



The Power of Distribution

# MAS FINANCIAL SERVICES LIMITED

MFSL/SEC/EQ/2018/42

August 24, 2018

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 ended on June 30, 2018**

Please find enclosed herewith Investor Presentation for the quarter ended June 30, 2018.

Thanking you,

Yours faithfully,

For, **MAS Financial Services Limited**

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



Encl.: As above

**Regd. Office :**

6, Ground Floor, Narayan Chambers,

B/h Patang Hotel, Ashram Road, Ahmedabad-380 009. [www.mas.co.in](http://www.mas.co.in)

**CIN : U65910GJ1995PLC026064**

+ 91(O) 079 4110 6500 / 079 3001 6500

+ 91(O) 79 4110 6597, + 91 (O) 79 4110 6561

[www.mas.co.in](http://www.mas.co.in)

[mfsi@mas.co.in](mailto:mfsi@mas.co.in)

**INVESTOR  
PRESENTATION –  
Q1 FY19**



*The Power of Distribution*

**REGISTERED OFFICE**

MAS Financial Services Limited  
6, Ground Floor, Narayan Chambers,  
Ashram Road, Ahmedabad-380009

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**This is the first time adoption of Indian Accounting Standards (“IND-AS”) for the purposes of the company’s financial reporting. The disclosures provided here are to merely for comparing key differences with previous accounting standards. There is a possibility of the financial results and the additional disclosures to be updated, modified or amended because of adjustments which may be required to be made on account of introduction of new standards or its interpretation, receipt of guidelines or circulars from regulatory bodies and/ or Reserve Bank of India and/or changes because of exercising any available exemptions.**

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Given the first time adoption of Indian Accounting Standards, for better understanding of the performance of the comparative periods we hereby provide financials highlights as per previous GAAP and IND-As section has been mentioned separately.

# Company Overview

## SPECIALISED IN RETAIL LENDING SINCE 20 YEARS

### Diversified Product Portfolio



### Strong Retail Presence & Wide Distribution Network

6 states and  
NCT of Delhi



78 branches



5,00,000+

Active loan accounts

3,323

Customer locations

Sourcing Intermediaries



350



408



108 NBFCs

## CONSISTENT GROWTH

### AUM with immaculate Quality



AUM: INR 42,575 Mn  
(YoY Growth of 30.07%)

Gross NPA: 1.19%

Net NPA: 0.95%

### Consistent Profitability & Returns

Revenue: INR 1,222 Mn



PAT: INR 336 Mn

18.56%

Return on Avg. Net  
Worth\*



4.88%  
Return on  
Avg. Total Assets\*

3.21%  
Return on Avg. AUM\*

## EFFICIENT LIABILITY MANAGEMENT

### Capitalization



TOTAL CRAR: 29.48%

TIER I CRAR : 27.69%

TIER II CRAR : 1.79%



36.58% of AUM  
Assigned to Banks/FIs

### Fund Raising

8.74%  
Cost of borrowings\*

- NCDs
- Term loans
- Commercial Paper
- Cash credit

All the above figures are for Q1 FY 2019 & as per I-GAAP

\* Figures have been annualized.

## 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”**

# Major events and milestones in the history



2019	AUM crossed INR 40 Bn. Bank loan rating upgraded to “Care A+” with Stable outlook and Short term rating assigned as CARE A1+.
2018	Listing of Equity Shares on Bombay Stock Exchange & National Stock Exchange
2017	AUM crossed INR 30 Bn
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	MAS Financial Services Limited got incorporated . Started retail finance operations into Two-wheeler loans and Micro-Enterprise loans.



# 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 who primarily include retailers, traders, small manufacturers and service providers
- Tenure up to 36 months; Average ticket size in Q1 FY19 – INR 34,285
- AUM as of June 30, 2018 – INR 27,205 Mn**

## SME Loans



- Loans of up to INR 50 mn to SMEs who 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 Q1 FY19 – INR 7.18 Mn
- AUM as of June 30, 2018 – INR 10,068 Mn**

## Two Wheeler Loans



- Two-wheeler loans to our customers, who primarily include farmers, self-employed and salaried individuals and professionals
- Tenure up to 36 months; Average ticket size in Q1 FY19 – INR 42,364
- AUM as of June 30, 2018 – INR 3,860 Mn**

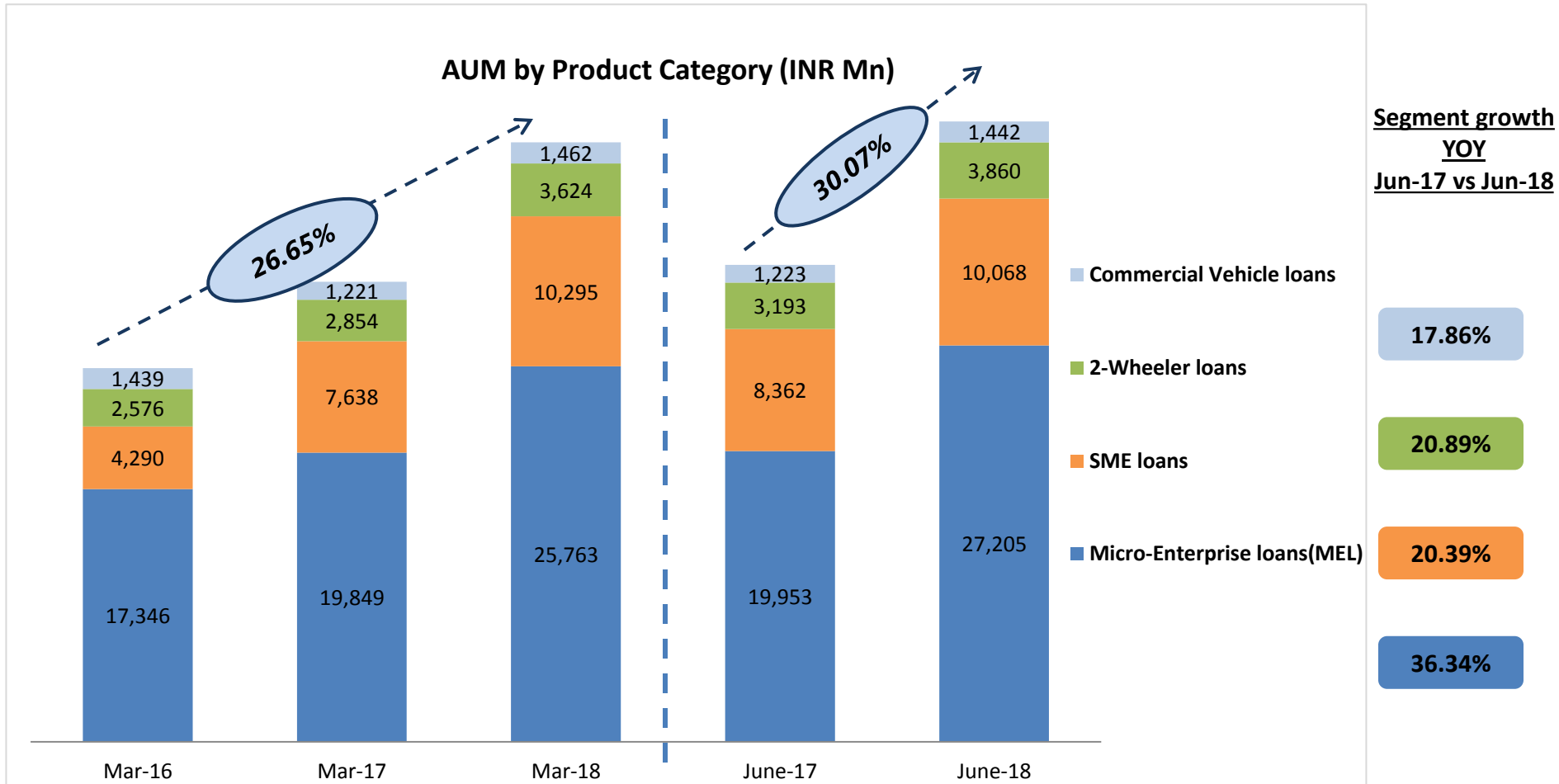
## Commercial Vehicle (CV) Loans



- 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 Q1 FY19 – INR 93,545
- AUM as of June 30, 2018 – INR 1,442 Mn**

# Recent Growth in Overall AUM

MAS' has exhibited steady growth in AUM over the years



PARTICULARS	MAR-16	MAR-17	MAR-18	JUN-17	JUN-18
<b>AUM</b>	<b>25,650</b>	<b>31,561</b>	<b>41,145</b>	<b>32,732</b>	<b>42,575</b>

All the above figures are as per I-GAAP

# Robust and Comprehensive Credit Assessment and Risk Management Framework

**MAS 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 be 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

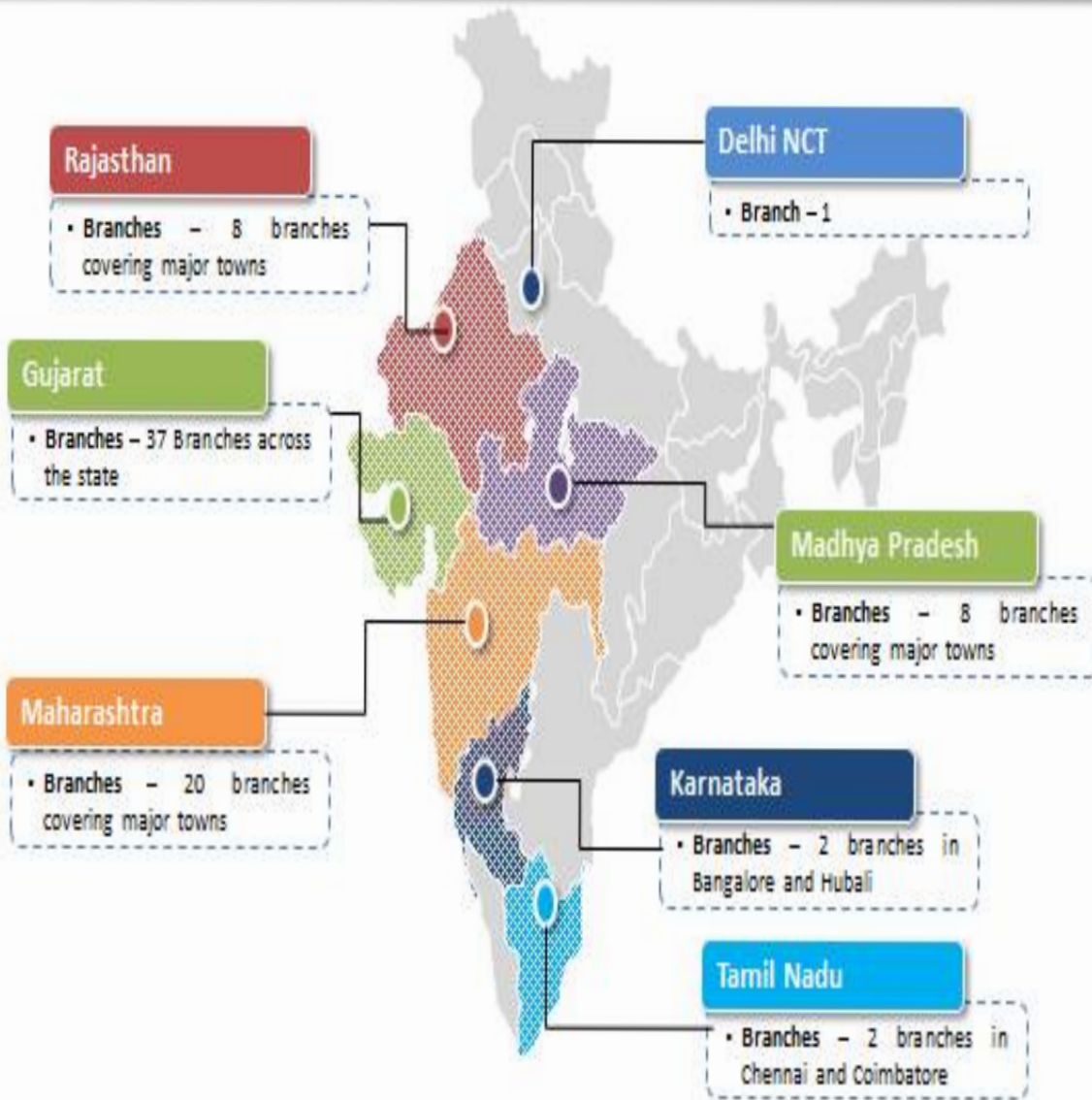
- At least one property (residential or business) should be owned by the applicant or jointly residing family members
- For a student applicant, a co-applicant is compulsory

### 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

500,000+ active customers across 3,323 locations in Rural, semi urban and urban locations



## Presence in the high growth markets in West and South

- MAS has expanded to 78 branches in 6 states and NCT Delhi
- Currently MAS' retail portfolio is concentrated in Gujarat and Maharashtra



Mid/ low income segment

MELs and SMEs



602



Sourcing Intermediaries



350



408

# 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 is to be borne by the partner NBFCs is considered. The partnership is with no recourse on MAS

# Unique and Robust Distribution Network Through NBFC Partners



## Operational Dynamics

### Key Criteria for starting relationship:

Promoters Evaluation	Product Alignment	Capital Base	Financial Performance	Operational Excellence	Growth Strategy
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## 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

- Widen 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 40% 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 the scalability and sustainability in the relationship in the form of :

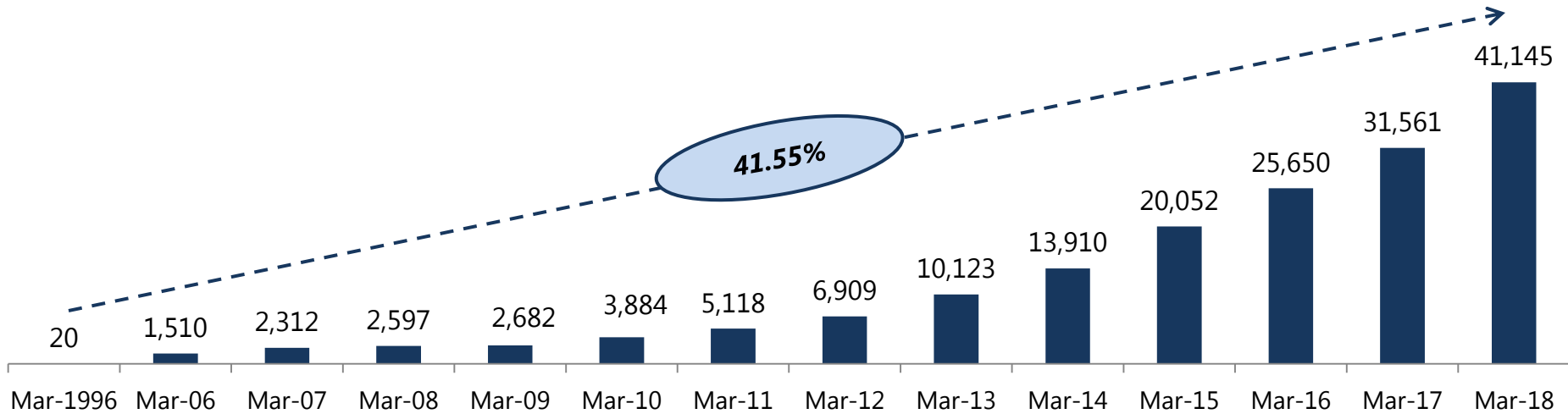
- a) Providing Liability
- b) Product Development
- c) Capital Advisory



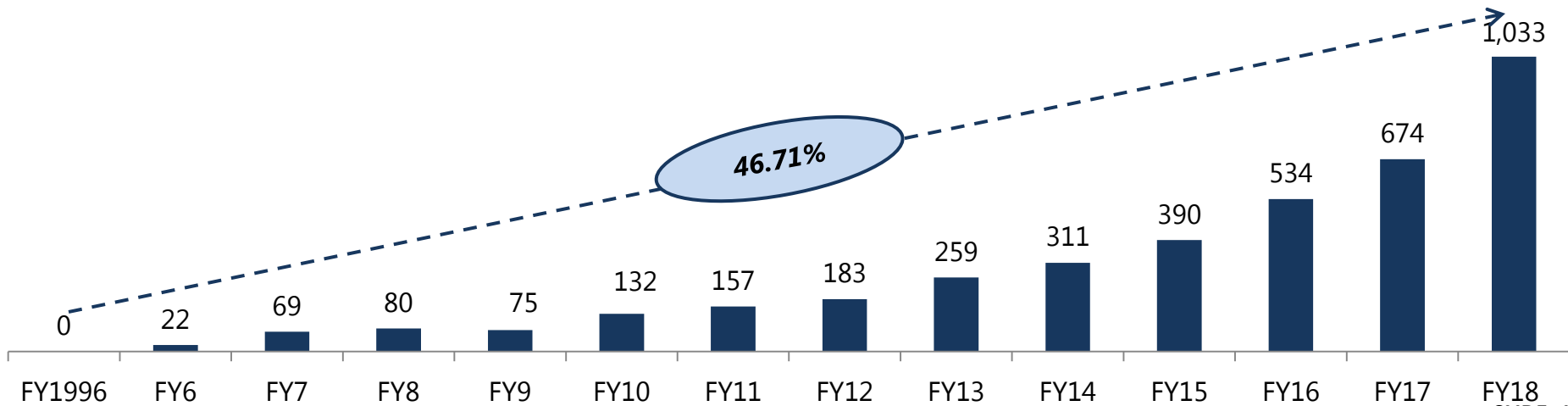
# Consistent Growth in AUM and PAT

## Asset Under Management (AUM)

In INR Mn

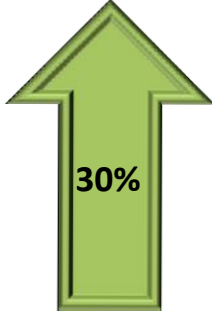
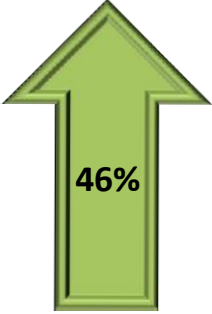
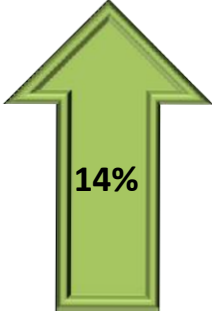
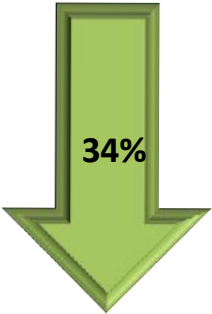
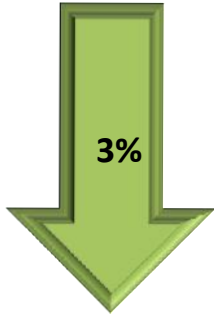
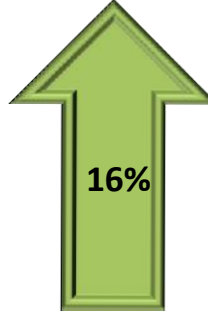


## Profit After Tax (PAT)



All the above figures are as per I-GAAP

# Key Achievements Highlights – Q1 FY19 vs Q1 FY18

	AUM	PAT	ROTA*	DER	COB*	ICR
<b>Q1 FY19</b>	INR 42,575 Mn  30%	INR 336 Mn  46%	4.88%  14%	2.62 times  34%	8.74 %  3%	2.26 times  16%
<b>Q1 FY18</b>	INR 32,732Mn	INR 230 Mn	4.27%	3.96 times	8.98 %	1.94 times

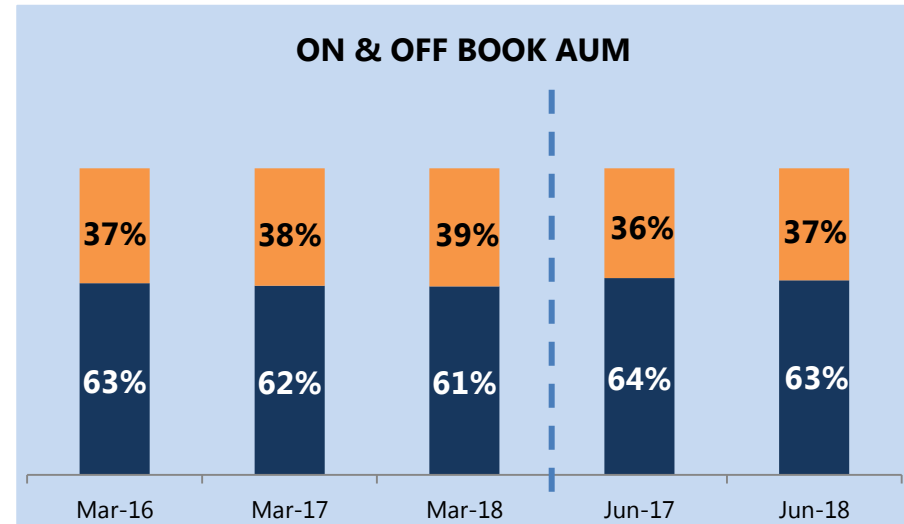
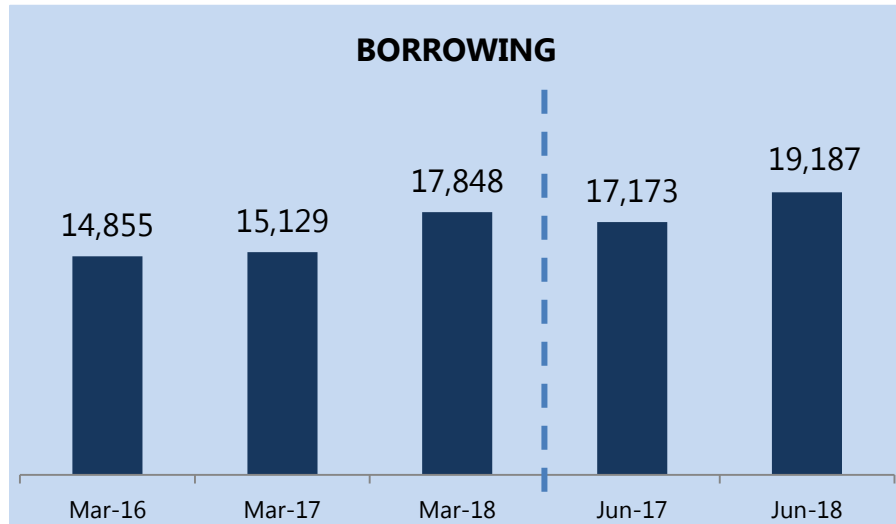
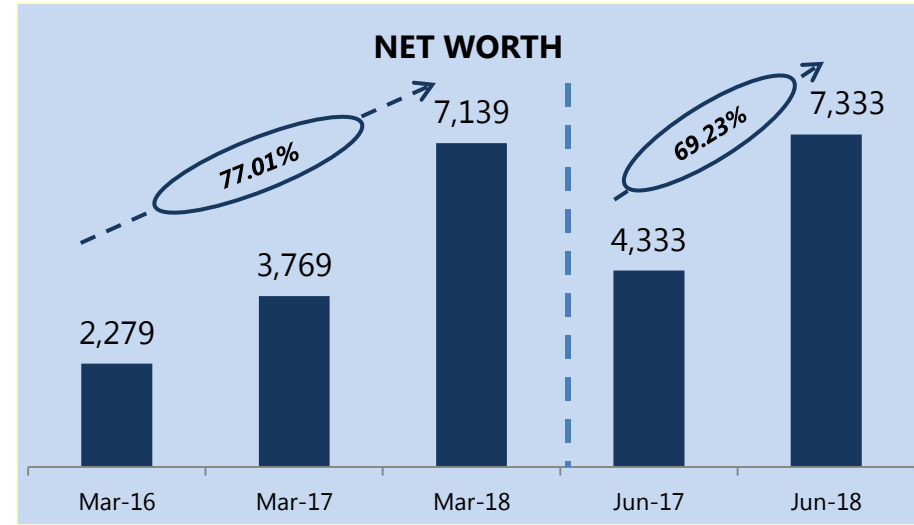
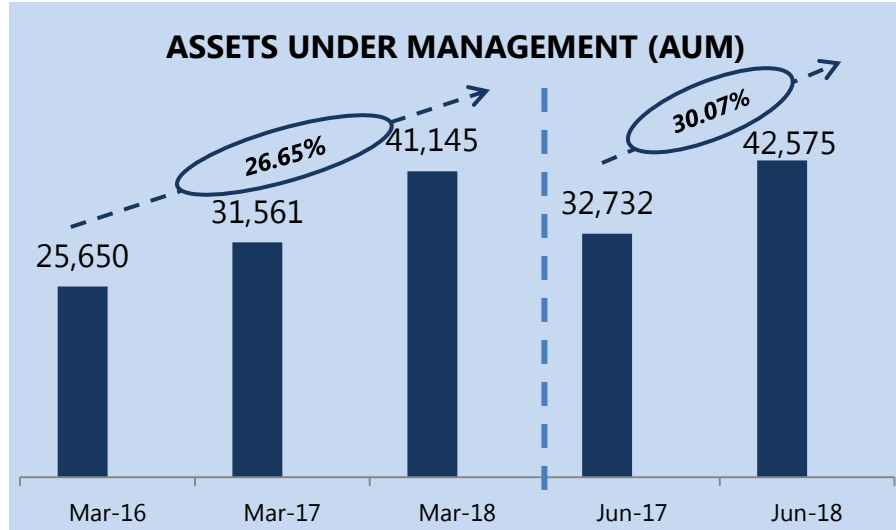
## ABBREVIATIONS

AUM	ASSET UNDER MANAGEMENT
PAT	PROFIT AFTER TAX
ROTA	RETURN ON AVG. TOTAL ASSET
DER	DEBT EQUITY RATIO
COB	COST OF BORROWING
ICR	INTEREST COVERAGE RATIO

# Financial Performance Trends – Q1 FY19

## Robust Performance

In INR Mn



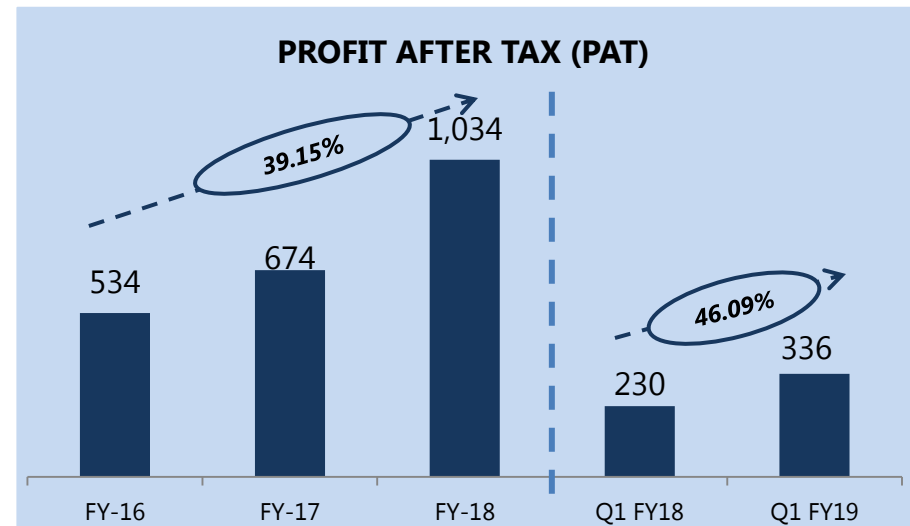
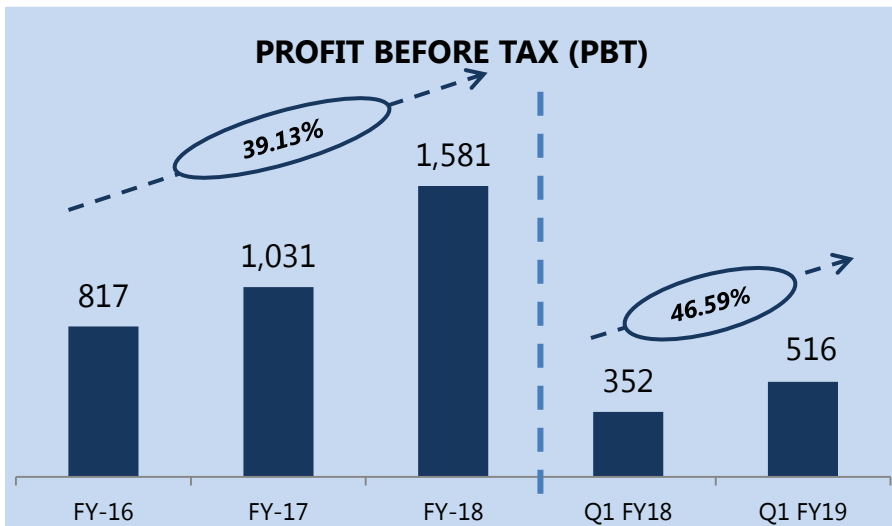
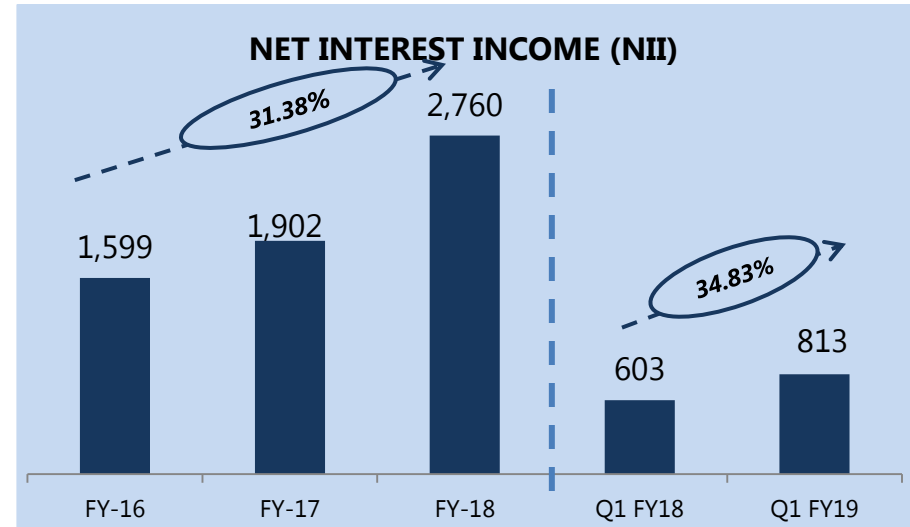
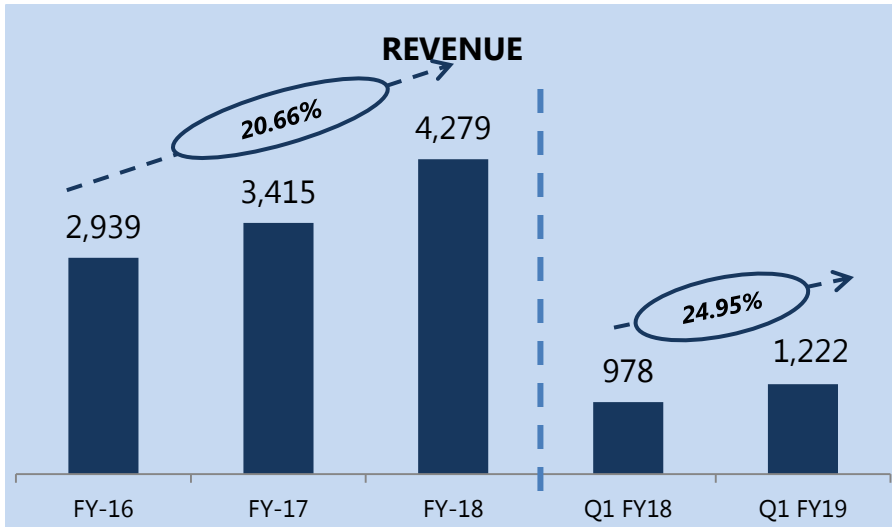
All the above figures are as per I-GAAP

# Financial Performance Trends – Q1 FY19



## Consistent Rise in ...

In INR Mn



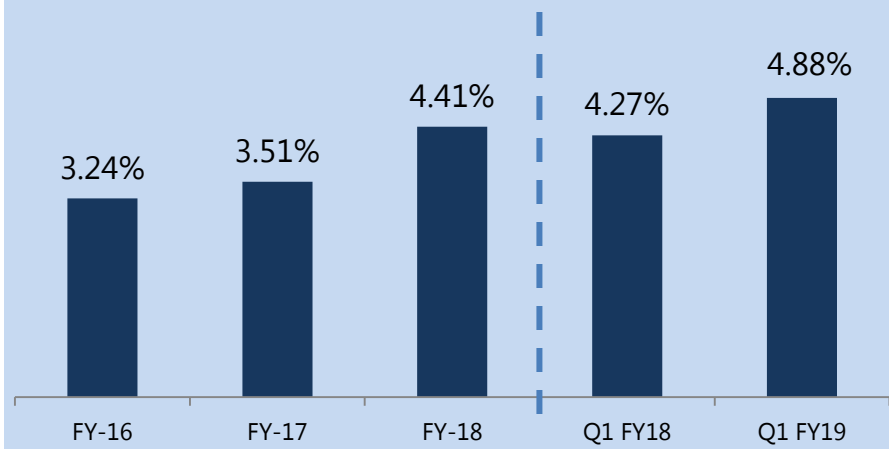
All the above figures are as per I-GAAP

# Financial Performance Trends – Q1 FY19

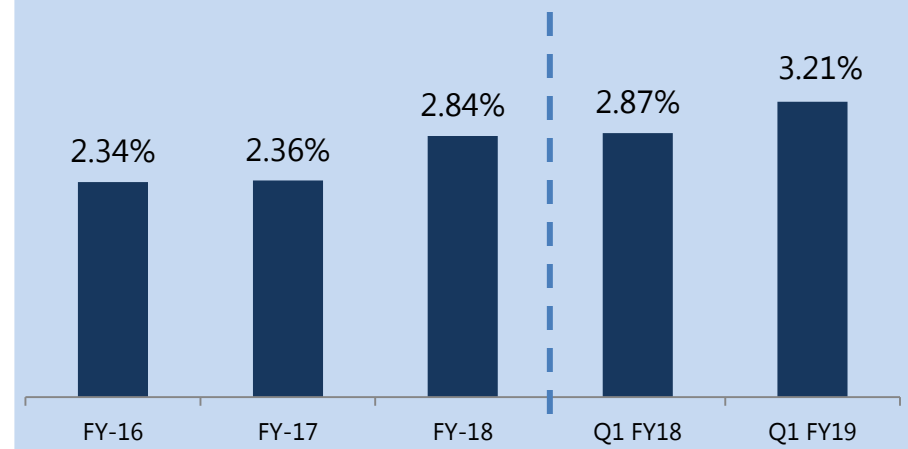


## Focus on Efficiency

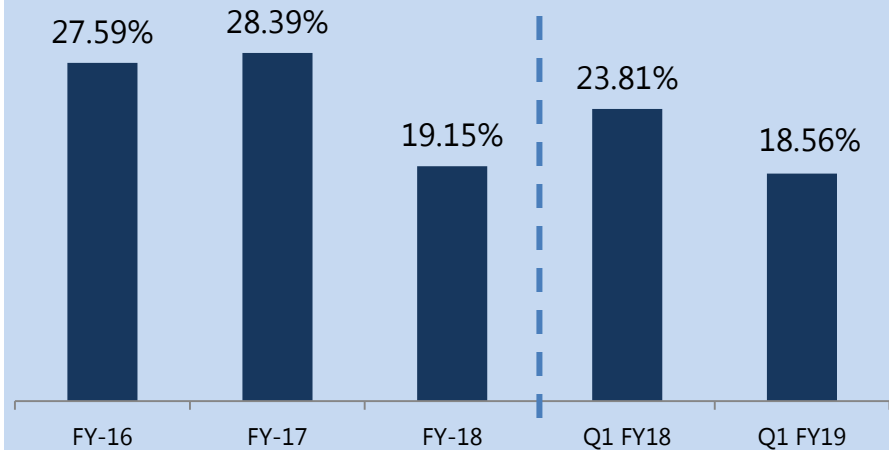
### RETURN ON AVG. TOTAL ASSET (ROTA)\*



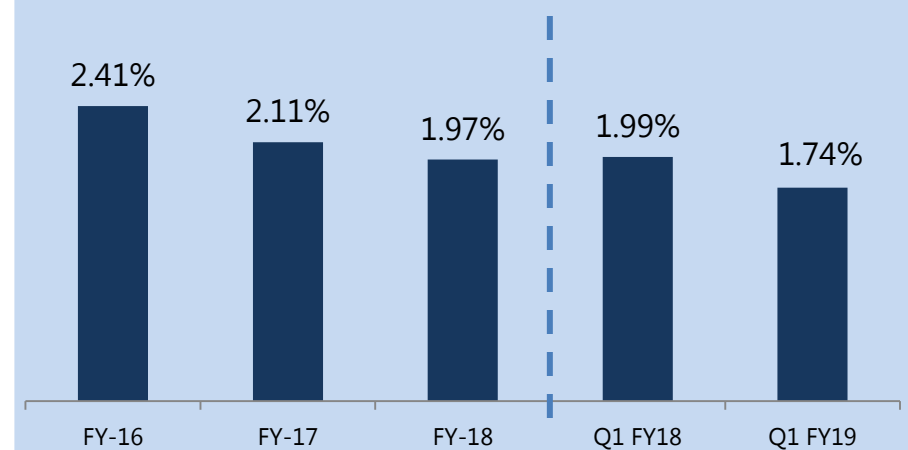
### RETURN ON AVG. AUM (ROAUM)\*



### RETURN ON AVG. NET WORTH (RONW)\*



### OPERATING EXPENSE RATIO (OE RATIO)\*



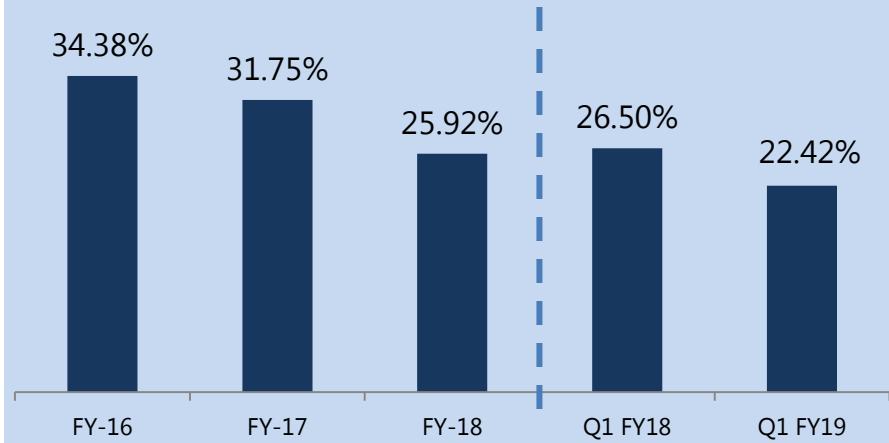
All the above figures are as per I-GAAP

\* Figures have been annualized. SLIDE: 20

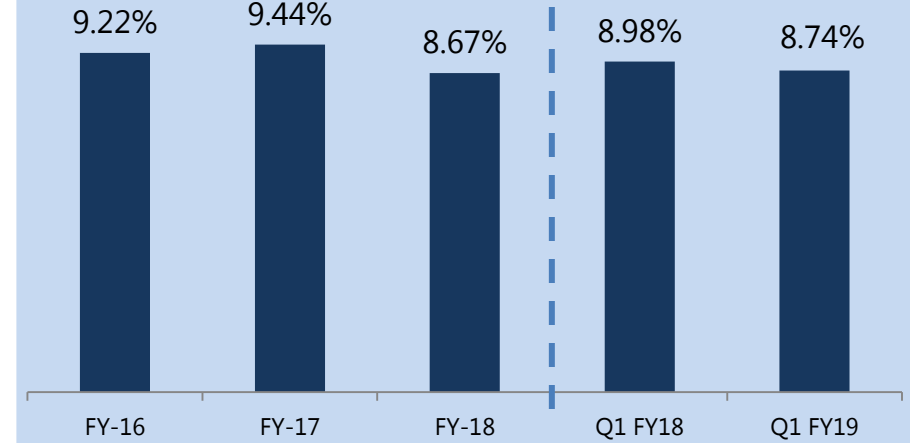
# Financial Performance Trends – Q1 FY19



**OPERATING EXPENSE AS % OF NII\***

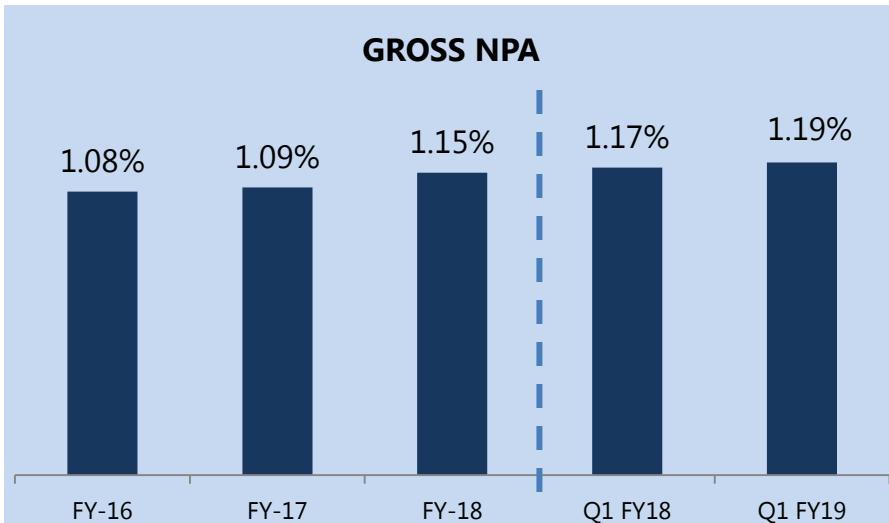


**COST OF BORROWING (COB)\***

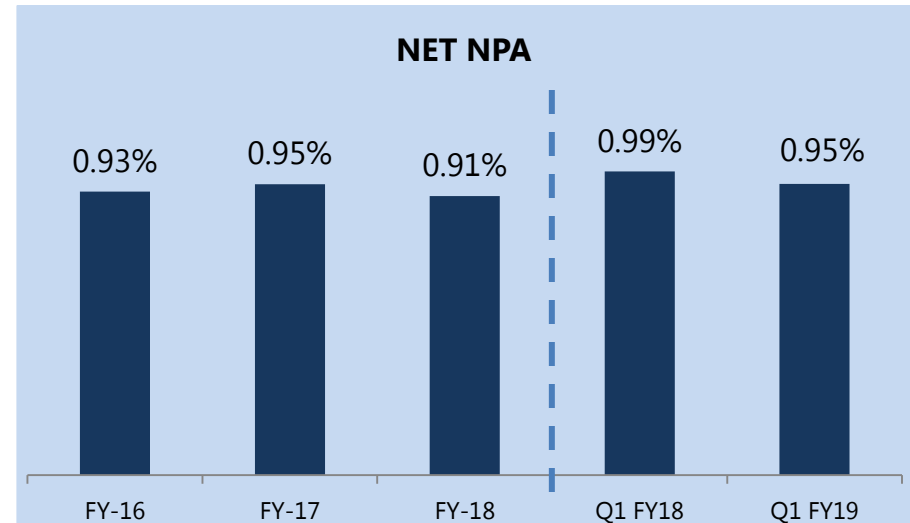


## Efficiently maintaining the quality of assets

**GROSS NPA**



**NET NPA**



\*Quarterly figures have been annualized.

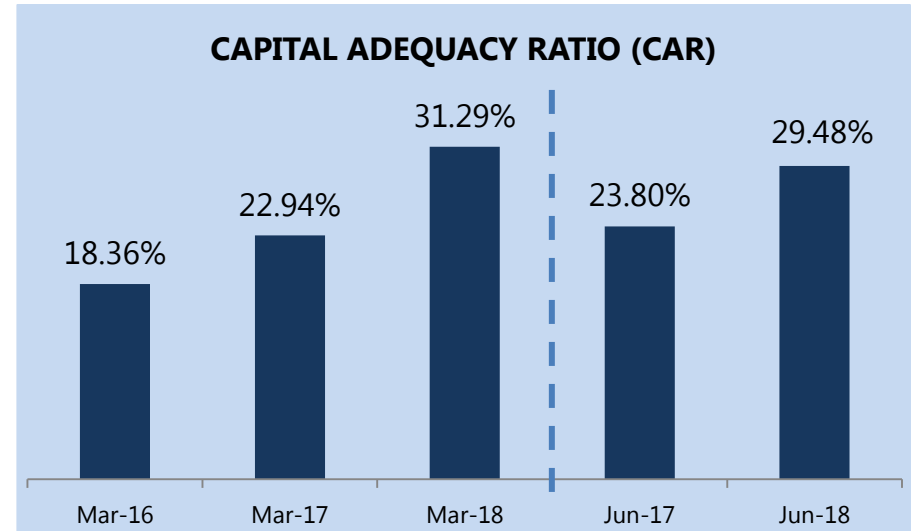
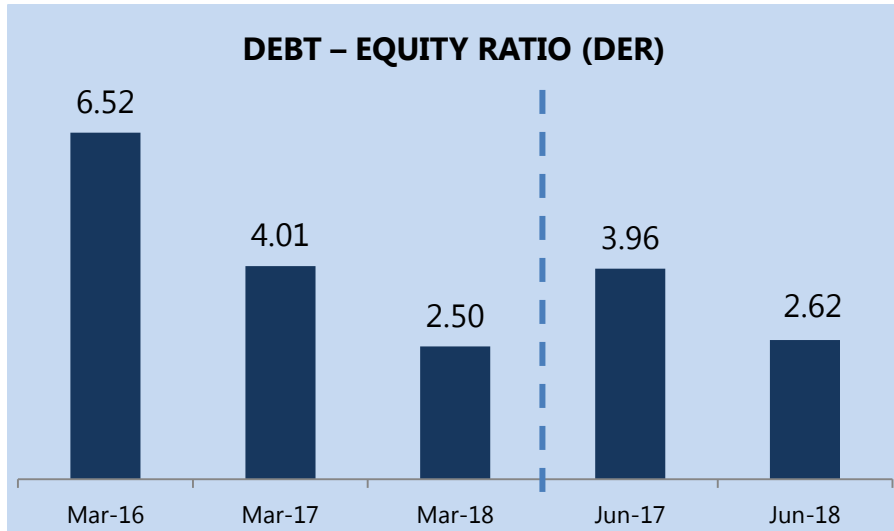
**All the above figures are as per I-GAAP**

**NPA classification criteria**  
 For FY15 : >5 months installment overdue  
 For FY16 TO FY17: >4 months installment overdue  
 From FY18 onwards: >3 months installment overdue

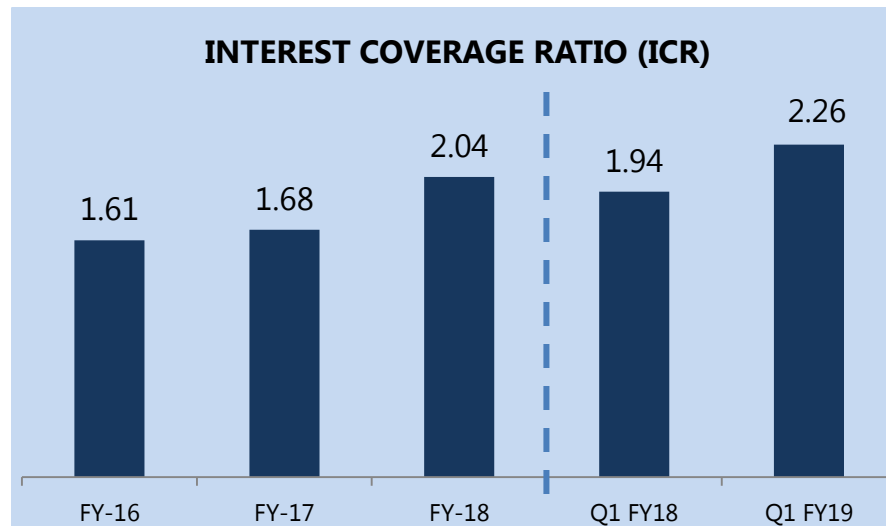
# Financial Performance Trends – Q1 FY19



## Adequately Capitalized



## Healthy Coverage



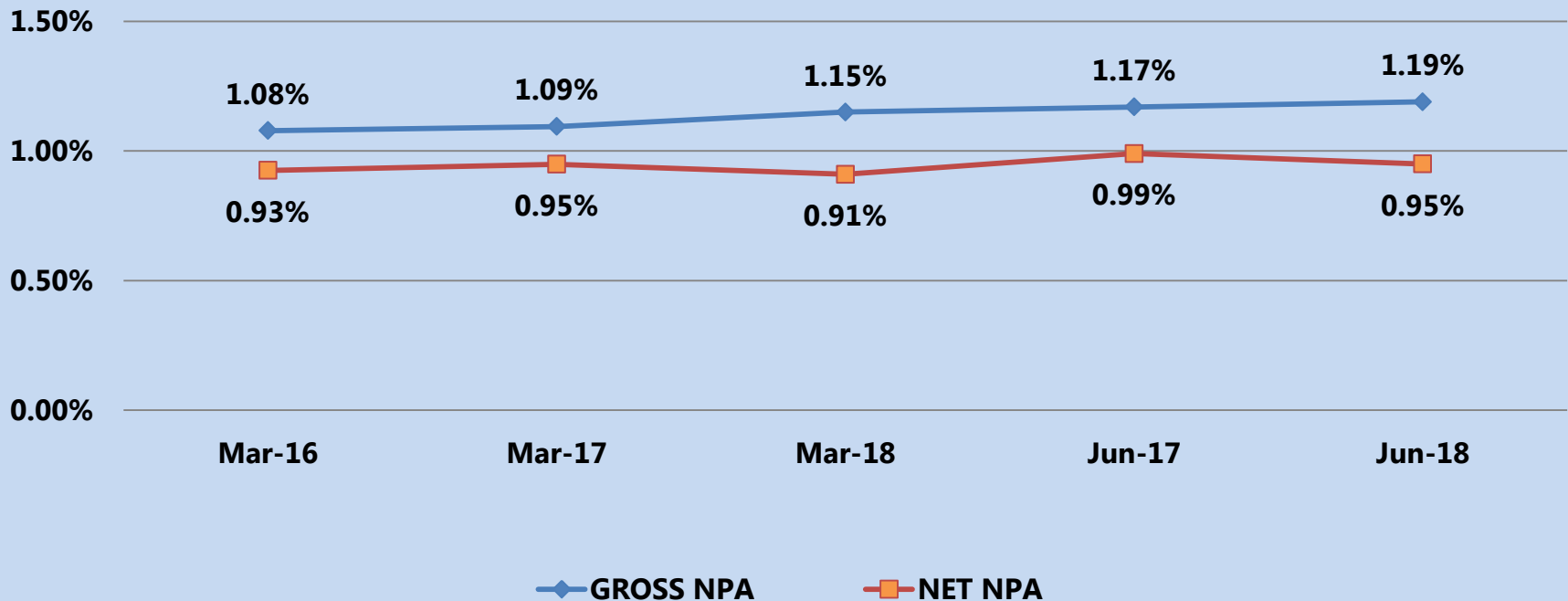
All the above figures are as per I-GAAP

# Quality of the portfolio : Consistently maintained



Catalyst in growth of Entrepreneurs, not creating just borrowers

### NPA COMPARISON CHART\*



**\*NPA classification criteria**

For FY15 : >5 months installment overdue

For FY16 TO FY17: >4 months installment overdue

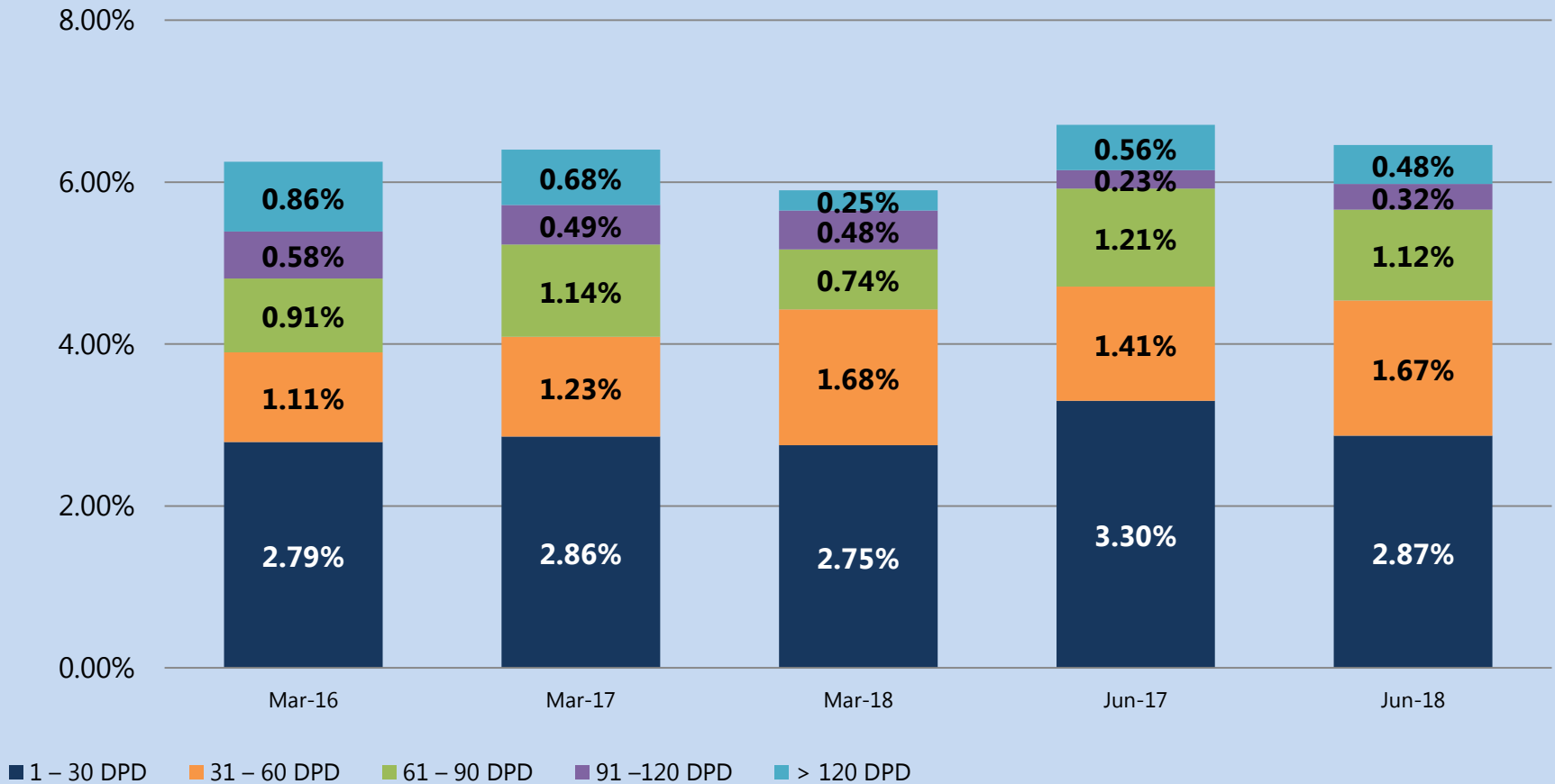
From FY18 onwards: >3 months installment overdue



# Asset Under Management - Credit Quality



**ASSET UNDER MANAGEMENT- DPD**



# Eminent Board of Directors

## Extensive industry experience and deep domain knowledge of financial services sector



**Mr. Kamlesh Chimanlal Gandhi**  
Chairman & MD

- **Mr. Kamlesh Chimanlal Gandhi**, aged 52 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 60 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



**Mrs. Darshana Saumil Pandya**  
Executive Director & COO

- **Darshana Saumil Pandya**, aged 45 years, is an executive Director and Chief Operational Officer of **MAS** Financial. She has been associated with the Company since June 1, 1996, and as an executive Director since September 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

# Eminent Board of Directors

## Extensive industry experience and deep domain knowledge of financial services sector



**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

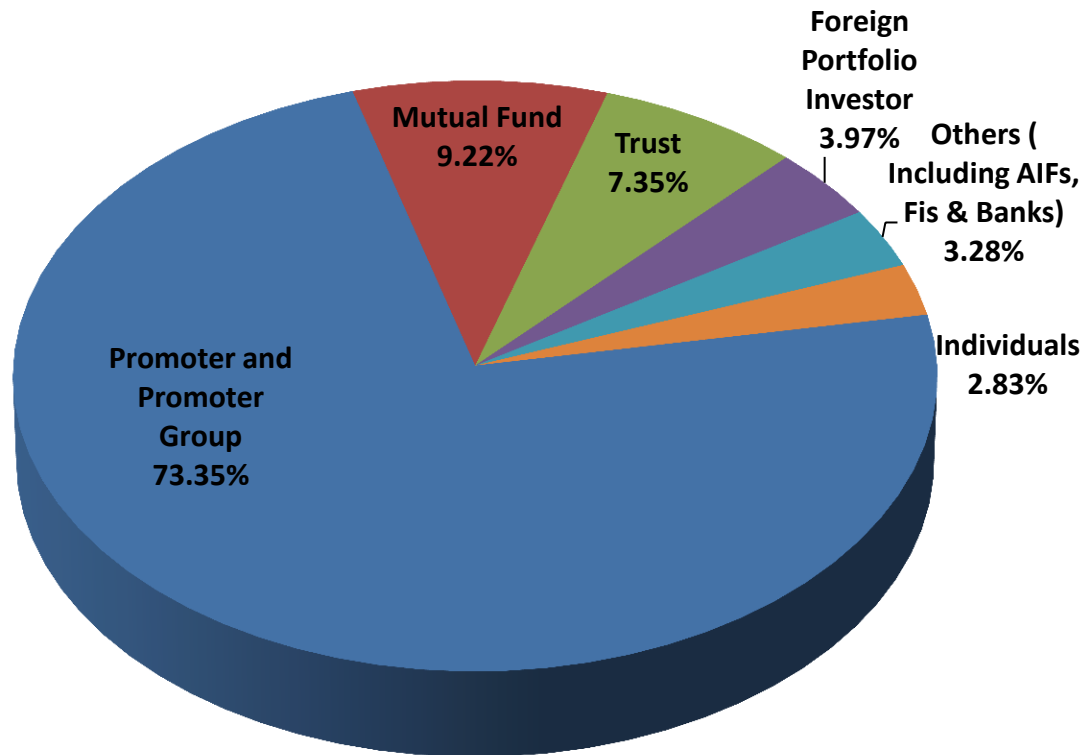
- He has been associated with the Company since June 2008 and as an independent Director since April 2014
- He holds bachelor's degrees in commerce and law (general) from Gujarat University
- He is also a qualified chartered accountant registered with the Institute of Chartered Accountants of India
- 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

## Shareholding as on 30<sup>th</sup> June 2018



## Marquee Non Promoter Shareholders

TIMF HOLDINGS

SCHRODER INTERNATIONAL SELECTION FUND

INDIAN OPPORTUNITIES

SAMSUNG INDIA SMALL AND MID CAP FOCUS

SECURITIES MASTER INVESTMENT TRUST

JPMORGAN INDIA SMALLER COMPANIES FUND

MIRAE ASSET INDIA

SARVA CAPITAL LLC

MOTILAL PRIVATE EQUITY

SBI LIFE INSURANCE CO. LTD

UTI MUTUAL FUND

AXIS MUTUAL FUND

IDFC MUTUAL FUND

TATA AIA LIFE INSURANCE

SUNDARAM MUTUAL FUND

EDDELWEISS MUTUAL FUND

ADITYA BIRLA SUN LIFE

## Asset Creation

- To anchor to our belief that, growth with quality will 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 in to 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.

# Financial Statement: FY16 – Q1 FY19



## PROFIT & LOSS STATEMENT

INR Mn	FY 2016	FY 2017	FY 2018	Q1 FY 2019
Total Revenue	2939.06	3415.17	4,278.73	1,221.54
Expenses				
Finance Costs	1339.86	1513.15	1518.48	408.97
Operating Expense	549.87	603.94	715.45	182.18
Provisions and Loan Losses	232.82	267.36	464.26	113.96
<b>Profit Before Tax</b>	<b>816.51</b>	<b>1030.72</b>	<b>1,580.54</b>	<b>516.43</b>
<b>Profit After Tax</b>	<b>533.9</b>	<b>673.72</b>	<b>1033.74</b>	<b>335.72</b>

## BALANCE SHEET STATEMENT

INR Mn	Mar-16	Mar-17	Mar-18	Jun-18
<b>LIABILITY</b>				
Share Capital	594.71	904.27	546.62	546.62
Reserves and Surplus	1184.04	2365.15	6592.60	6786.21
Compulsorily Convertible Debentures (Unsecured)	499.8	499.8	0.00	0.00
<b>Share Holders Fund</b>	<b>2278.55</b>	<b>3769.22</b>	<b>7139.22</b>	<b>7332.83</b>
Non-current liabilities	4598.39	4516.16	5792.23	6119.21
Current liabilities	11265.2	11956.3	13686.56	14932.09
<b>Total Liability</b>	<b>18142.1</b>	<b>20241.7</b>	<b>26618.00</b>	<b>28384.12</b>
<b>ASSETS</b>				
Fixed assets	63.73	71.62	565.41	569.08
Non-current assets	5035.64	7917.73	12090.62	12531.18
Current assets	13042.8	12252.3	13961.98	15283.86
<b>Total Assets</b>	<b>18142.1</b>	<b>20241.7</b>	<b>26618.00</b>	<b>28384.12</b>

All the above figures are as per I-GAAP

# 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 78 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 Q1 FY19 – INR 907,331
- **AUM as of June 30, 2018– INR 2,096 Mn**

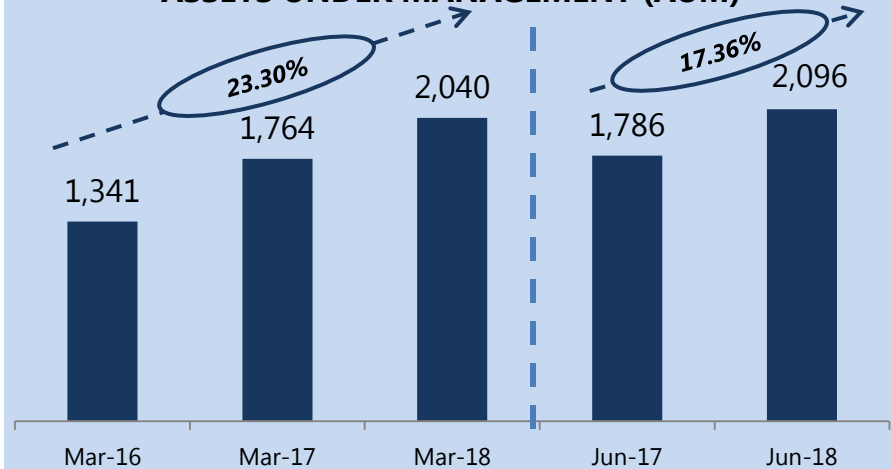
# Financial Performance Trends – Q1 FY19

## MRHMFL

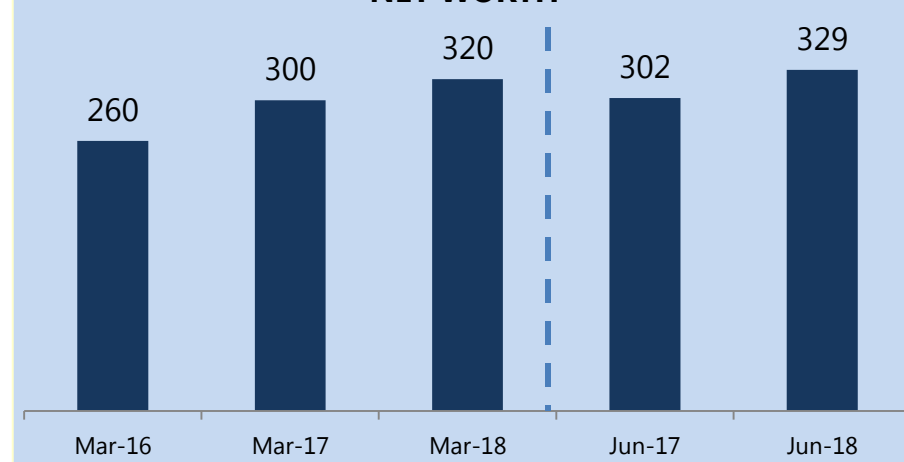


In INR Mn

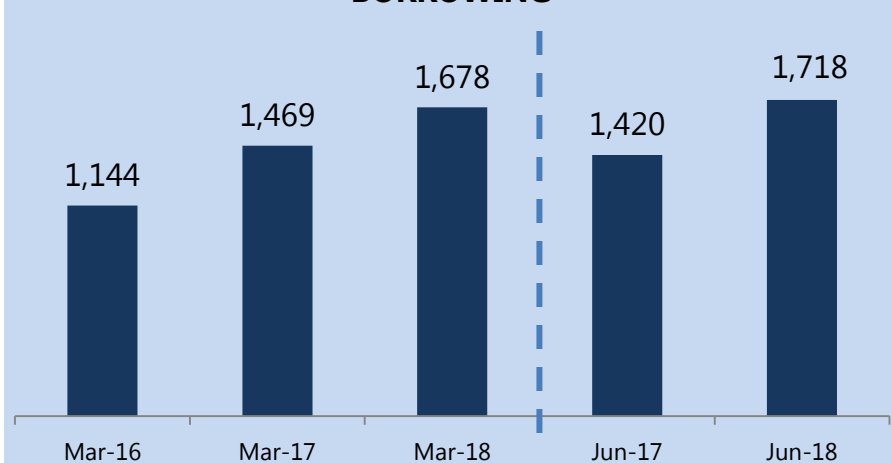
### ASSETS UNDER MANAGEMENT (AUM)



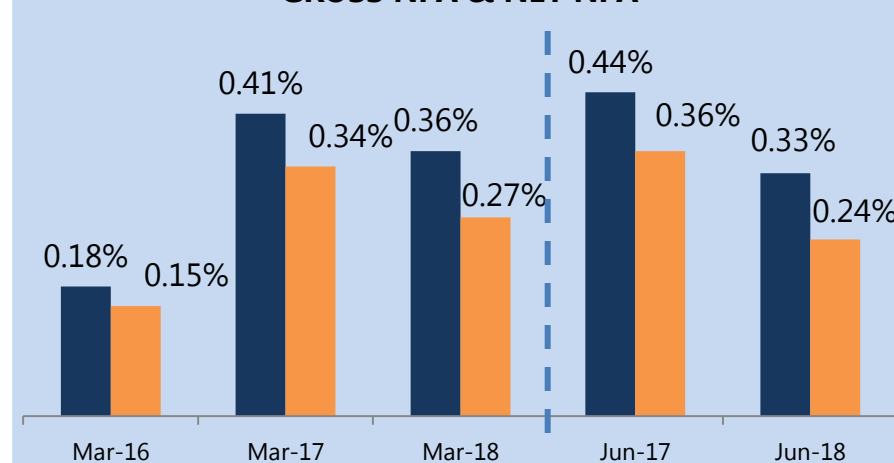
### NET WORTH



### BORROWING



### GROSS NPA & NET NPA



All the above figures are as per I-GAAP

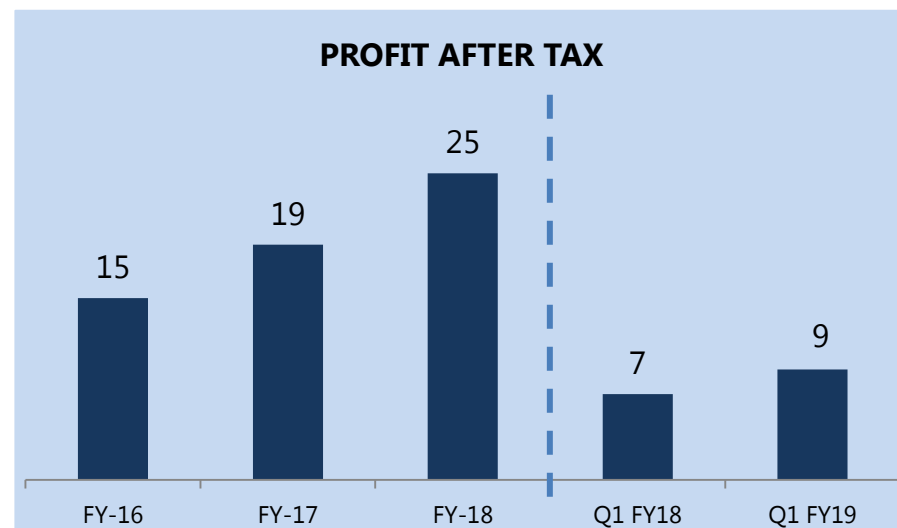
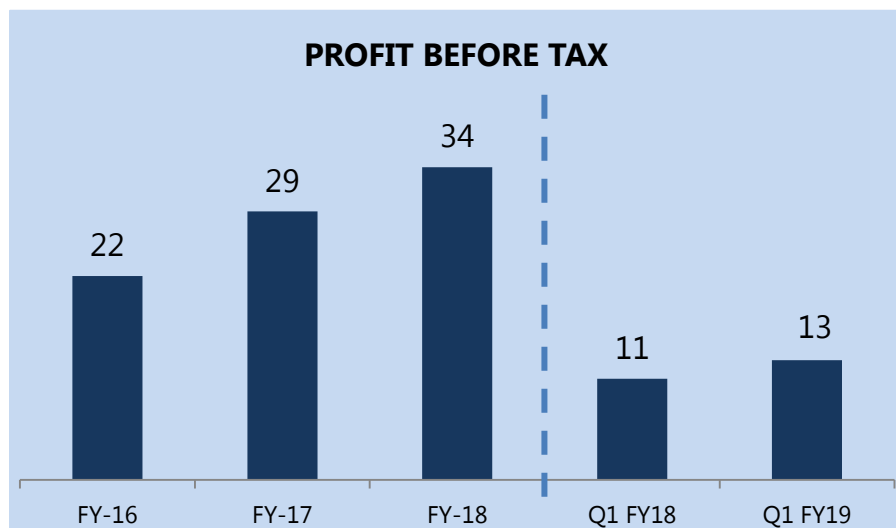
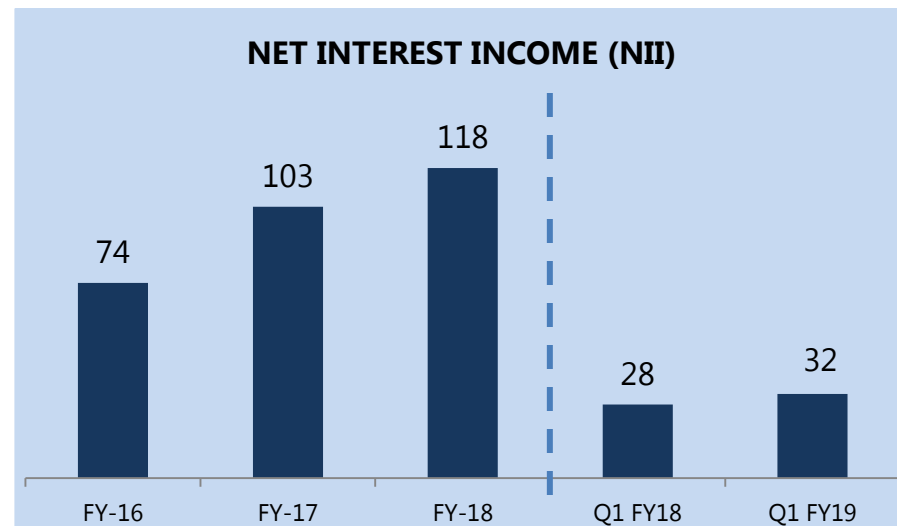
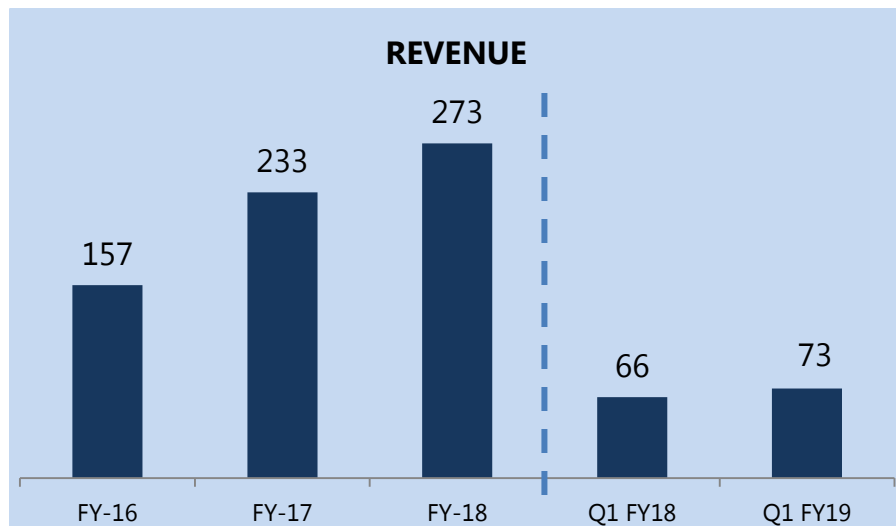


# Financial Performance Trends – Q1 FY19

## MRHMFL



In INR Mn



All the above figures are as per I-GAAP



# IND – AS IMPACT

# MAS FINANCIAL SERVICES LIMITED

# Reconciliation of profit from I-GAAP to IND - AS



IN INR MN

Particulars		Q1 FY 18	FY 18	Q1 FY 19
<b>Profit After Taxes (based on I-GAAP)</b>		<b>230.40</b>	<b>1033.70</b>	<b>335.70</b>
Adjustments	Impact of Adopting EIR on Financial Assets	-3.60	-6.60	7.40
	Impact of Adopting EIR on Financial Liabilities	0.00	1.80	-1.00
	Impact of Income accrues on Stage 3 Assets	-0.50	-0.60	3.30
	Impact of recognition of Assigned Portfolio	-5.20	189.00	-34.10
	Impact on application of ECL method for Provision on Loan Portfolio	15.40	18.30	-23.60
	Reclassification of actuarial gain/loss on Employee benefit schemes	0.00	0.00	0.00
	Fair value impact of Compulsory convertible Debentures	-21.40	-41.90	0.00
	Fair value impact of Compulsory Convertible Cumulative Preference Shares	-41.90	-79.50	0.00
	Others	-3.60	-6.90	0.00
	<b>Total of the above Adjustments</b>	<b>-60.80</b>	<b>73.60</b>	<b>-48.01</b>
Less: Impact of Taxes on account of above adjustments		-1.90	-69.60	16.92
<b>Profit after Taxes (based on IND-AS)</b>		<b>167.70</b>	<b>1037.70</b>	<b>304.62</b>
Other Comprehensive Income for the Period, Net of Tax		-86.15	160.85	343.03
<b>Total Comprehensive Income for the Period</b>		<b>81.56</b>	<b>1198.55</b>	<b>647.65</b>

# Impact of IND – AS on Net worth

IN INR MN

Particulars	01-Apr-17			31-Mar-18		
	Equity	Reserves	Net Worth	Equity	Reserves	Net Worth
<b>Closing Net worth As per IGAAP</b>	<b>904.27</b>	<b>2365.15</b>	<b>3269.42</b>	<b>546.62</b>	<b>6592.60</b>	<b>7139.22</b>
IND - AS Adjustments						
Adoption of EIR for Financial Asset and Liability		-80.07	-80.07	0.00	-4.75	-4.75
Adjustment on account of expected credit loss		-36.55	-36.55	0.00	18.26	18.26
Adjustment on account of gain from excess interest spread on assignment transactions		382.00	382.00	0.00	188.95	188.95
Fair Value & Reclassification Impact of CCPS	-434.71	-861.61	-1296.32	0.00	861.61	861.61
Fair Value Impact of CCD		-447.54	-447.54	0.00	447.54	447.54
Fair Value Impact on Loans & Advances		-165.11	-165.11	0.00	0.00	0.00
Gratuity & Leave Encashment - Fair Value Through OCI		0.00	0.00	0.00	0.00	0.00
Recognition of NPA Interest Reversed under IGAAP		27.59	27.59	0.00	-0.64	-0.64
Others		0.80	0.80	0.00	-6.93	-6.93
Tax Impact on above adjustments (DTA/DTL)		-37.98	-37.98	0.00	-69.61	-69.61
<b>Total Adjustments Before OCI</b>	<b>-434.71</b>	<b>-1218.46</b>	<b>-1653.17</b>	<b>0.00</b>	<b>1434.43</b>	<b>1434.43</b>
Other Comprehensive Income		0.00	0.00	0.00	160.85	160.85
Gratuity & Leave Encashment - Fair Value Through OCI(Net Off Tax)		0.00	0.00			0.00
<b>Total Adjustments After OCI</b>	<b>-434.71</b>	<b>-1218.46</b>	<b>-1653.17</b>	<b>0.00</b>	<b>1595.28</b>	<b>1595.28</b>
Impact on Share Premium				0.00	7.61	7.61
Last year Impact of transition Carried Forward	0.00	0.00	0.00	0.00	-1218.46	-1218.46
<b>Closing Net worth As per IND - AS</b>	<b>469.56</b>	<b>1146.69</b>	<b>1616.25</b>	<b>546.62</b>	<b>6977.03</b>	<b>7523.65</b>

Note: As per IND - AS, the Fair Value Impact of Compulsorily Convertible Debentures and Fair Value & Reclassification Impact of Compulsorily Convertible Preference Shares has been taken and the Fair value impact of both instrument was Rs. 130.91 Crore as of 1<sup>st</sup> April 2017. Both instrument has been converted into equity in Sept 2017 and hence the impact has been reversed in Sept 2017.

# Credit Quality



IN INR MN

Particulars	Jun-18		Jun-17	
	AUM	Provision	AUM	Provision
Stage 1	26124.17	80.78	20379.75	56.50
Stage 2	1104.36	114.68	747.99	72.23
Stage 3	366.43	53.04	279.65	35.18
<b>TOTAL ON BOOK</b>	<b>27594.96</b>	<b>248.50</b>	<b>21407.40</b>	<b>163.91</b>
Assigned Portfolio	15575.00	N/A	11722.60	N/A
<b>TOTAL AUM</b>	<b>43169.96</b>		<b>33130.00</b>	

Particulars	Jun-18	Jun-17
Stage 1 And Stage 2 Assets ( Standard Assets) Provisioning	0.72%	0.61%
Stage 3 Assets (>90 DPD Assets) Provisioning	14.47%	12.58%
Stage 3 As % Of On Book Assets	1.33%	1.31%
Stage 3 As % Of AUM	0.97%	0.98%
Stage 3 As % Of On Book Assets after provisioning	1.13%	1.14%
Stage 3 As % Of AUM after provisioning	0.85%	0.88%

Note: Stage 3 (>90 DPD Assets) on Assigned portfolio was Rs. 53.80 MN. on 30<sup>th</sup> June 2018 and Rs. 46.50 MN. on 30<sup>th</sup> June 2017 which has been taken into consideration while calculating Stage 3 As % Of AUM.



**IND – AS IMPACT  
MAS RURAL HOUSING AND  
MORTGAGE FINANCE LIMITED**

# Reconciliation of profit from I-GAAP to IND - AS



IN INR MN

Particulars		Q1 FY 18	FY 18	Q1 FY 19
<b>Profit After Taxes (based on I-GAAP)</b>		<b>7.14</b>	<b>24.99</b>	<b>8.97</b>
Adjustments	Impact of Adopting EIR on Financial Assets	0.50	-0.78	-0.94
	Impact of Adopting EIR on Financial Liabilities	-0.19	-0.75	-0.64
	Impact of Income accrues on Stage 3 Assets	0.01	-0.28	0.22
	Impact of recognition of Assigned Portfolio	-0.18	-0.89	-0.18
	Impact on application of ECL method for Provision on Loan Portfolio	0.40	0.57	1.20
	Reclassification actuarial gain/loss on Employee benefit schemes	0.02	-0.18	-0.05
	Others	-0.64	-3.36	-0.71
	<b>Total of the above Adjustments</b>	<b>-0.08</b>	<b>-5.67</b>	<b>-1.09</b>
Add/Less: Impact of Taxes on account of above adjustments and reversal of DTL on Special Reserves		0.84	0.77	1.15
<b>Profit after Taxes (based on IND-AS)</b>		<b>7.90</b>	<b>20.09</b>	<b>9.03</b>
Other Comprehensive Income for the Period, Net of Tax		-0.02	0.18	0.05
<b>Total Comprehensive Income for the Period (V + VI)</b>		<b>7.88</b>	<b>20.27</b>	<b>9.08</b>

# Impact of IND – AS on Net worth



IN INR MN

Particulars	01-Apr-17			31-Mar-18		
	Equity	Reserves	Net Worth	Equity	Reserves	Net Worth
<b>Closing Net worth As per IGAAP</b>	<b>220.35</b>	<b>79.56</b>	<b>299.91</b>	<b>220.35</b>	<b>99.75</b>	<b>320.10</b>
<u>Ind AS Adjustments</u>						
Adoption of EIR for Financial Asset and Liability		-10.59			-1.53	
Adjustment on account of expected credit loss		1.22			0.57	
Adjustment on account of gain from excess interest spread on assignment transactions		6.45			-0.89	
Reclassification of liability portion of OCPS as financial liability	-21.55	-2.96			-2.68	
Reclassification of Equity portion of OCPS as Other Equity	-18.45	18.45			0.00	
Employee Benefits - Fair Value Through OCI		0.09			-0.18	
Recognition of NPA Interest Reversed under IGAAP		0.71			-0.28	
Tax Impact on above adjustments (DTA/DTL)		8.84			-0.06	
Reversal of Deferred Tax Liability on Special Reserve u/s 36 (1) (viii)		8.43			0.84	
<b>Total Adjustments Before OCI</b>	<b>-40.00</b>	<b>30.63</b>	<b>-9.37</b>	<b>0.00</b>	<b>-4.22</b>	<b>-4.22</b>
Other Comprehensive Income						
Employee Benefits - Fair Value Through OCI (Net Off Tax)	0.00	-0.09	-0.09	0.00	0.18	0.18
<b>Total Adjustments After OCI</b>	<b>-40.00</b>	<b>30.54</b>	<b>-9.46</b>	<b>0.00</b>	<b>-4.04</b>	<b>-4.04</b>
Last year Impact of transition Carried Forward				-40.00	30.54	-9.46
<b>Closing Net worth As per Ind AS</b>	<b>180.35</b>	<b>110.10</b>	<b>290.45</b>	<b>180.35</b>	<b>126.25</b>	<b>306.60</b>



# Credit Quality



IN INR MN

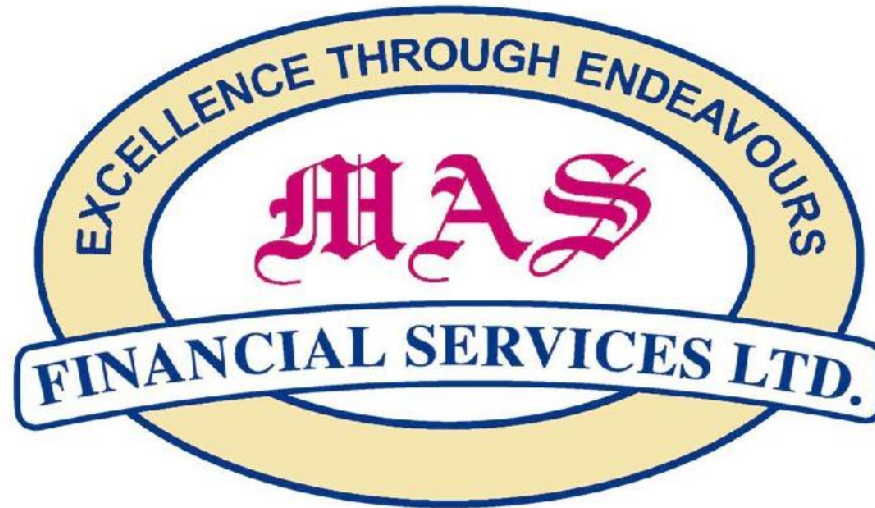
Particulars	Jun-18		Jun-17	
	AUM	Provision	AUM	Provision
Stage 1	1976.29	3.53	1686.22	4.20
Stage 2	92.05	4.66	65.68	2.95
Stage 3	7.44	2.04	8.13	2.27
<b>TOTAL ON BOOK</b>	<b>2075.78</b>	<b>10.23</b>	<b>1760.03</b>	<b>9.42</b>
Assigned Portfolio	26.54	N/A	32.48	N/A
<b>TOTAL AUM</b>	<b>2102.31</b>		<b>1792.51</b>	

Particulars	Jun-18	Jun-17
Stage 1 And Stage 2 Assets ( Standard Assets) Provisioning	0.40%	0.41%
Stage 3 Assets (>90 DPD Assets) Provisioning	27.43%	27.91%
Stage 3 As % Of On Book Assets	0.36%	0.46%
Stage 3 As % Of AUM	0.35%	0.45%
Stage 3 As % Of On Book Assets after provisioning	0.26%	0.33%
Stage 3 As % Of AUM after provisioning	0.26%	0.33%

# Glossary

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

<b>EIR</b>	Effective Interest Rate
<b>ECL</b>	Estimated Credit Loss
<b>OCPS</b>	Optionally Convertible Preference Share



*The Power of Distribution*

**BEST WISHES**

**INVESTOR CONTACT**

**Name: Ankit Jain**

**Designation: VP- Finance**

**Contact No.: 079-41106682**

**Email ID: [ankit\\_jain@mas.co.in](mailto:ankit_jain@mas.co.in)**