-18	
	AUM	Provision	AUM	Provision
Stage 1	32582.30	125.47	28278.54	95.91
Stage 2	1230.31	121.17	974.97	100.44
Stage 3	651.85	139.35	618.33	126.57
TOTAL ON BOOK	34464.45	385.99	29871.84	322.92
Assigned Portfolio	25139.36	N/A	19688.15	N/A
TOTAL AUM	59603.82		49560.00	

IN INR MN

Particulars	Dec-19	Dec-18
Gross Stage 1 And Stage 2 Assets As % Of On Book Assets	98.11%	97.93%
Stage 1 & Stage 2 Assets (Standard Assets) Provisioning	0.73%	0.67%
Gross Stage 3 Assets As % Of On Book Assets	1.89%	2.07%
Stage 3 Assets Provisioning	21.38%	20.47%
Net Stage 3 Assets As % Of On Book Assets	1.49%	1.65%
Gross Stage 3 As % Of AUM	1.29%	1.38%
Net Stage 3 As % Of AUM after provisioning	1.06%	1.13%

Note: Stage 3 (>90 DPD Assets) on Assigned portfolio was Rs. 119.36 MN. on 31st Dec 2019 and Rs. 65.98 MN. on 31st Dec 2018 which has been taken into consideration while calculating Stage 3 As % Of AUM.

MA&S Rural Housing & Mortgage Finance Limited (MRHMFL) – Subsidiary



MA&S is targeting affordable housing finance segment through its subsidiary

- MA&S Rural Housing & Mortgage Finance Limited (“MA&S Housing” or MRHMFL) is a non-deposit taking, NHB registered, housing finance institution. It was incorporated in 2008 and headquartered in Ahmedabad, Gujarat
- MRHMFL provides loans for purchase of new and old houses, construction of houses on owned plots, home improvement loans and loans for purchase and construction of commercial property. It also extends loans to developers for construction of affordable housing projects
- MRHMFL provides housing loans in rural and semi-urban areas of Gujarat, Maharashtra, Rajasthan and Madhya Pradesh
- With its continued focus on the rural and semi-urban segments, the company has 69 branches and has sourcing arrangements with 57 intermediaries – typically project developers and property agents

Housing Loans



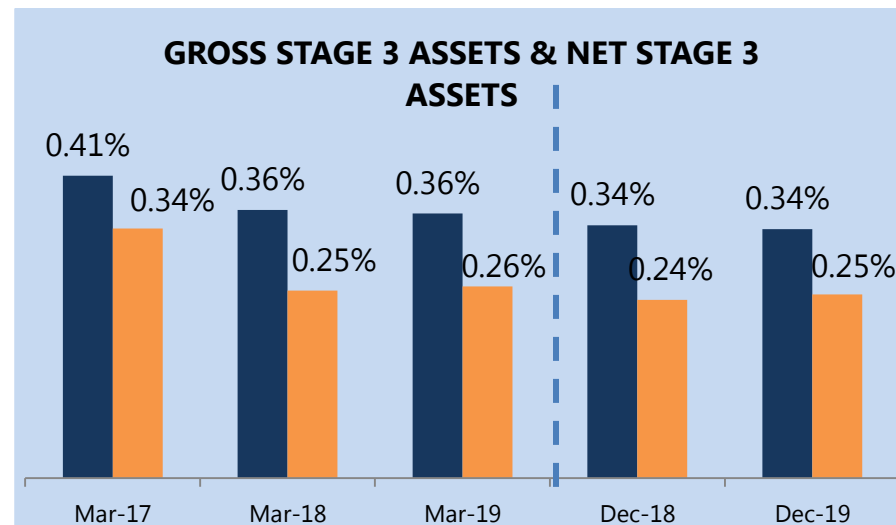
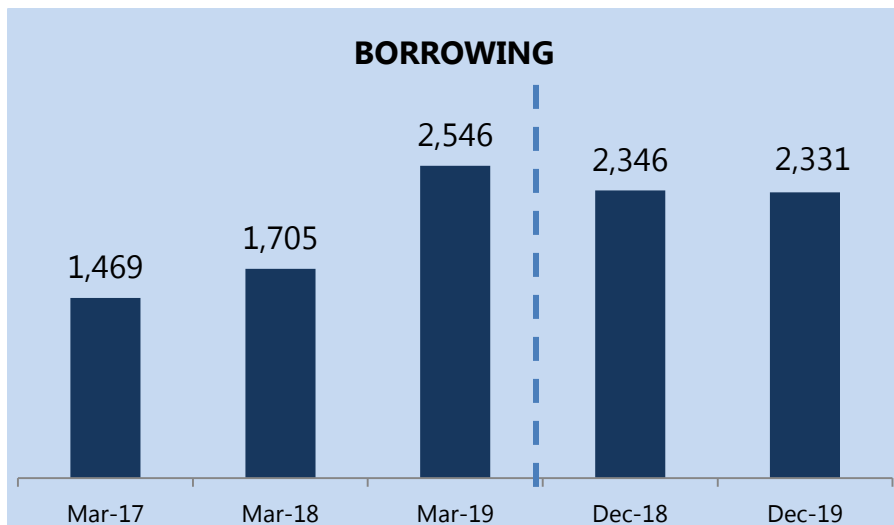
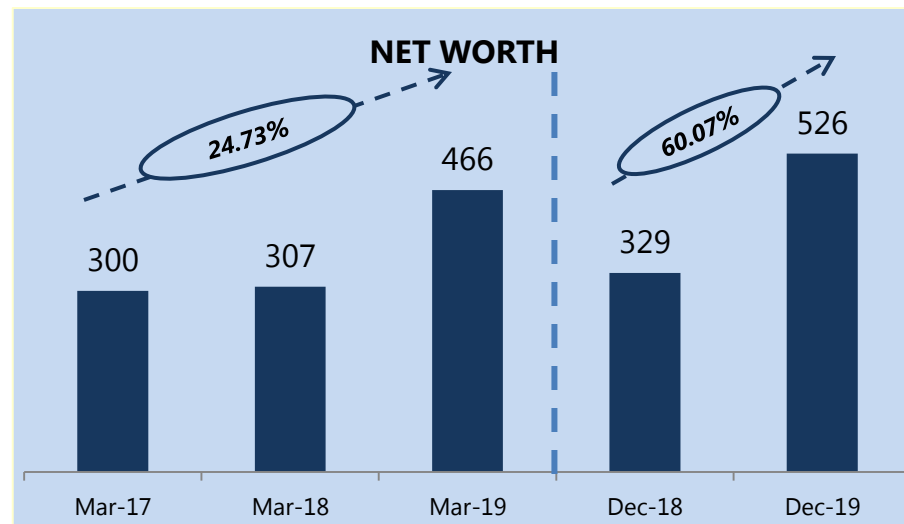
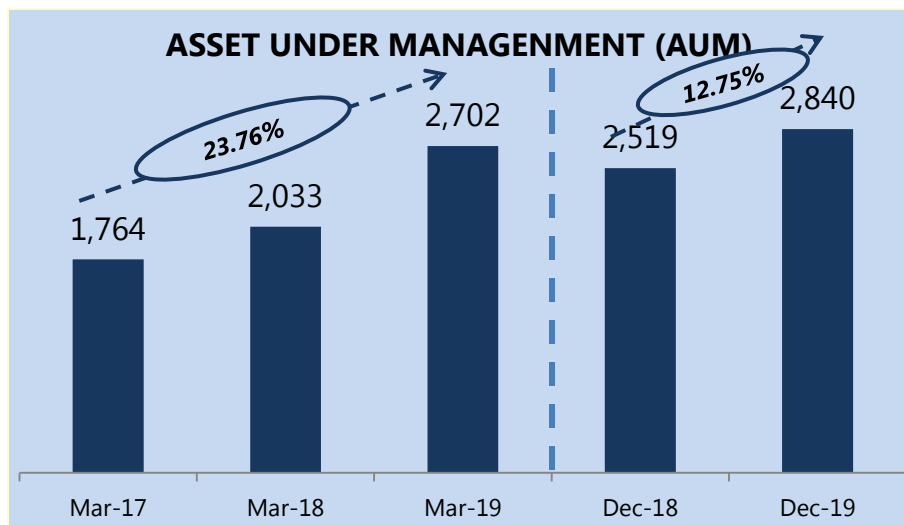
- Loans of up to INR 5 Mn for residential and INR 10 Mn for commercial
- Provides housing loans to customers, who are primarily salaried and self-employed individuals and loans to developers for construction of affordable housing project
- Tenure up to 240 months for residential and 120 months for commercial
- Average Ticket size in 9M FY20– INR 8,19,926
- **AUM as of Dec 31, 2019– INR 2,840 Mn**

Financial Performance Trends – Q3 FY20

MRHMFL



In INR Mn



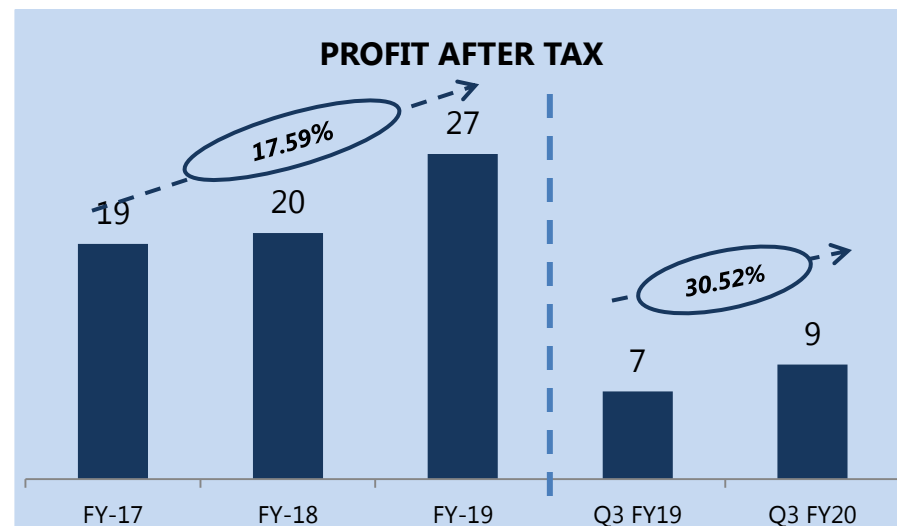
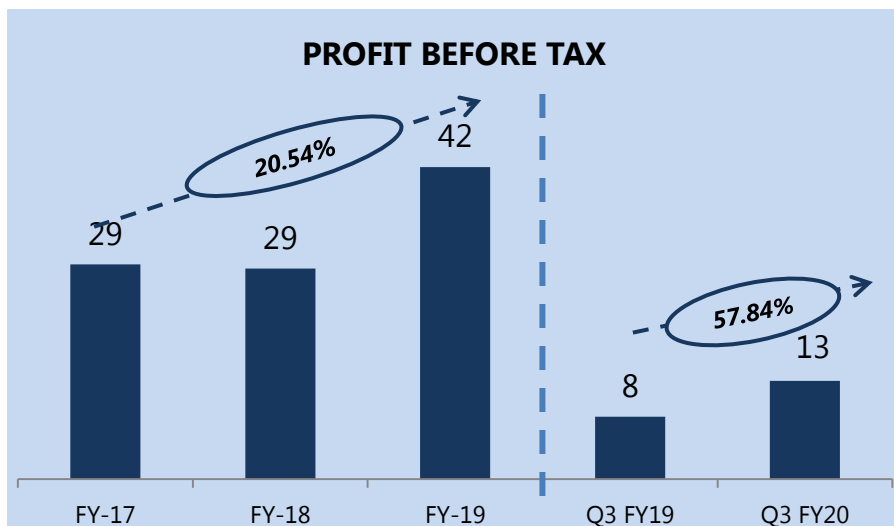
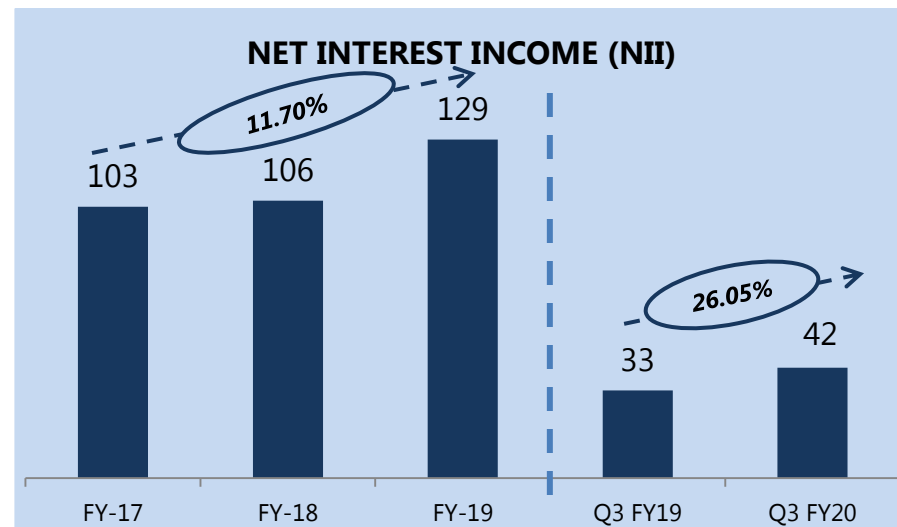
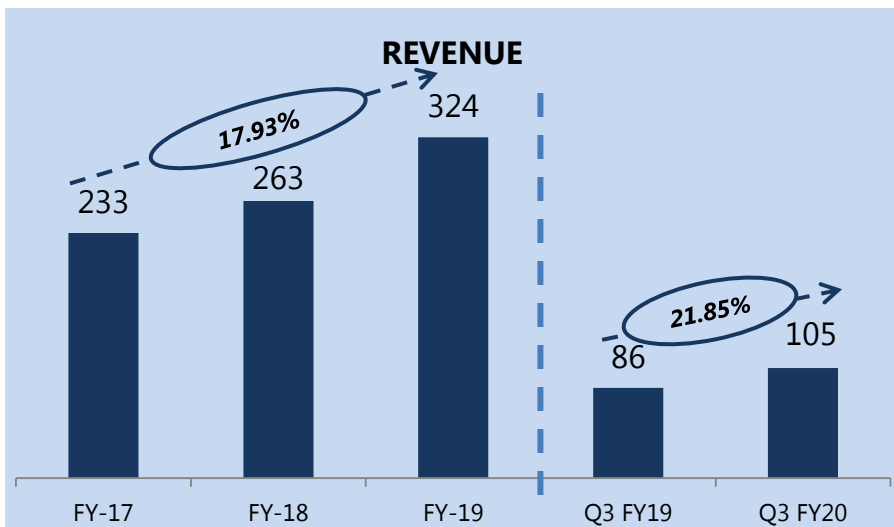
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Financial Performance Trends – Q3 FY20

MRHMFL

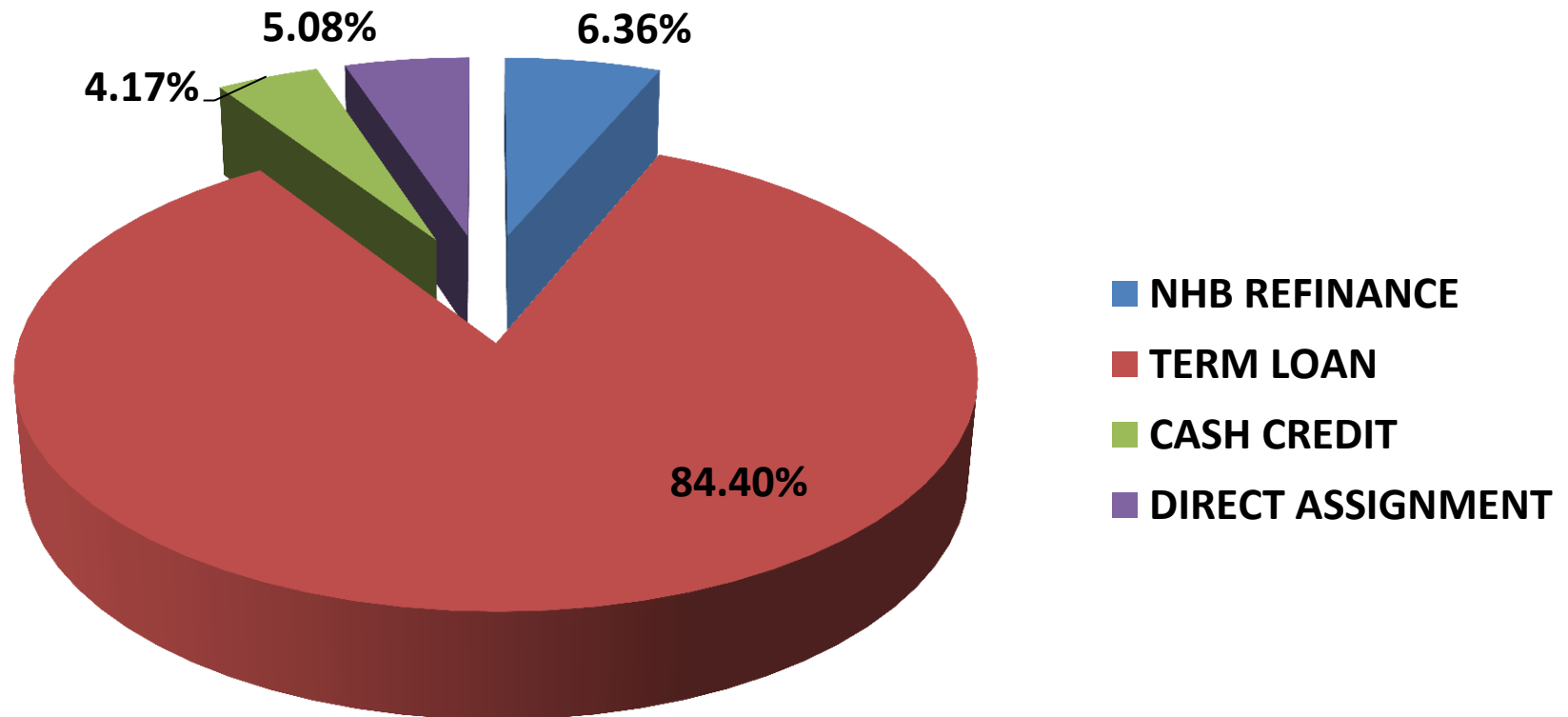


In INR Mn



All the above figures are as per IND-AS, except FY17

Borrowing Mix as on 31st Dec 2019



- Efficient liability management ensures :
 - Adequate liquidity round the year.
 - Minimum asset liability mismatch.
 - Tie up for the fund requirement of the whole financial year.

Liability Management



Liability Planning:

- The composition of our liability mix ensures healthy ALM and well diverse resource mix.
- The Liability management was tested last quarter and the company could successfully demonstrate its capability of efficient liability management
- Capital adequacy ratio, as on 31st Dec 2019 is 37.77% against regulatory norms of 12%. Tier I capital is 30.55%. Tier II capital is just 7.22% which will increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen ALM.
- Around 65% of the on book housing loan portfolio qualifies as priority sector lending for banks as onlending to HFCs. We keep on raising term loans from banks both priority sector and Non priority sector lending with a average maturity of 5 -7years.
- We keep on availing refinance from NHB which is currently 6.36% of our total borrowing mix. This help us to raise matching tenure loans at very competitive rates. The company is working very hard to enhance NHB refinance share in our total liability management.
- The total Cash credit limit available to the company is Rs. 170 Mn. The utilization level is maintained at 65% - 70% of the total Cash Credit Facility, ensuring sufficient liquidity on hand.
- Around 100% of the housing loan portfolio qualifies as Priority Sector Lending for banks if the same is assigned to banks. Increase in direct assignment of portfolio over a period of time will enable efficient ALM and will bring about capital efficiency.

Credit Quality



IN INR MN

Particulars	Dec-19		Dec-18	
	AUM	Provision	AUM	Provision
Stage 1	2,627.61	4.02	2,398.39	5.16
Stage 2	81.95	4.33	88.18	4.50
Stage 3	9.17	2.52	8.66	2.56
TOTAL ON BOOK	2,718.73	10.87	2,495.23	12.22
Assigned Portfolio	121.74	N/A	24.03	N/A
TOTAL AUM	2,840.47		2,519.26	

Particulars	Dec-19	Dec-18
Stage 1 And Stage 2 Assets As % Of On Book Assets	99.66%	99.65%
Stage 1 And Stage 2 Assets (Standard Assets) Provisioning	0.31%	0.39%
Stage 3 As % Of On Book Assets	0.34%	0.35%
Stage 3 Assets Provisioning	27.50%	29.59%
Stage 3 As % Of On Book Assets after provisioning	0.24%	0.24%
Stage 3 As % Of AUM	0.34%	0.34%
Stage 3 As % Of AUM after provisioning	0.25%	0.24%

Note: Stage 3 (>90 DPD Assets) on Assigned portfolio was Rs. 0.44 MN. on 31st Dec 2019 and Nil on 31st Dec 2018 which has been taken into consideration while calculating Stage 3 As % Of AUM.

Glossary



AUM	Assets Under Management
Bn	Billion
CCPS	Compulsorily Convertible Preference Shares
COB	Cost of Borrowing
CRAR	Capital To Risk Assets Ratio
DPD	Days Past Due
FIs	Financial Institutions
ICR	Interest Coverage Ratio
IPO	Initial Public Offer
MEL	Micro Enterprise Loans
Mn	Million
NBFC	Non Banking Financial Company
NCD	Non Convertible Debentures
NCT	National Capital Territory
NII	Net Interest Income
PAT	Profit After Tax
ROTA	Return On Avg. Balance Sheet Assets
SME	Small And Medium Enterprises
YoY	Year On Year
IND-AS	Indian Accounting Standard
GAAP	Generally accepted accounting principles

EIR	Effective Interest Rate
ECL	Estimated Credit Loss
OCPS	Optionally Convertible Preference Share



The Power of Distribution

BEST WISHES

INVESTOR CONTACT

Name: Ankit Jain

Designation: Chief Financial Officer

Contact No.: 079-41106682

Email ID: ankit_jain@mas.co.in