



The Power of Distribution

MAS FINANCIAL SERVICES LIMITED

MFSL/SEC/EQ/2018/18

May 09, 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 (Consolidated) for the quarter and year ended on March 31, 2018

Please find enclosed herewith Investor Presentation (Consolidated) for the quarter and year ended March 31, 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

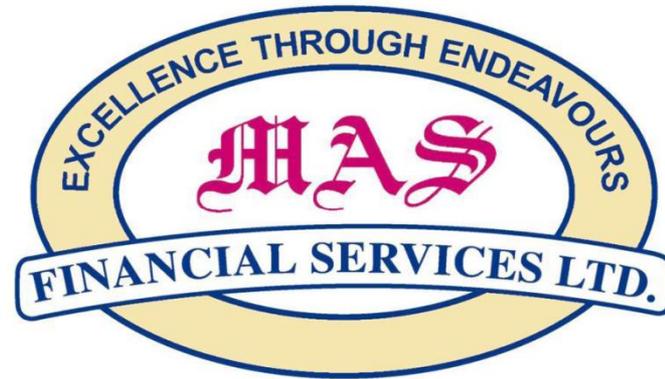
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**INVESTOR
PRESENTATION –
Q4 FY18
(CONSOLIDATED)**



The Power of Distribution

REGISTERED OFFICE

MAS Financial Services Limited
CIN: U65910GJ1995PLC026064
ADDRESS: 6, Ground Floor, Narayan Chambers,
Ashram Road, Ahmedabad-380009

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Company Overview

SPECIALISED IN RETAIL LENDING SINCE 20 YEARS

Diversified Product Portfolio



Strong Retail Presence & Wide Distribution Network

6 states and
NCT of Delhi



124 branches



5,00,000+

Active loan accounts

3,311

Customer locations

Sourcing Intermediaries



397



328



65



112 NBFCs

CONSISTENT GROWTH

AUM with immaculate Quality



AUM: INR 43,184 Mn
(YoY Growth of 29.58%)

Gross NPA: 1.11%

Net NPA: 0.88%

Consistent Profitability & Returns

Revenue: INR 1,207 Mn



PAT: INR 306 Mn

17.33%

Return on Avg. Net
Worth*



4.45%

Return on
Avg. Total Assets*
3.00%
Return on Avg. AUM*

EFFICIENT LIABILITY MANAGEMENT

Capitalization (Standalone)



TOTAL CRAR: 31.29%

TIER I CRAR : 29.06%

TIER II CRAR : 2.23%

Fund Raising



36.81% of AUM
Assigned to Banks/FIs

8.42%

Cost of borrowings*

- NCDs
- Term loans
- Commercial Paper
- Cash credit

All the above figures are for Q4 FY18

* 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



2018	Listing of Equity Shares on Bombay Stock Exchange & National Stock Exchange. Capital Infusion of INR 350 Mn. by Motilal Oswal. Raised fresh Capital of INR 2,330 Mn. in IPO
2017	AUM crossed INR 30 Bn. Capital Infusion of INR 1,000 Mn. by Motilal Oswal.
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 AUM crossed INR 20 Bn
2014	Sarva Capital purchased 50% CCPS held by FMO in secondary deal
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 Q4 FY18 – INR 43,802
- AUM as of March 31, 2018– INR 25,763 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 Q4 FY18 – INR 8.10 Mn
- AUM as of March 31, 2018– INR 10,295 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 Q4 FY18 – INR 46,015
- AUM as of March 31, 2018– INR 3,624 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 Q4 FY18 – INR 187,591
- AUM as of March 31, 2018– INR 1,462 Mn**

Housing Loans

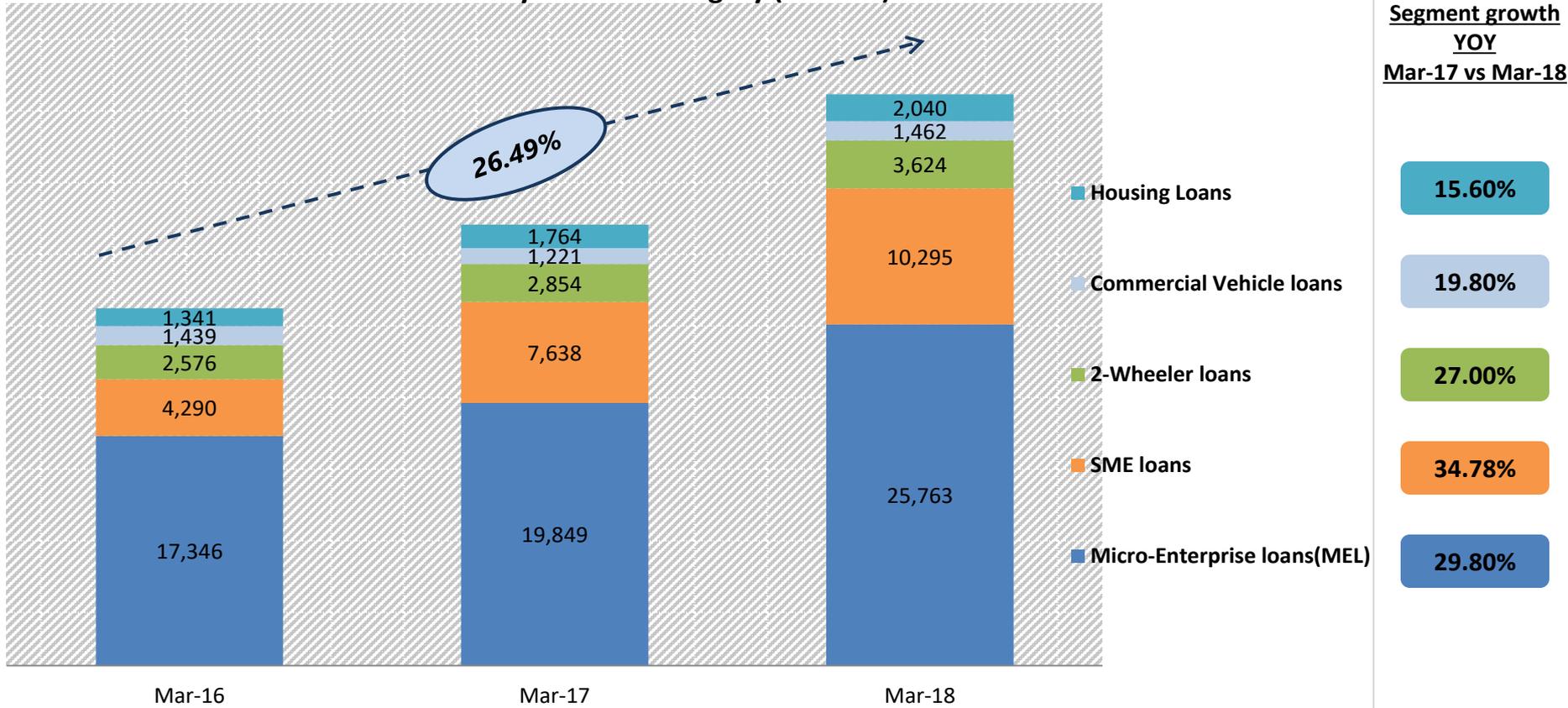


- Loans of up to INR 5 Mn for residential and INR 10 Mn for commercial
- Provides housing loans to customers, who are primarily salaried and self-employed individuals and loans to developers for construction of affordable housing project
- Tenure up to 240 months for residential and 120 months for commercial
- Average Ticket size of Housing Loans to individual in Q4 FY18 – INR 732,904
- AUM as of March 31, 2018 – INR 2,040 Mn**

Recent Growth in Overall AUM

MAS' has exhibited steady growth in AUM over the years

AUM by Product Category (INR Mn)

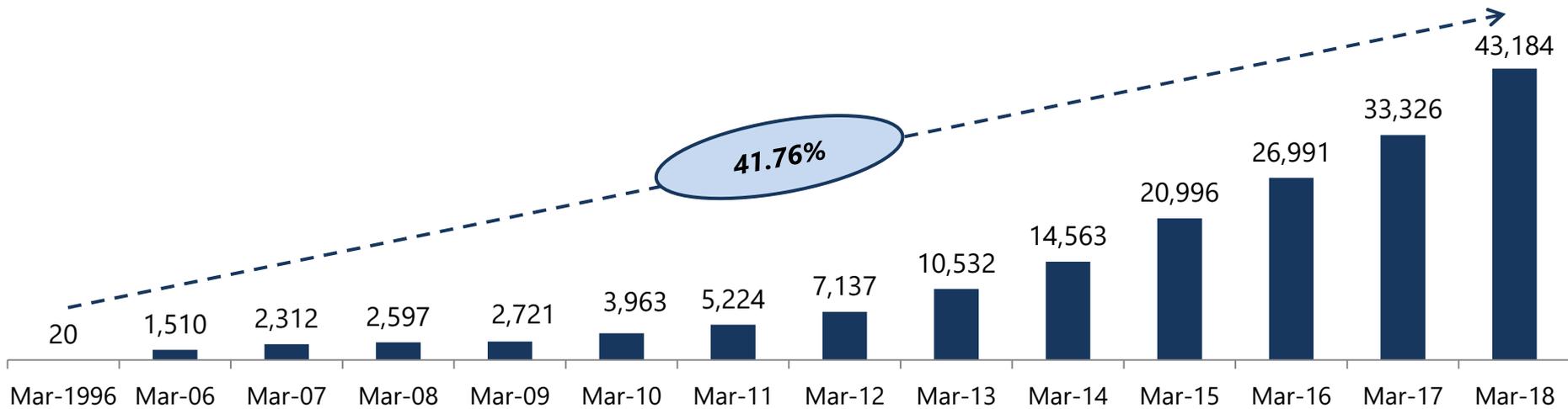


PARTICULARS	MAR-16	MAR-17	Mar-18
AUM	26,991	33,326	43,184

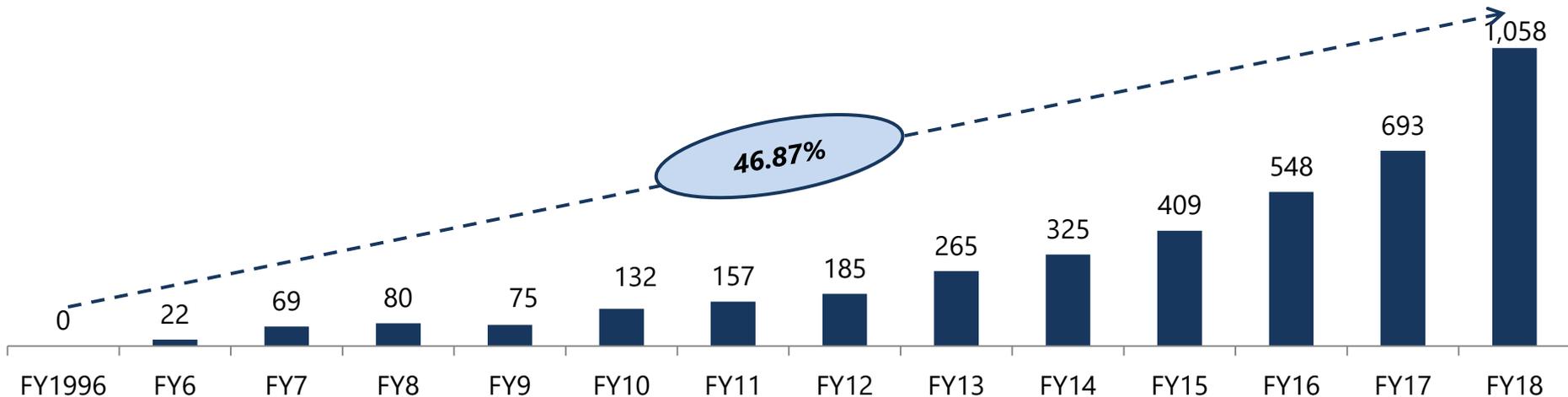
Consistent Growth in AUM and PAT

Asset Under Management (AUM)

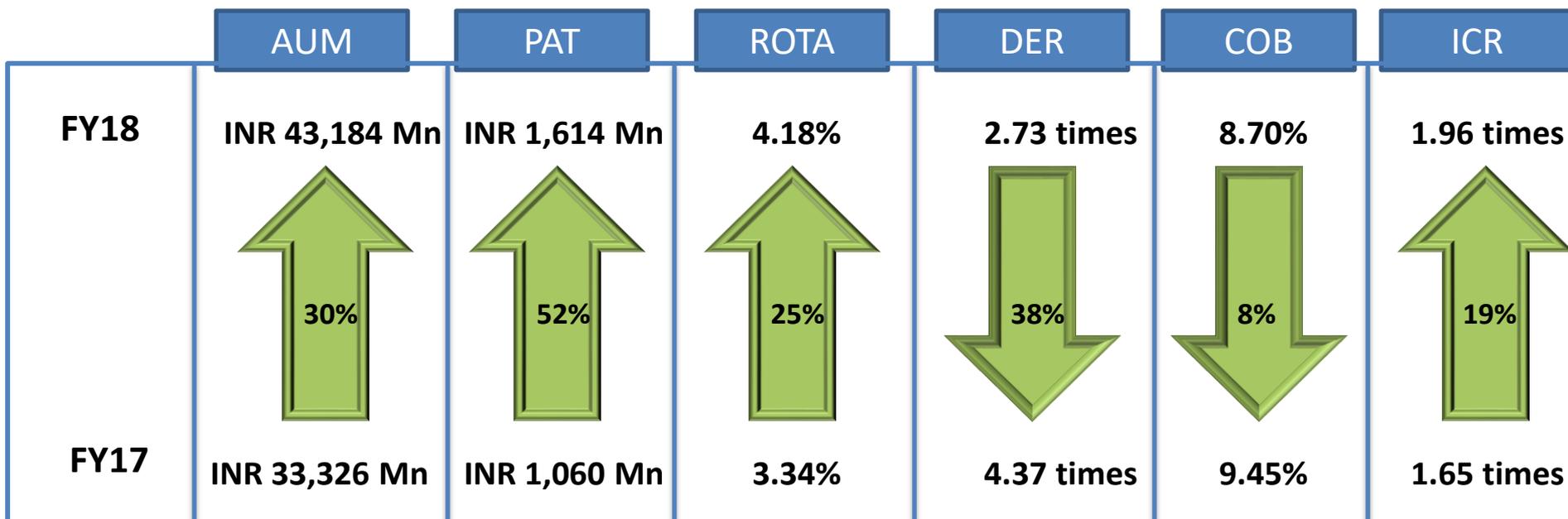
In INR Mn



Profit After Tax (PAT)



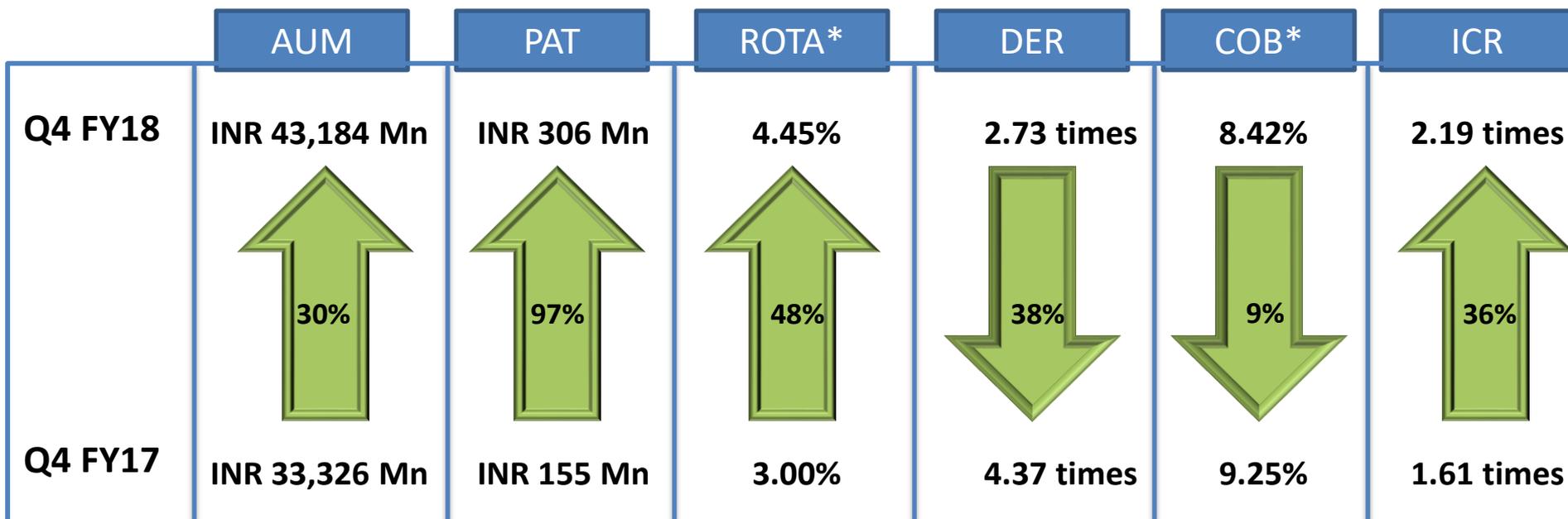
Key Achievements Highlights – FY18 vs FY17



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

Key Achievements Highlights – Q4 FY18 vs Q4 FY17



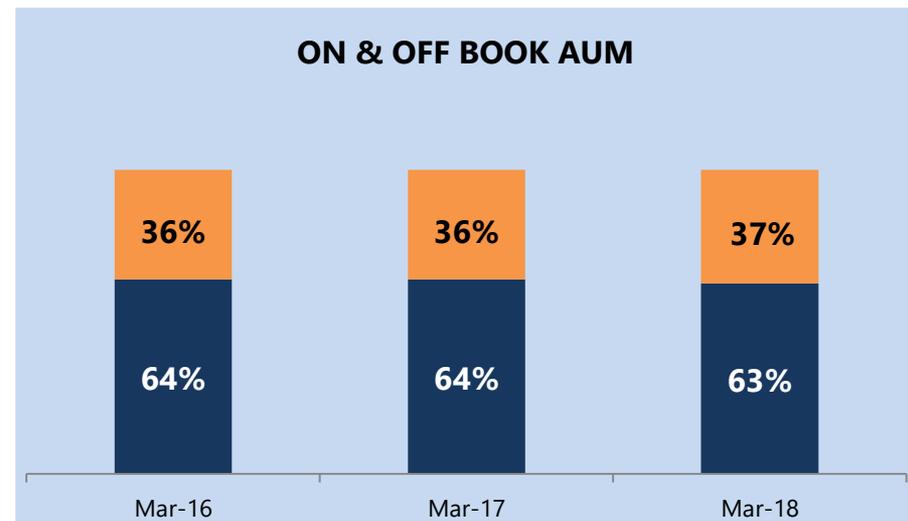
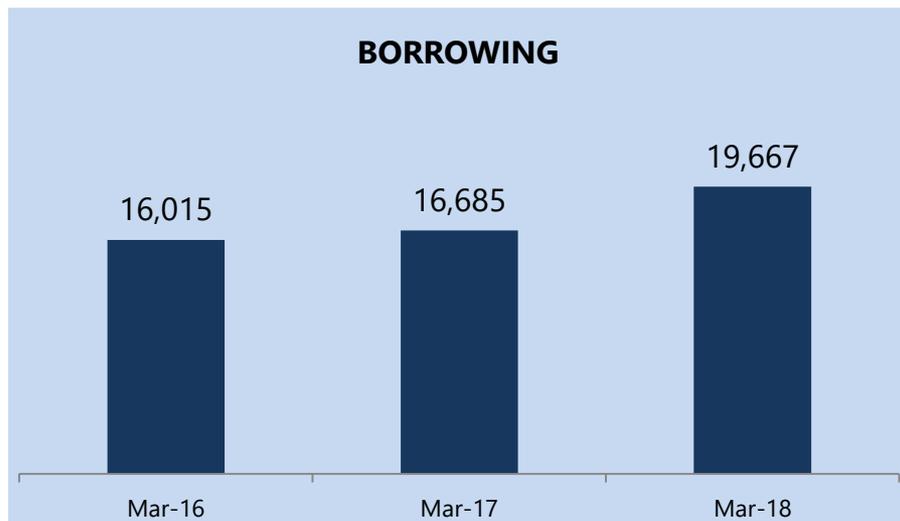
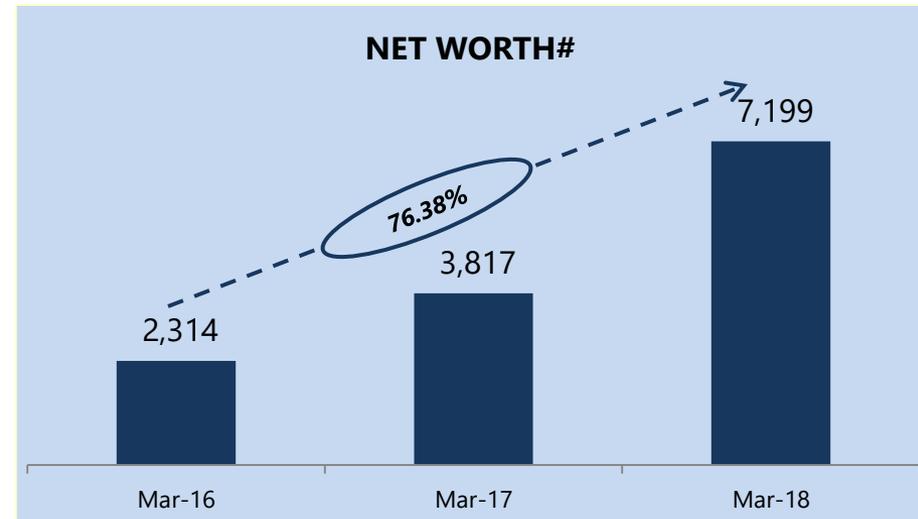
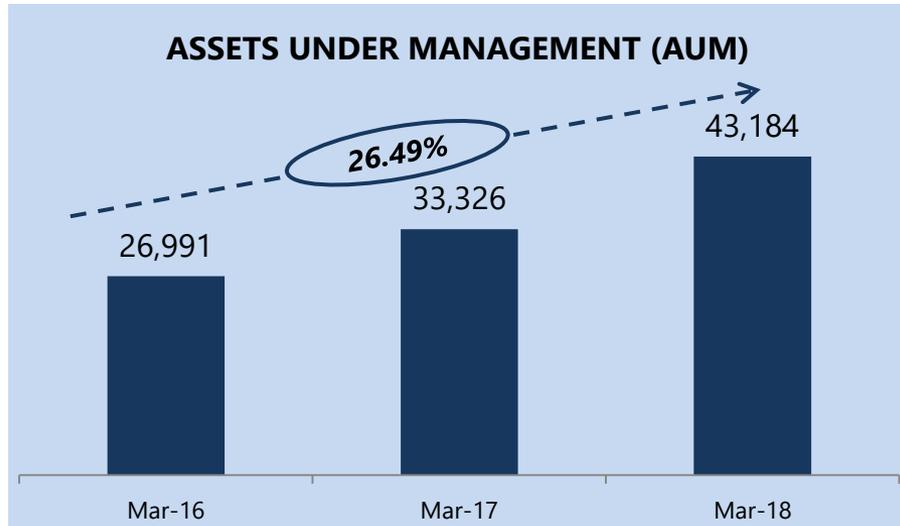
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Financial Performance Trends – Q4 FY18



Robust Performance

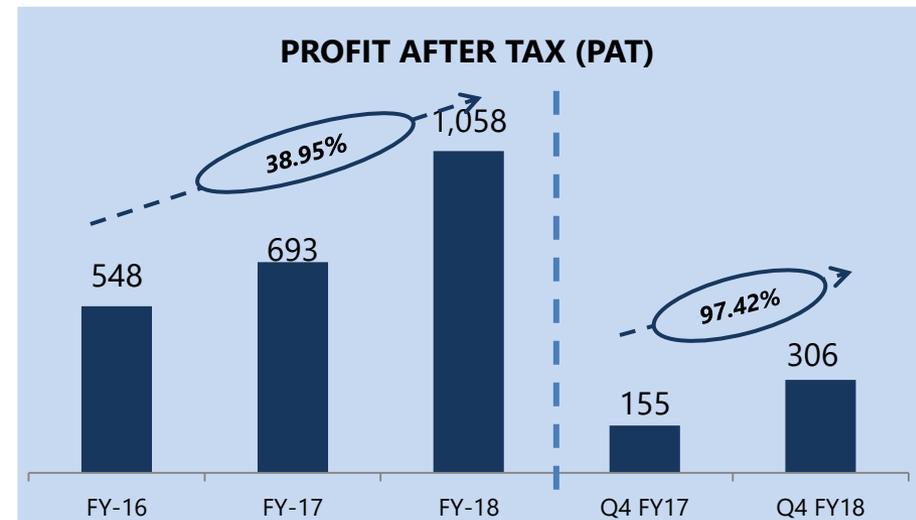
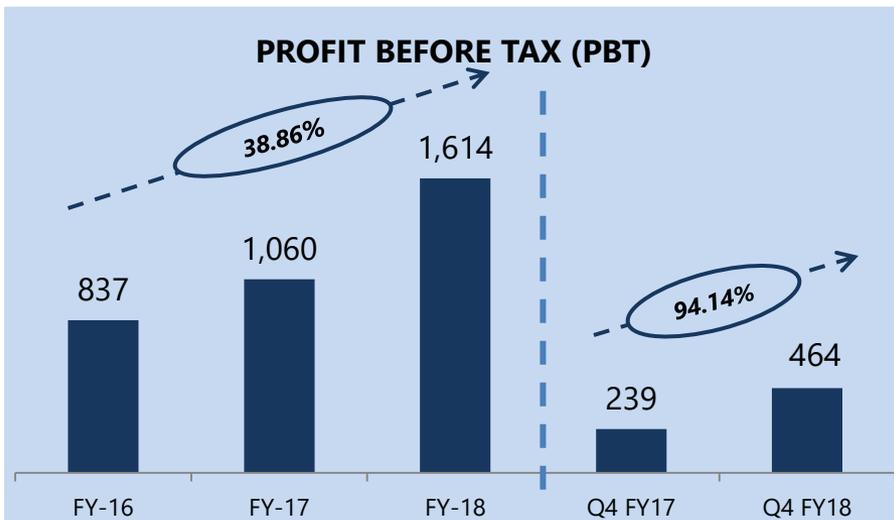
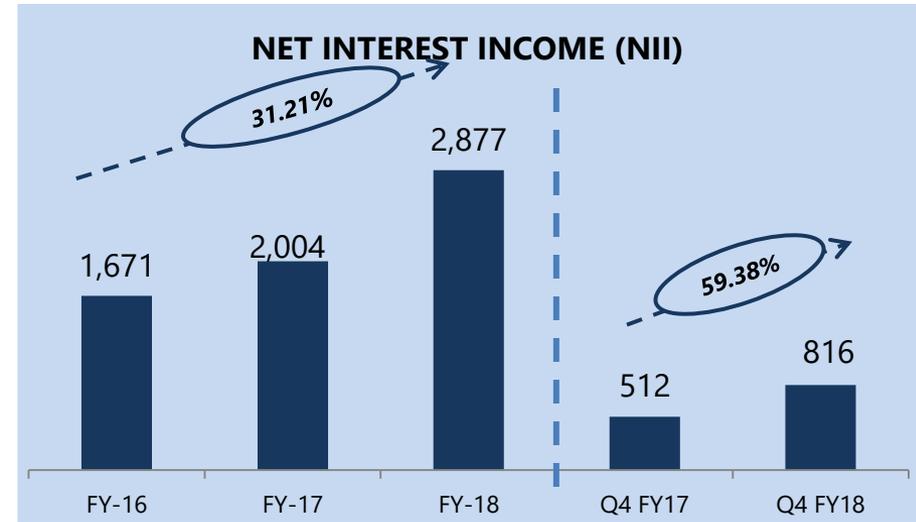
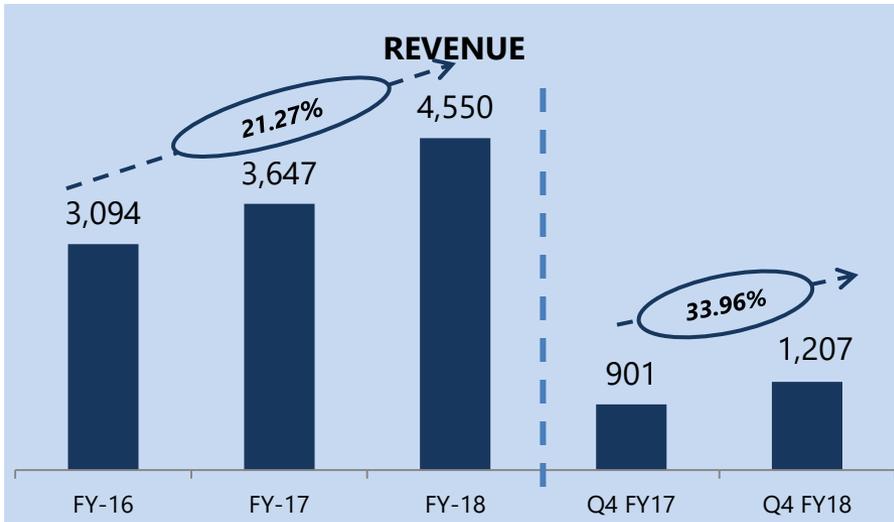
In INR Mn



Financial Performance Trends – Q4 FY18

Consistent Rise in ...

In INR Mn

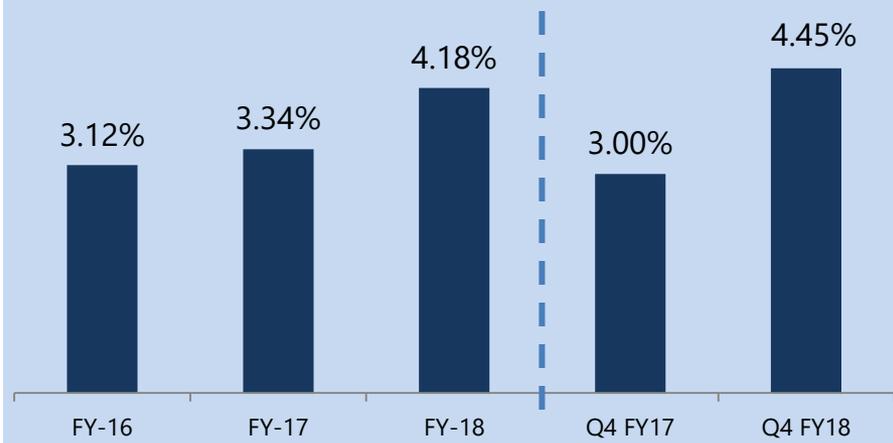


Financial Performance Trends – Q4 FY18

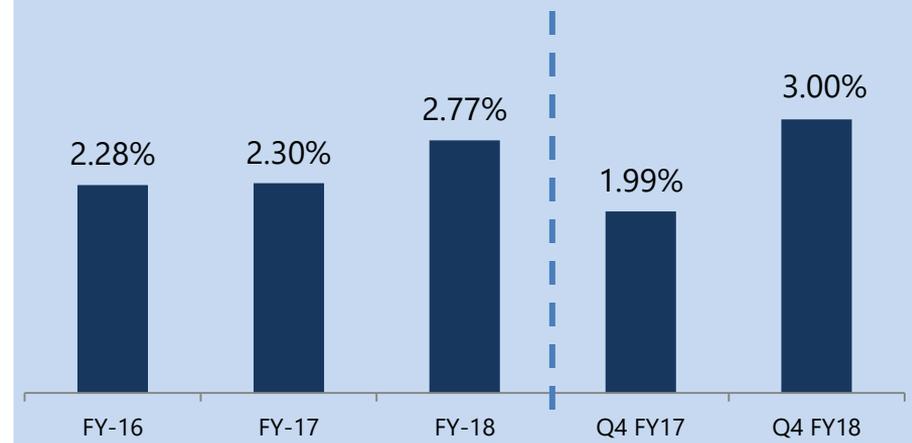


Focus on Efficiency

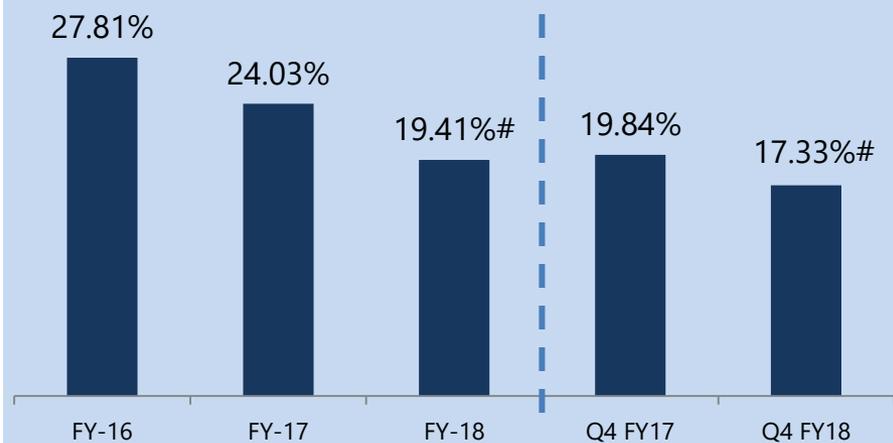
RETURN ON AVG. TOTAL ASSET (ROTA)*



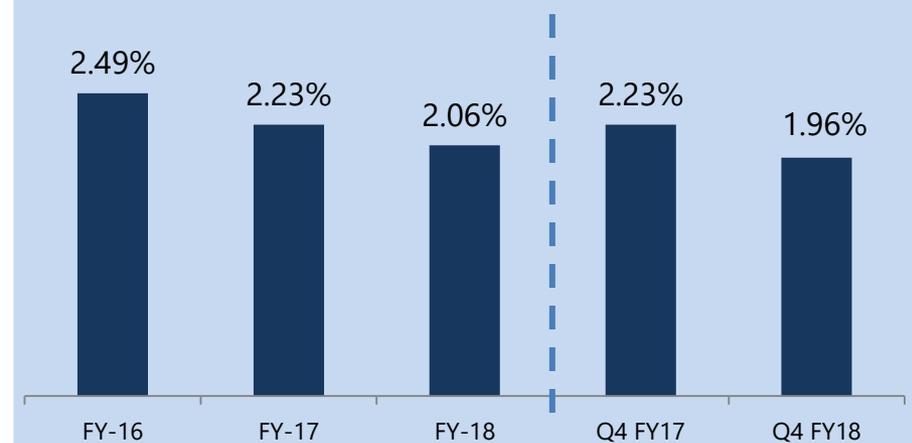
RETURN ON AVG. AUM (ROAUM)*



RETURN ON AVG. NET WORTH (RONW)*



OPERATING EXPENSE RATIO (OE RATIO)*

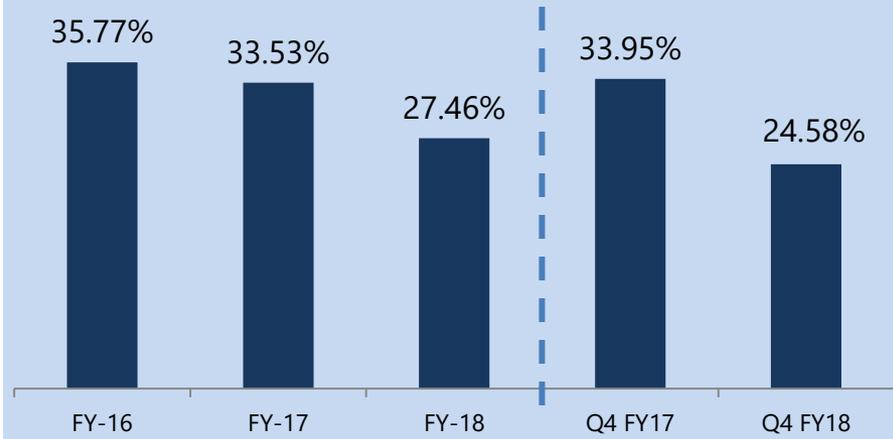


Fresh Infusion through Pre- IPO of INR 1,000 Mn. in FY 17 and INR 350 Mn. in FY18 and IPO of INR 2,330 Mn in FY18 *Figures have been annualized.* SLIDE: 14

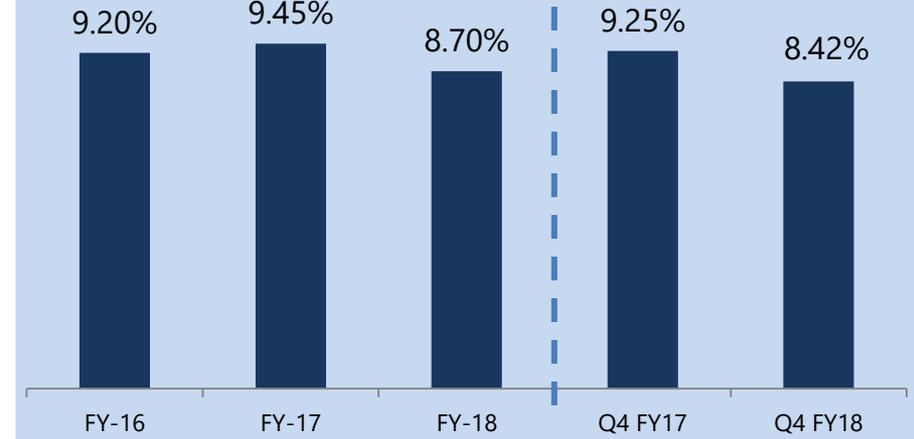
Financial Performance Trends – Q4 FY18



OPERATING EXPENSE AS % OF NII*

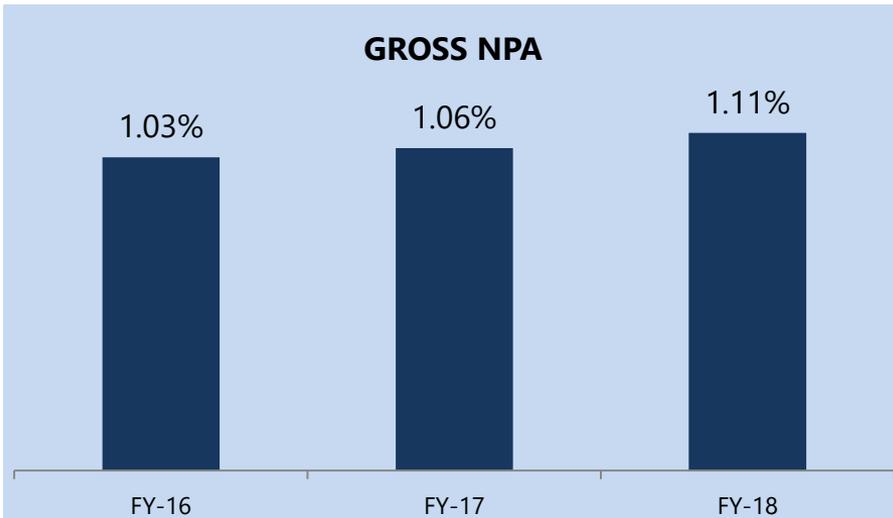


COST OF BORROWING (COB)*

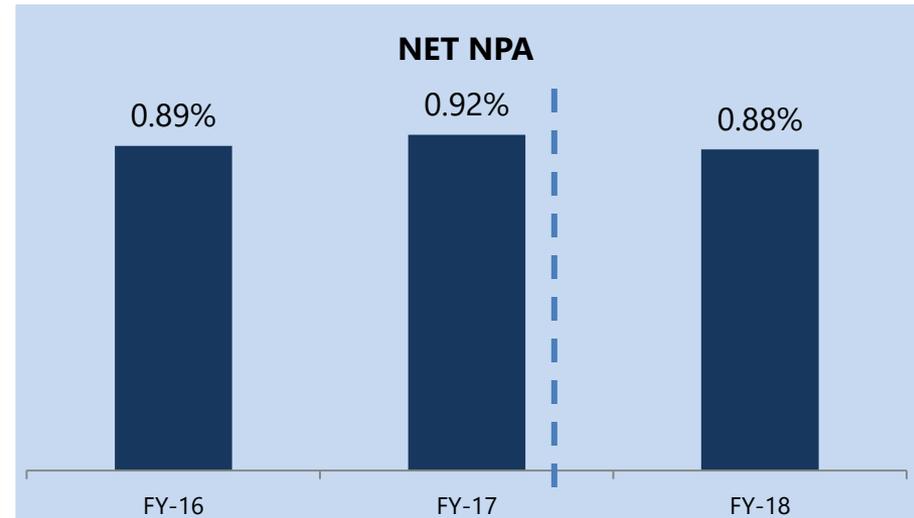


Efficiently maintaining the quality of assets

GROSS NPA



NET NPA



NPA classification criteria

For FY15 : >5 months installment overdue

For FY16 TO FY17: >4 months installment overdue

From Q1 FY18 onwards: >3 months installment overdue

*Quarterly figures have been annualized.

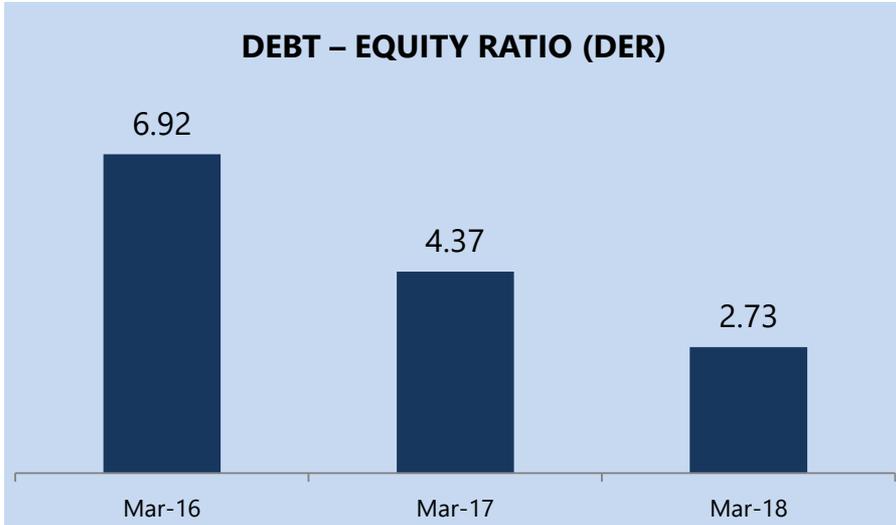
Financial Performance Trends – Q4 FY18



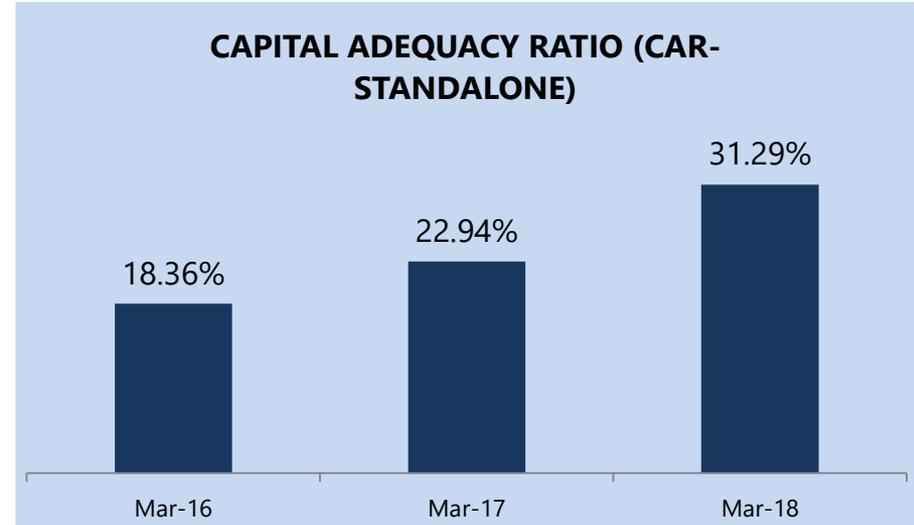
Adequately Capitalized

In INR Mn

DEBT – EQUITY RATIO (DER)

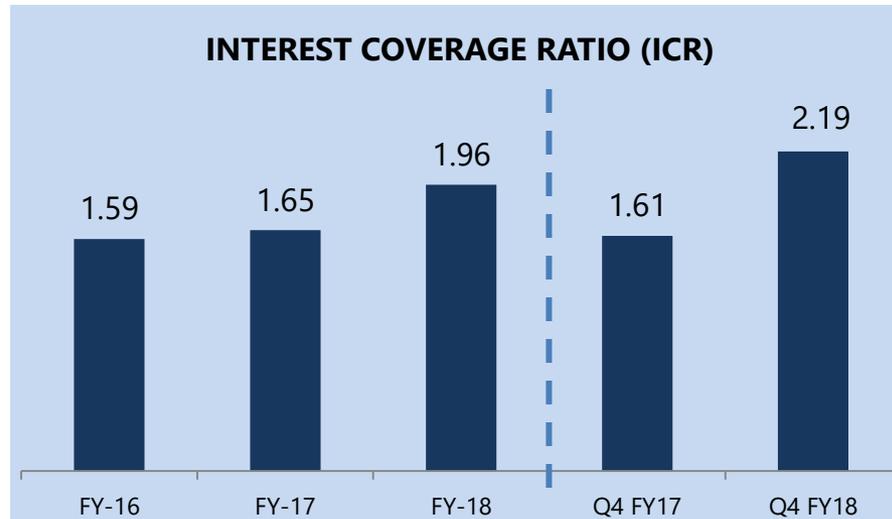


CAPITAL ADEQUACY RATIO (CAR-STANDALONE)



Healthy Coverage

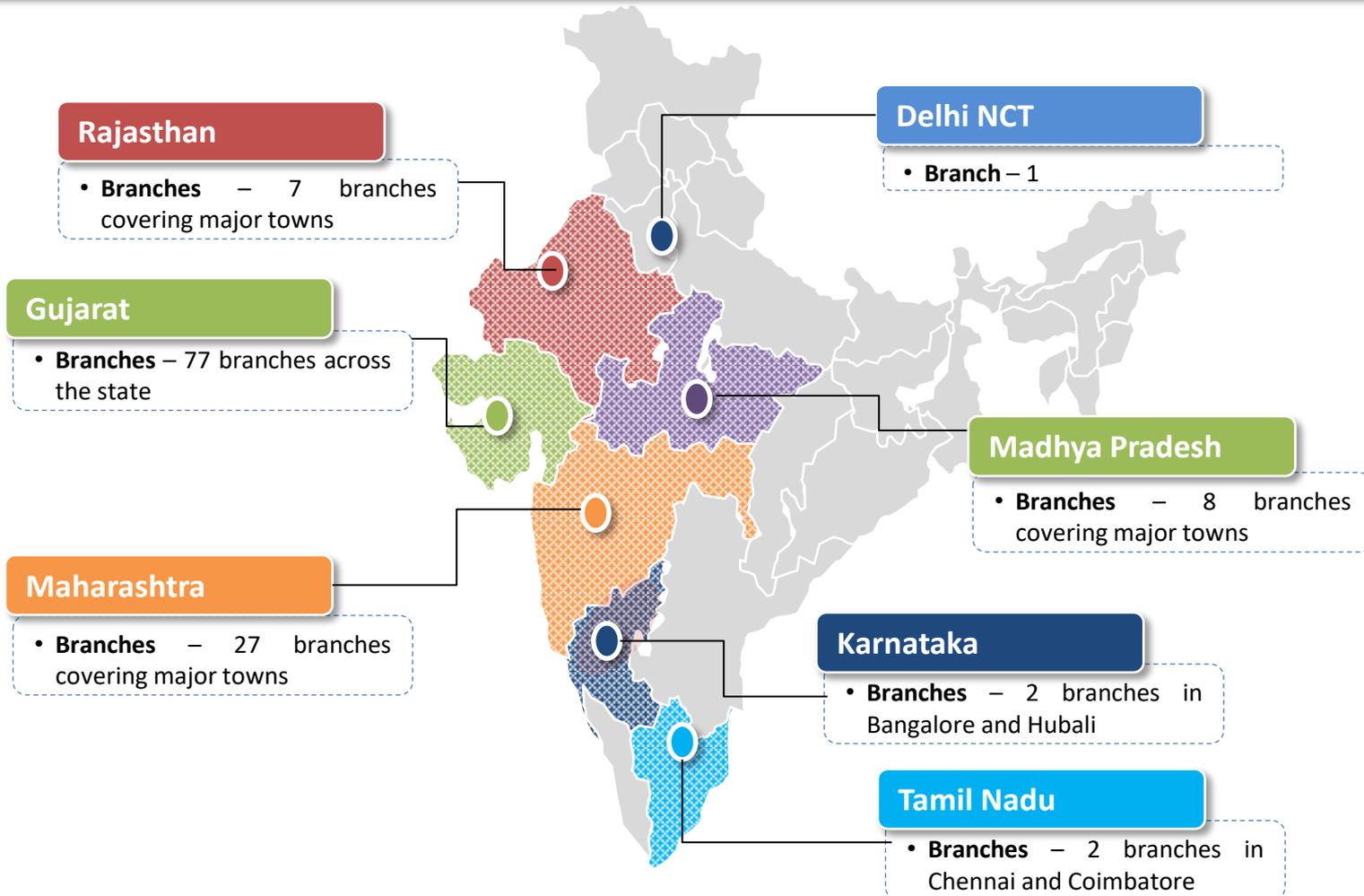
INTEREST COVERAGE RATIO (ICR)



Retail Presence and Distribution

MAS have 124 branches across 6 states and NCT of Delhi

500,000+ active customers across 3,311 locations in Rural, semi urban and urban locations



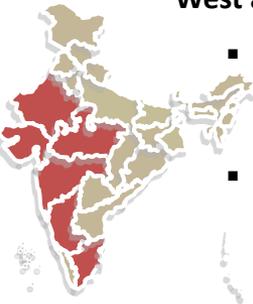
Diverse base of channel partners along with regional NBFCs provide wide distribution

Penetrate existing markets, enter newer markets, maintain optimal growth, profitability & quality

Direct Distribution Network and Relationships

Presence in the high growth markets in West and South

- MAS has expanded to 124 branches in 6 states and NCT Delhi
- Currently MAS' portfolio is concentrated in Gujarat and Maharashtra



Customer Base



MELs and SMEs

Sourcing Relationships

669

Sales Feet on Street



Sourcing Intermediaries



397

328



65

Understanding of target market, and relationships with key stakeholders helped MAS to thrive in a competitive environment

Channel Partners

Partnerships with Financial Institutions

Partnering with Regional NBFCs to achieve wider credit distribution



Credit distribution through **112 NBFCs**

Allows MAS to widen its network while maintaining a relatively lower risk profile

Establishes knowledge partnerships and increase its local market knowledge

55.60% of the underlying assets of the total AUM as on 31st March 2018 is created through various NBFCs.

Credit Assessment

Business Diligence

Business analysis, credit assessment, evaluation of collection procedures etc.

Hypothecated portfolio

Receivables from NBFCs 100% hypothecated, regular diligence

Expand & repeat business

Results of regular diligence, forms base for further business

We understand that efficient intermediaries is key for creating and maintaining quality portfolio while serving informal segment

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, type of Machine/Shades, Cash flow 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

Housing Loans

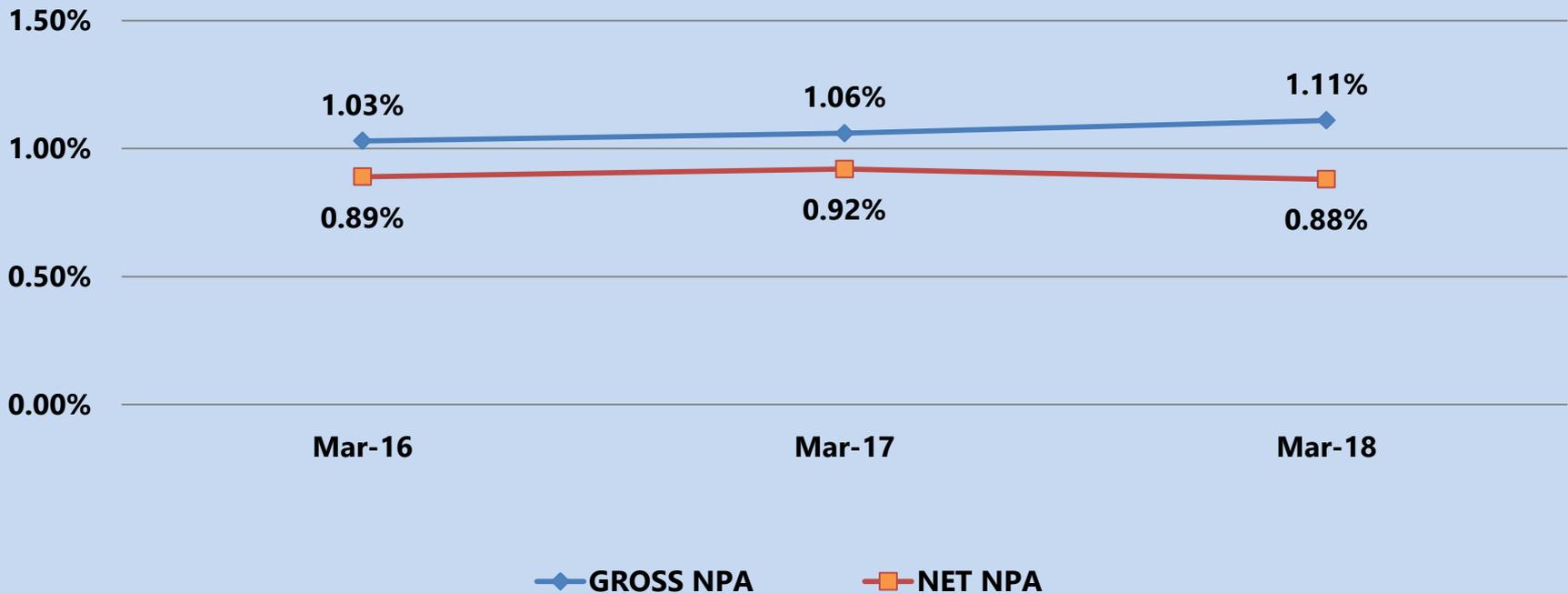
- We conduct credit bureau, internal de-duplication and other database checks on the applicant, co-applicant.
- A site visit and interviews are conducted in all cases. The credit officer may additionally require a guarantor or co-applicant based on his assessment of the applicant's profile

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

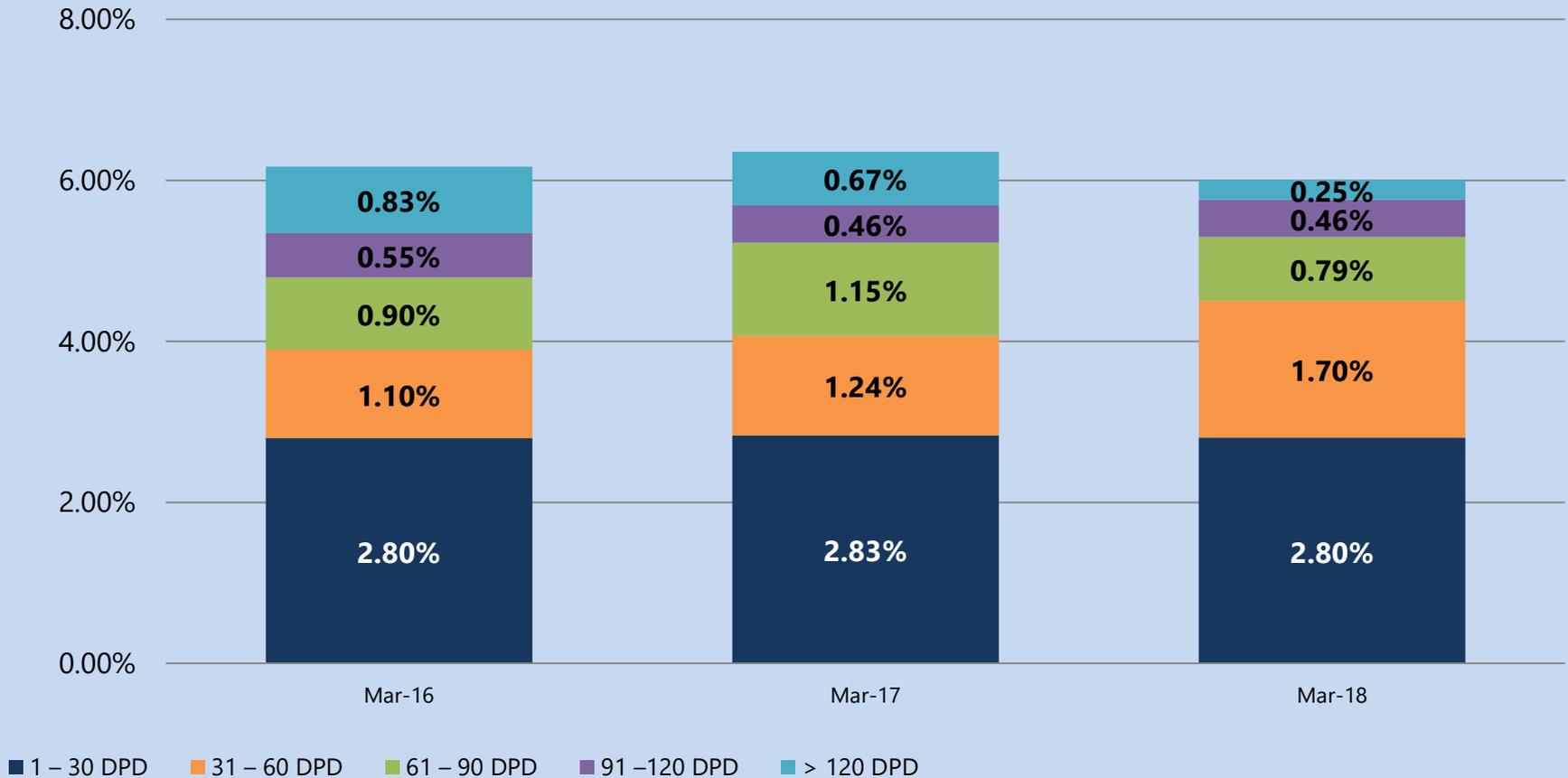
For FY16 TO FY17: >4 months installment overdue

From Q1 FY18 onwards: >3 months installment overdue

Asset Under Management - Credit Quality



ASSET UNDER MANAGEMENT- DPD



PARTICULARS	MAR-16	MAR-17	Mar-18
>90 DPD%	1.38%	1.13%	0.71%

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 61 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 21 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 46 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

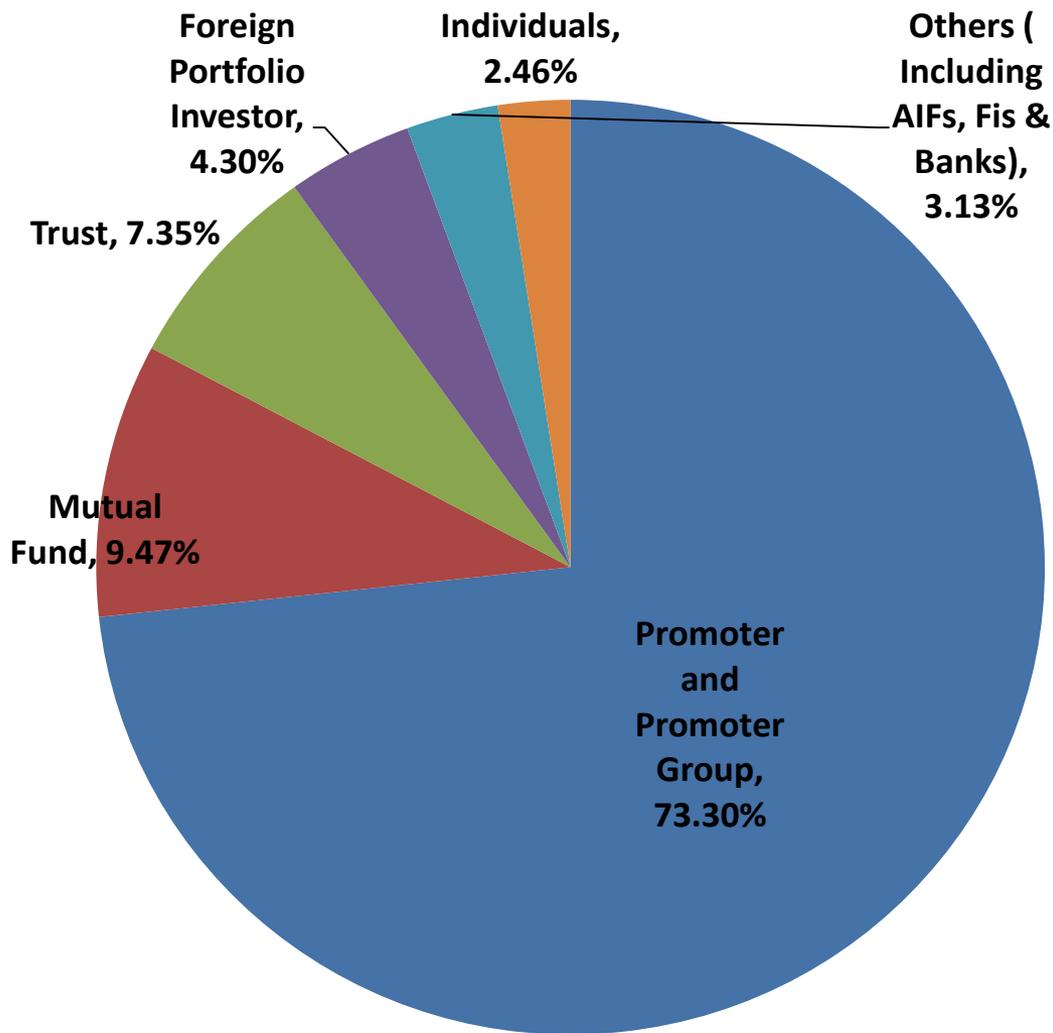
- He has been associated with the Company since June 2008 and as an independent Director since April 2014
- He holds bachelor's degrees in commerce and law (general) from Gujarat University
- He is also a qualified chartered accountant registered with the Institute of Chartered Accountants of India
- 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 31st March 2018



Marquee Non Promoter Shareholders

- WASATCH INTERNATIONAL OPPORTUNITIES FUND
- CREDIT SUISSE (SINGAPORE) LIMITED
- TIMF HOLDINGS
- SCHRODER INTERNATIONAL SELECTION FUND
- INDIAN OPPORTUNITIES
- 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
- RELIANCE MUTUAL FUND
- HDFC MUTUAL FUND
- DSP BLACKROCK MUTUAL FUND
- IDFC MUTUAL FUND

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.

Consolidated Financial Statement: FY16 – FY18



PROFIT & LOSS STATEMENT

INR Mn	FY 2016	FY 2017	FY 2018
Total Revenue	3093.99	3647.02	4,549.63
Expenses			
Finance Costs	1422.53	1513.15	1672.91
Operating Expense	597.92	603.94	789.91
Provisions and Loan Losses	236.07	267.36	472.51
Profit Before Tax	837.48	1030.72	1,614.30
Profit After Tax Before Share of profit attributable to Minority Interest	547.54	693.19	1,058.19
Profit After Tax attributable to the shareholders of the Company	542.00	685.33	1,048.10

BALANCE SHEET STATEMENT

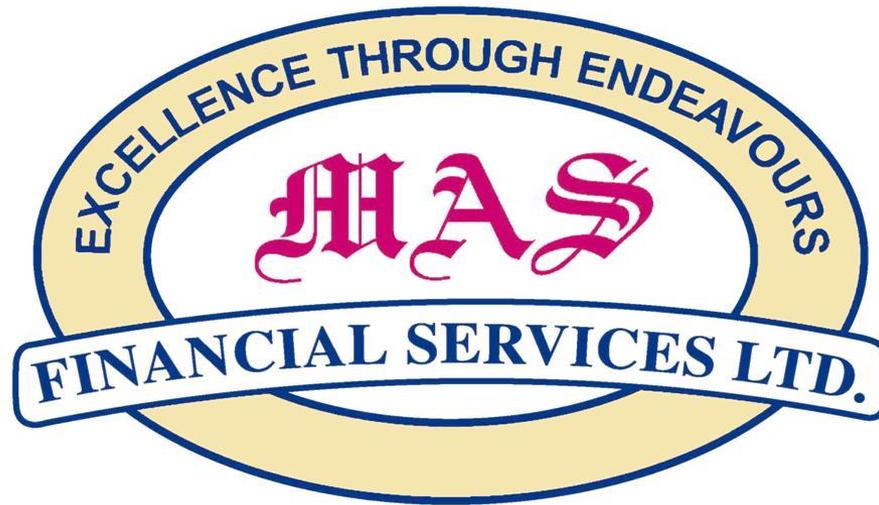
INR Mn	MAR-16	MAR-17	Mar-18
LIABILITY			
Share Capital	594.71	904.27	546.62
Reserves and Surplus	1219.86	2412.57	6652.05
Compulsorily Convertible Debentures (Unsecured)	499.80	499.80	0.00
Share Holders Fund	2314.37	3816.65	7198.67
Non-current liabilities	5616.00	5817.04	7208.69
Current liabilities	11541.24	12372.84	14267.59
Total Liability	19471.61	22006.53	28674.95
ASSETS			
Fixed assets	81.72	87.44	577.81
Non-current assets	5990.43	8976.83	13641.01
Current assets	13399.46	12942.25	14456.13
Total Assets	19471.61	22006.53	28674.95

Glossary



The Power of Distribution

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
NPA	Non-performing Asset
PAT	Profit After Tax
ROTA	Return On Avg. Total Asset
SME	Small And Medium Enterprises
YoY	Year On Year



The Power of Distribution

BEST WISHES

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