



The Power of Distribution

MAS FINANCIAL SERVICES LIMITED

MFSL/SEC/EQ/2018/55

November 01, 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 and half year ended on September 30, 2018

Please find enclosed herewith Investor Presentation for the quarter and half year ended September 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 :

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INVESTOR
PRESENTATION –
Q2 FY19



The Power of Distribution

REGISTERED OFFICE

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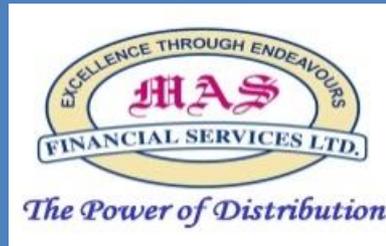
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The adoption of Indian Accounting Standards (“IND-AS”) for the purposes of the company’s financial reporting. The disclosures provided here are to merely for comparing key differences with previous accounting standards. There is a possibility of the 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 year of 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

3,342

Customer locations

Sourcing Intermediaries



348



415



114 NBFCs

CONSISTENT GROWTH

AUM with immaculate Quality



AUM: INR 46,253 Mn
(YoY Growth of 33.14%)

Gross NPA: 1.38%

Net NPA: 0.97%

Consistent Profitability & Returns

Revenue: INR 1,320 Mn



PAT: INR 335 Mn

17.87%

Return on Avg. Net
Worth*



4.45%
Return on
Avg. Total Assets*

3.02%
Return on Avg. AUM*

EFFICIENT LIABILITY MANAGEMENT

Capitalization



TOTAL CRAR: 27.91%

TIER I CRAR : 26.38%

TIER II CRAR : 1.53%



35.32% of AUM
Assigned to Banks/FIs

Fund Raising

8.85%
Cost of borrowings*

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

All the above figures are for Q2 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 Q2 FY19 – INR 35,596
- **AUM as of Sept 30, 2018 – INR 29,164 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 Q2 FY19 – INR 7.70 Mn
- **AUM as of Sept 30, 2018 – INR 11,256 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 Q2 FY19 – INR 49,348
- **AUM as of Sept 30, 2018 – INR 4,325Mn**

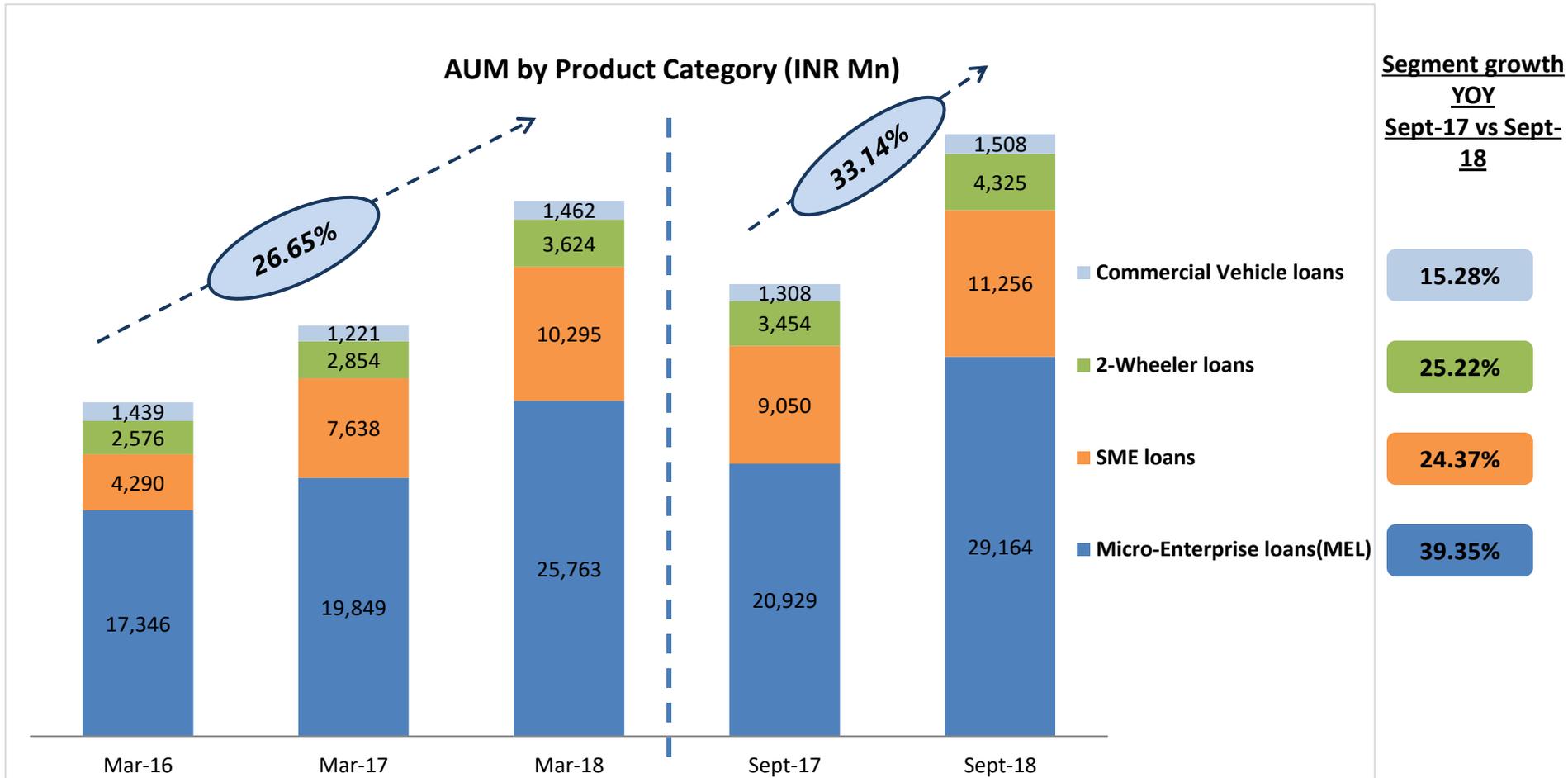
Commercial Vehicle (CV) Loans



- 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 Q2 FY19 – INR 120,848
- **AUM as of Sept 30, 2018 – INR 1,508 Mn**

Recent Growth in Overall AUM

MAS' has exhibited steady growth in AUM over the years



PARTICULARS	MAR-16	MAR-17	MAR-18	SEPT-17	SEPT-18
AUM	25,650	31,561	41,145	34,740	46,253

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

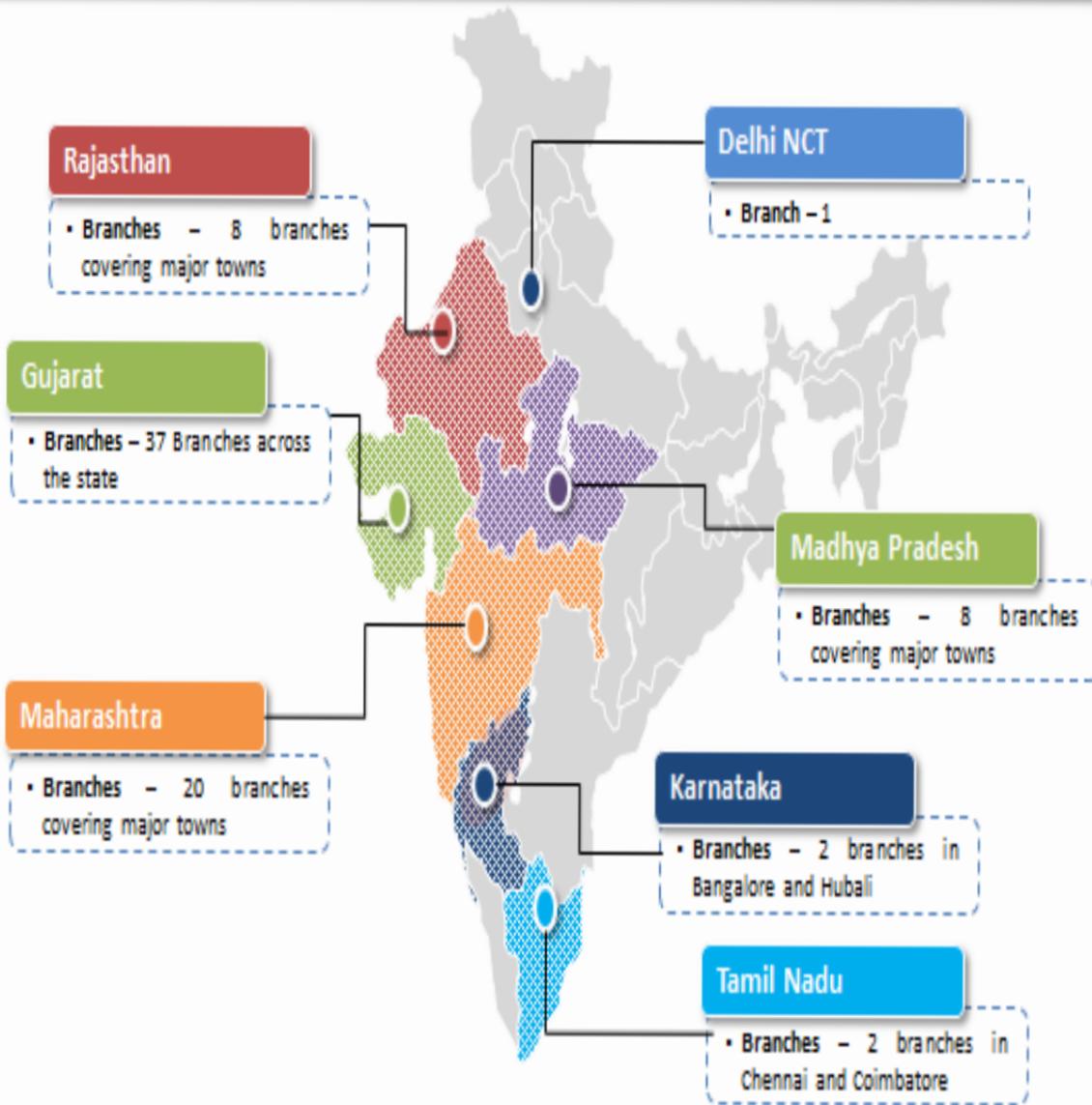
- At least one property (residential or business) should be owned by the applicant or jointly residing family members
- For a student applicant, a co-applicant is compulsory

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 3,342 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

Customer Base



Mid/ low income segment

MELs and SMEs

Sourcing Relationships

685



Sourcing Intermediaries



348



415

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	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

Retailed focused partner NBFCs – An Overview

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

Adequately Capitalized

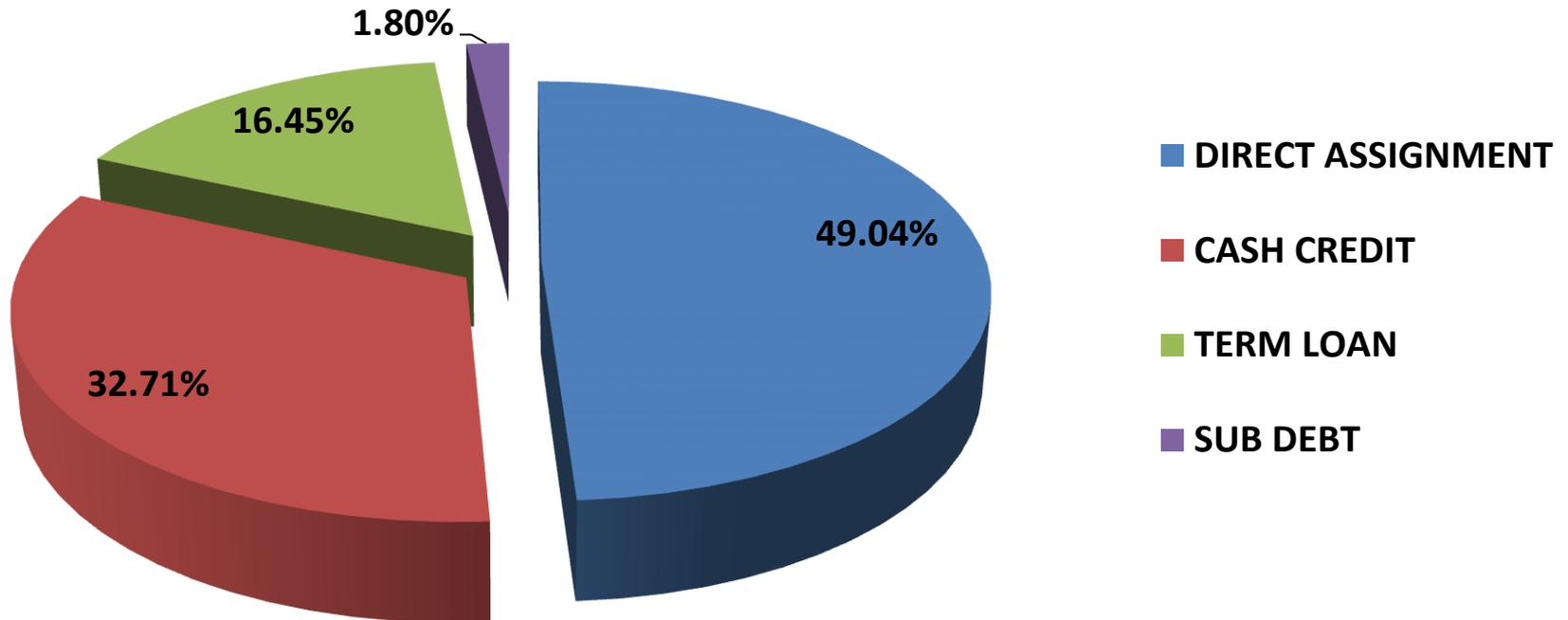
Experienced Management

Matching ALM with no liquidity issue for repayment. Practically no exposure to capital market borrowings

Assets quality on track.

We expect the overall scenario to normalize soon given the fact that such NBFCs are inevitable for the last mile delivery of credit to the huge unserved/underserved segment. The segment should start attracting necessary funds, also aided by a very positive and encouraging stance of the government driven by the demand of the MSME sector.

Borrowing Mix Sept 2018



- **Efficient liability management ensures :**

- Adequate liquidity round the year.
- No asset liability mismatch.
- Tie up for the fund requirement of the whole financial year.

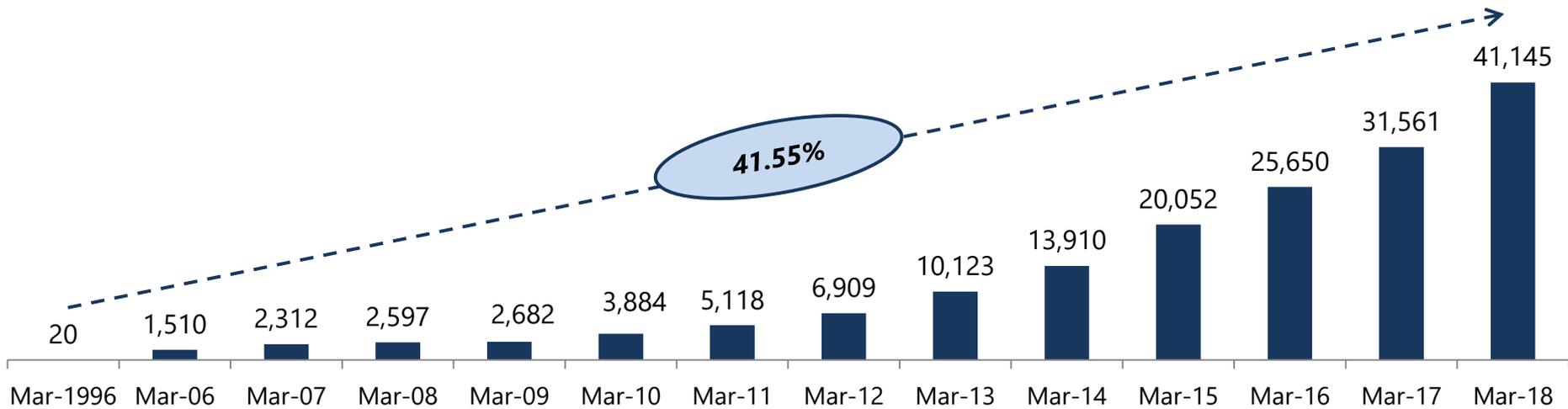
Liability Planning:

- The composition of our liability mix ensures healthy ALM and well diverse resource mix.
- Capital adequacy ratio, as on 30th September 2018 is 27.91% against regulatory norms of 15%. Tier I capital is 26.38% as against requirement of 10%. Tier II capital is just 1.53% 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 strengthen the liability management.
- The total Cash credit limit available to the company is Rs. 18.50 BN. spread across 20 banks. The utilization level is maintained at 55% - 65% of the total Cash Credit Facility, ensuring sufficient liquidity on hand.
- Leverage Ratio on balance sheet works out to be 2.90 times and going forward plan is to maintain the leverage at optimum level.

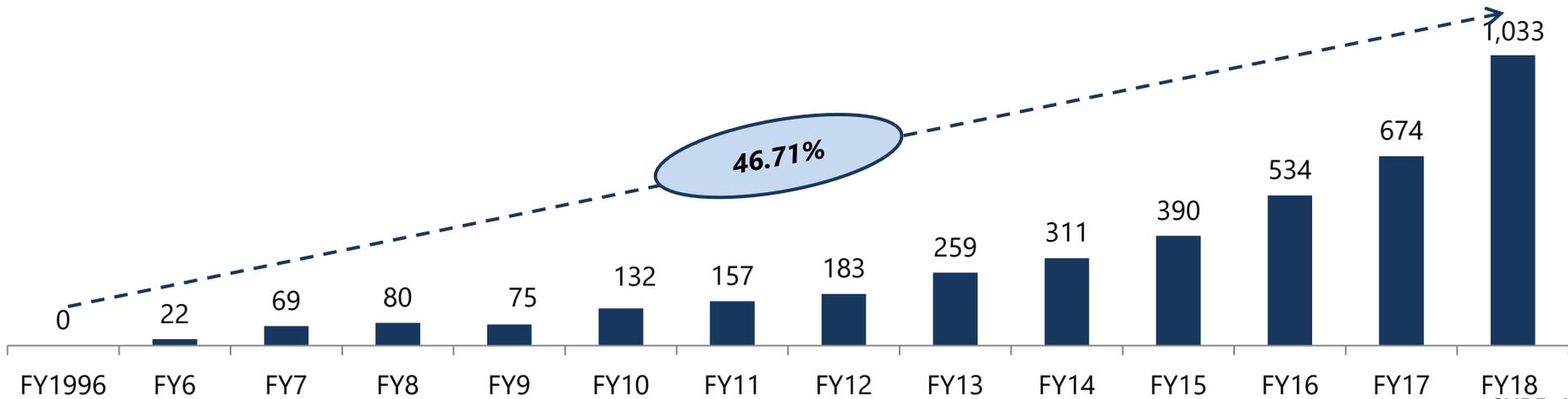
Consistent Growth in AUM and PAT

Asset Under Management (AUM)

In INR Mn

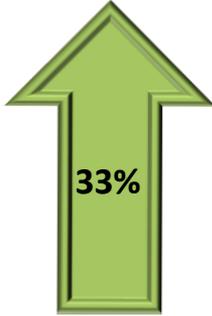
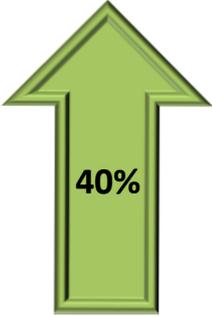
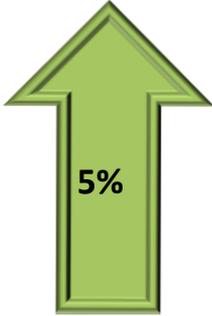
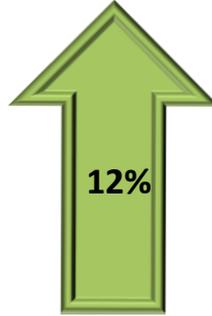


Profit After Tax (PAT)



All the above figures are as per I-GAAP

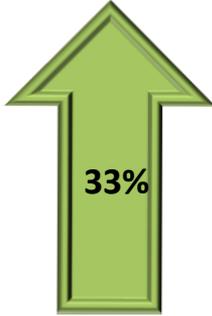
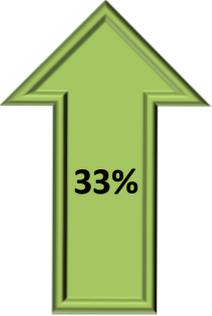
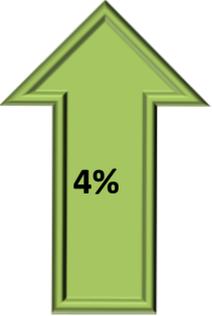
Key Achievements Highlights – H1 FY19 vs H1 FY18

	AUM	PAT	ROTA*	DER	COB*	ICR
H1 FY19	INR 46,253 Mn  33%	INR 671 Mn  40%	4.58%  5%	2.90 times  26%	8.56 %  4%	2.19 times  12%
H1 FY18	INR 34,740 Mn	INR 481 Mn	4.36%	3.90 times	8.94 %	1.96 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

Key Achievements Highlights – Q2 FY19 vs Q2 FY18

	AUM	PAT	ROTA*	DER	COB*	ICR
Q2 FY19	INR 46,253 Mn	INR 335 Mn	4.45%	2.90 times	8.85 %	2.13 times
						
Q2 FY18	INR 34,740 Mn	INR 251 Mn	4.29%	3.90 times	8.95 %	1.97 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

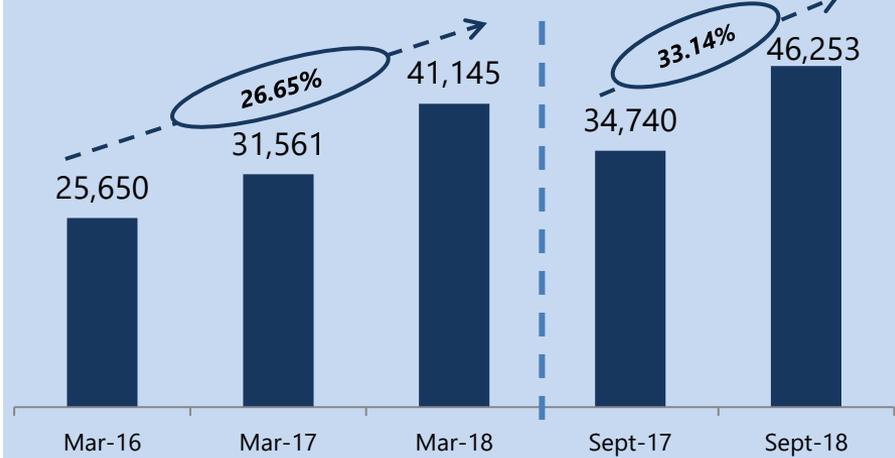
Financial Performance Trends – Q2 FY19



Robust Performance

In INR Mn

ASSETS UNDER MANAGEMENT (AUM)



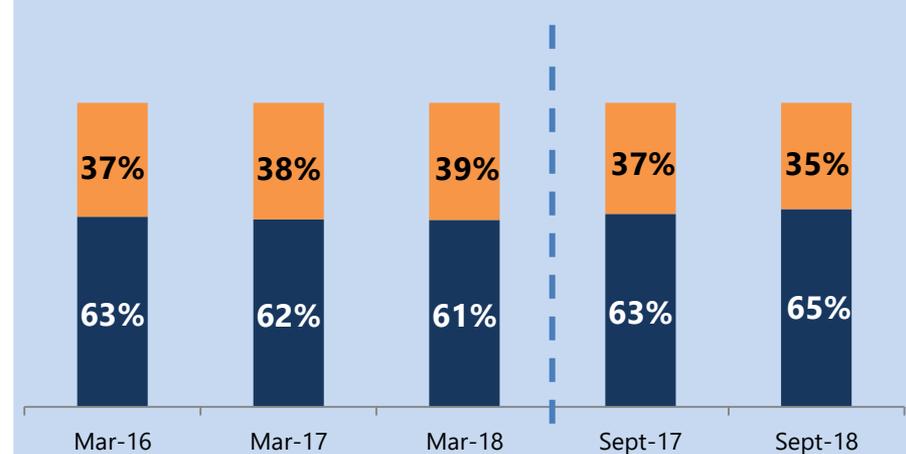
NET WORTH



BORROWING



ON & OFF BOOK AUM



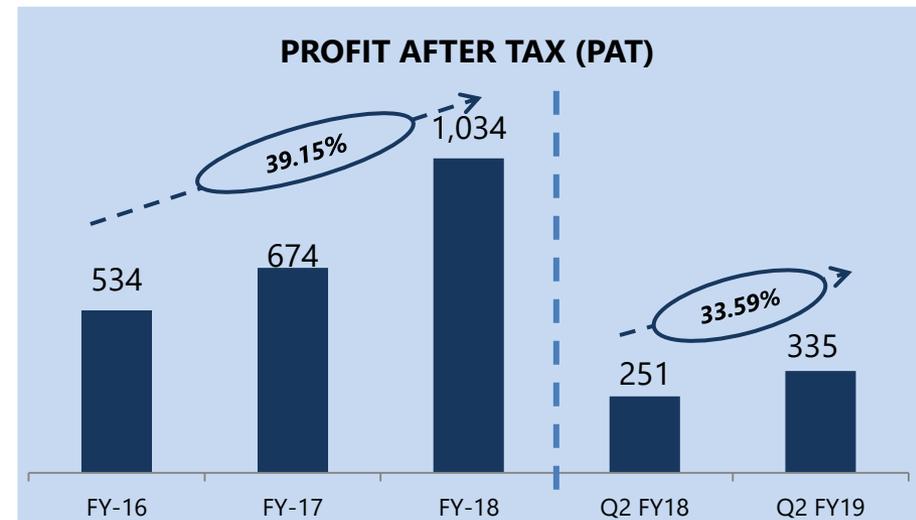
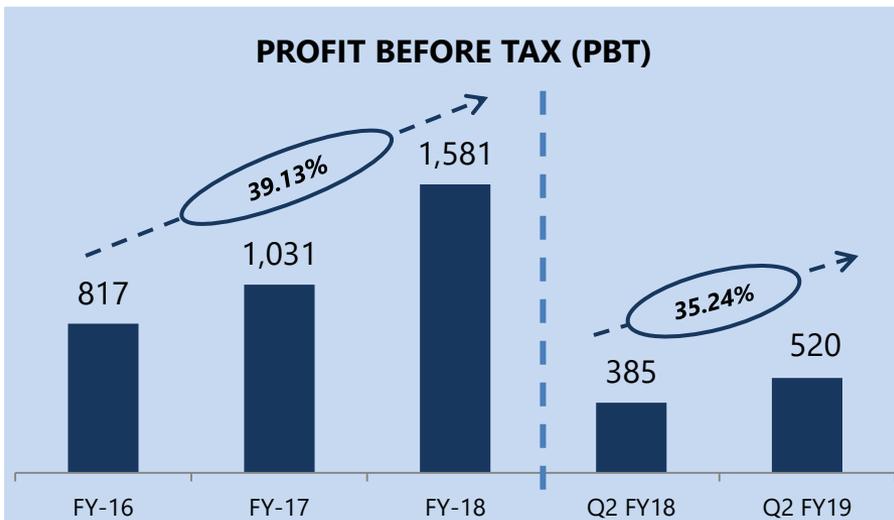
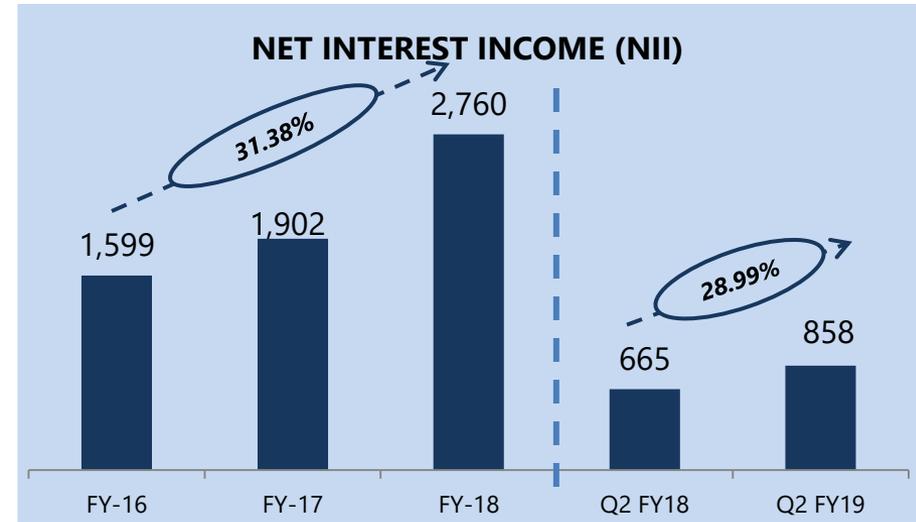
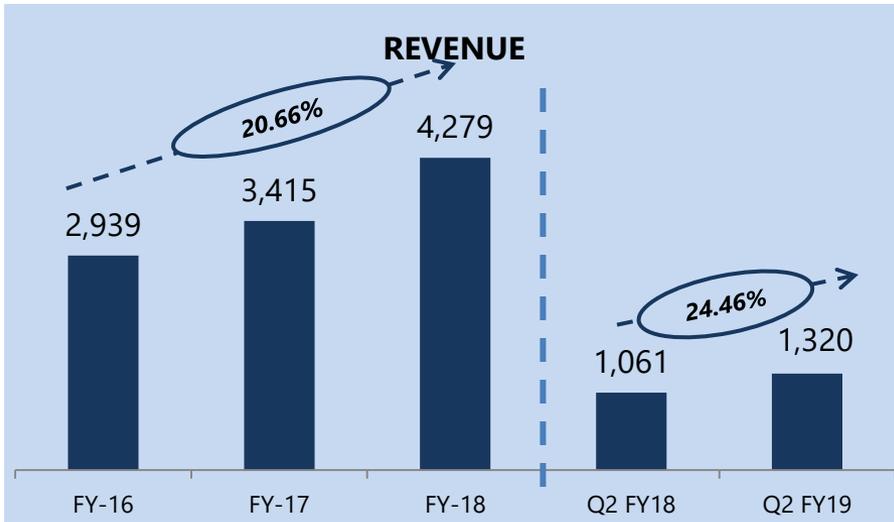
All the above figures are as per I-GAAP

Financial Performance Trends – Q2 FY19



Consistent Rise in ...

In INR Mn



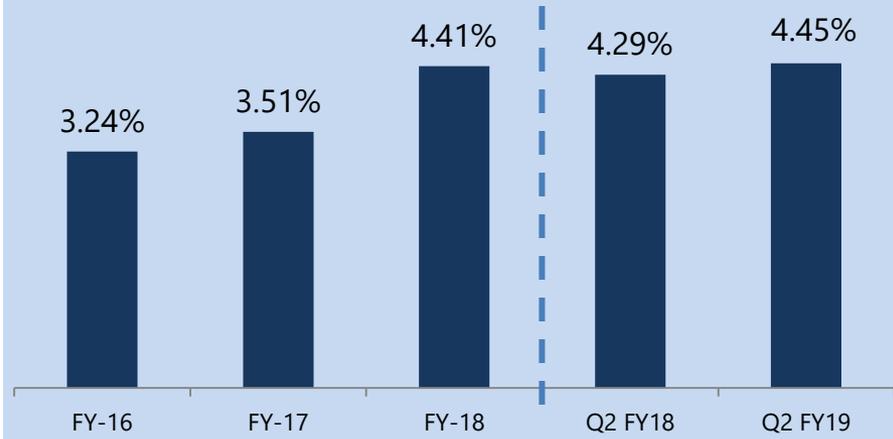
All the above figures are as per I-GAAP

Financial Performance Trends – Q2 FY19



Focus on Efficiency

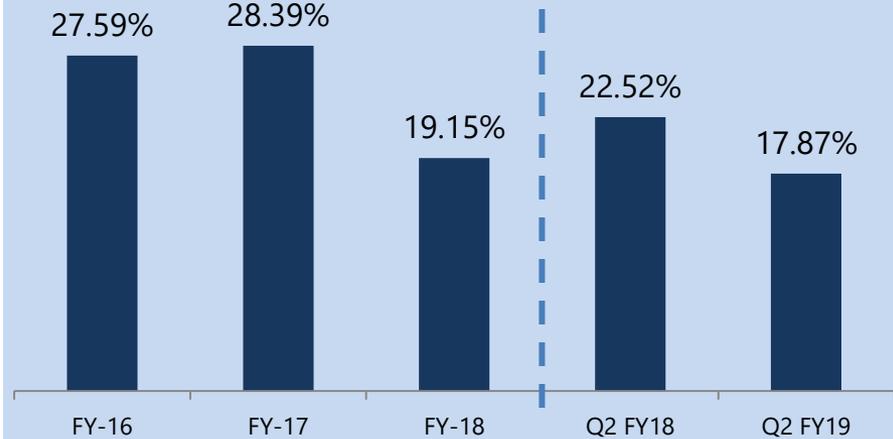
RETURN ON AVG. TOTAL ASSET (ROTA)*



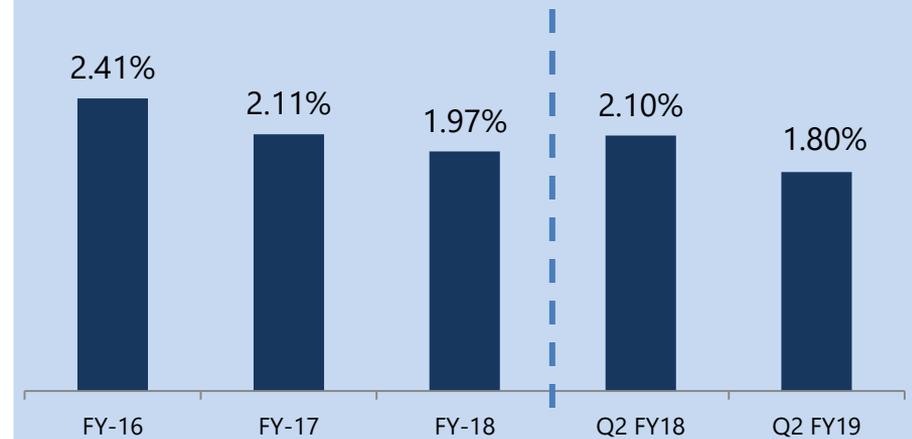
RETURN ON AVG. AUM (ROAUM)*



RETURN ON AVG. NET WORTH (RONW)*



OPERATING EXPENSE RATIO (OE RATIO)*



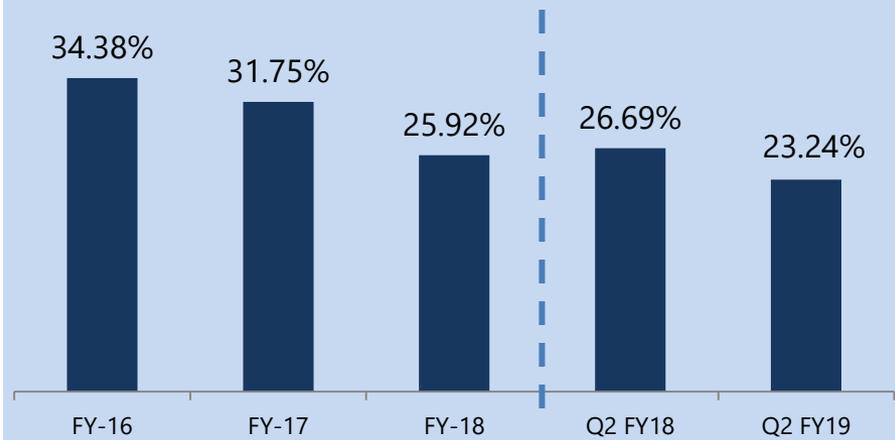
All the above figures are as per I-GAAP

* Figures have been annualized. SLIDE: 24

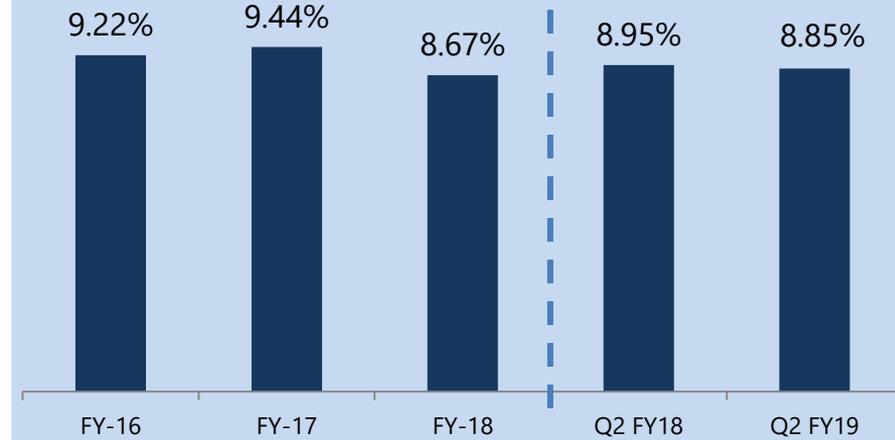
Financial Performance Trends – Q2 FY19



OPERATING EXPENSE AS % OF NII*

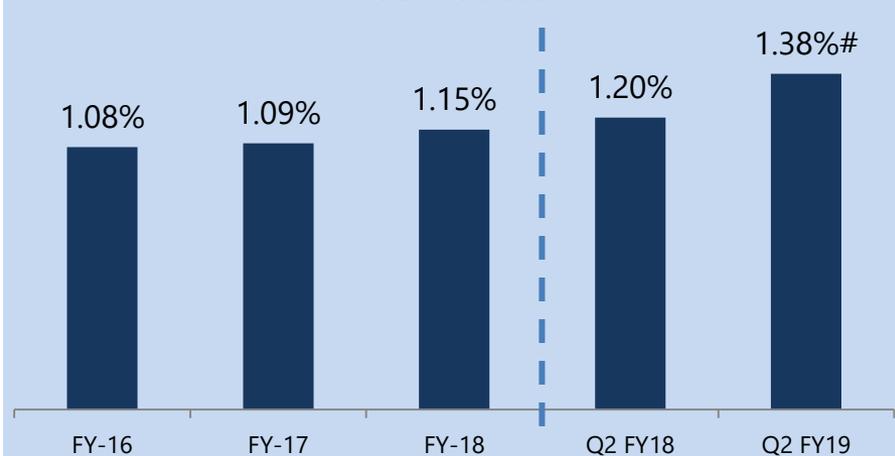


COST OF BORROWING (COB)*



Efficiently maintaining the quality of assets

GROSS NPA



NET NPA



*Quarterly figures have been annualized.

NPA classification criteria

#Adopted the practice of maintaining high provisioning coverage ratio as per INDAS requirement as compared to write off in previous years

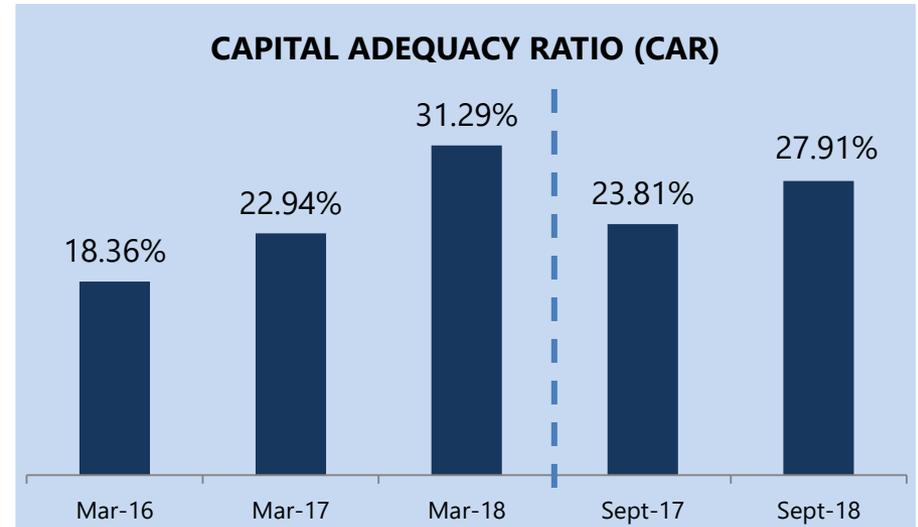
All the above figures are as per I-GAAP

For FY16 TO FY17: >4 months installment overdue
From FY18 onwards: >3 months installment overdue

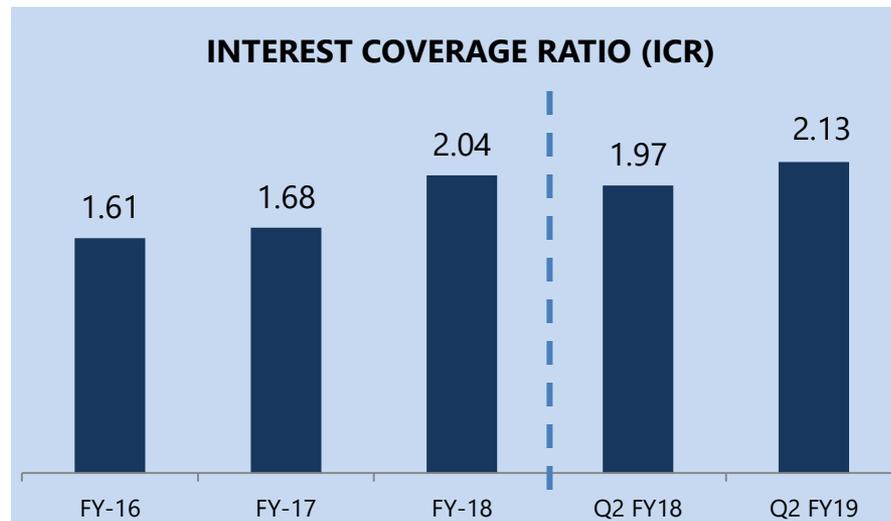
Financial Performance Trends – Q2 FY19



Adequately Capitalized



Healthy Coverage



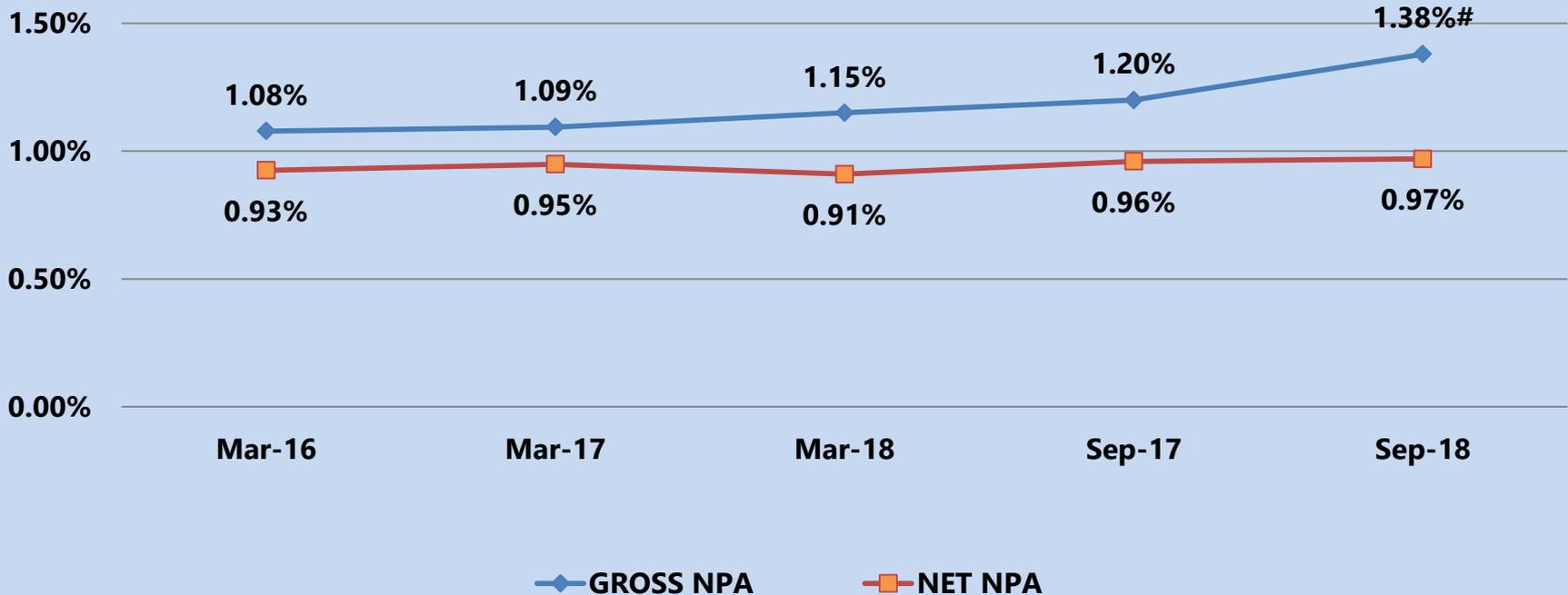
All the above figures are as per I-GAAP

Quality of the portfolio : Consistently maintained



Catalyst in growth of Entrepreneurs, not creating just borrowers

NPA COMPARISON CHART*



#Adopted the practice of maintaining high provisioning coverage ratio as per INDAS requirement as compared to write off in previous years

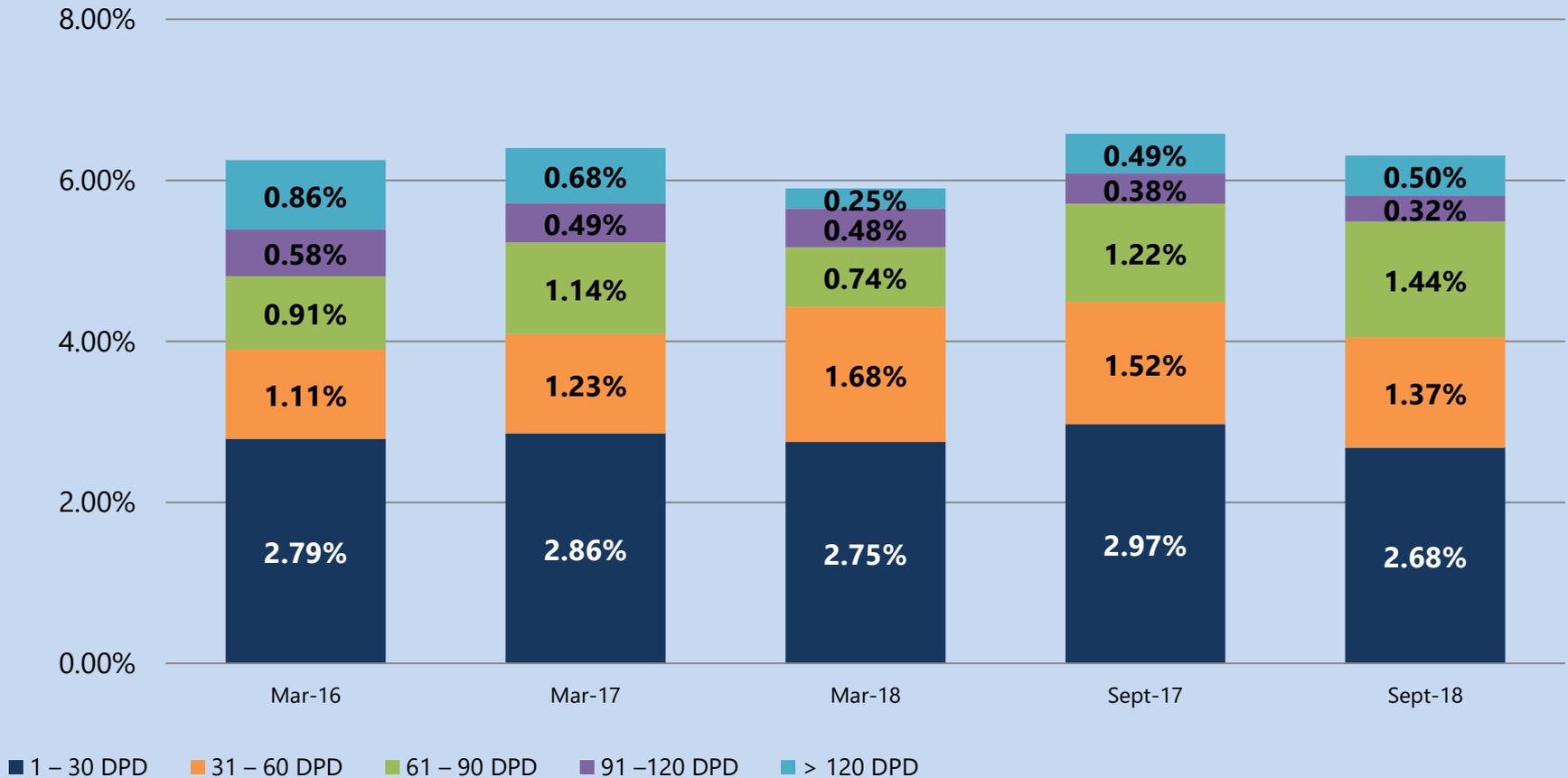
**NPA classification criteria*
For FY16 TO FY17: >4 months installment overdue
From FY18 onwards: >3 months installment overdue

All the above figures are as per I-GAAP

Asset Under Management - Credit Quality



ASSET UNDER MANAGEMENT- DPD



All the above figures are as per I-GAAP

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

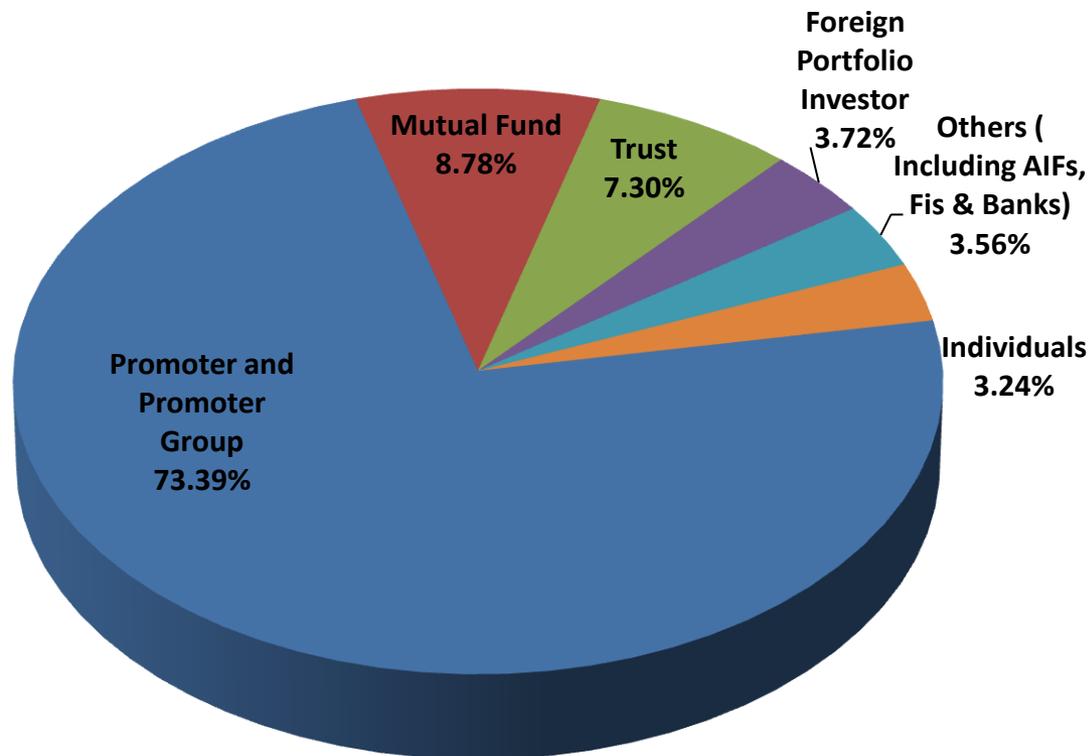
- He has been associated with the Company since June 2008 and as an independent Director since April 2014
- He holds bachelor's degrees in commerce and law (general) from Gujarat University
- He is also a qualified chartered accountant registered with the Institute of Chartered Accountants of India
- 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 30th Sept 2018



Marquee Non Promoter Shareholders

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

AXIS MUTUAL FUND

IDFC MUTUAL FUND

TATA AIA LIFE INSURANCE

SUNDARAM MUTUAL FUND

EDDELWEISS MUTUAL FUND

ASK INVESTMENT MANAGERS PRIVATE LIMITED

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 – H1 FY19



PROFIT & LOSS STATEMENT

INR Mn	FY 2016	FY 2017	FY 2018	H1 FY 2019
Total Revenue	2939.06	3415.17	4,278.73	2,541.71
Expenses				
Finance Costs	1339.86	1513.15	1518.48	871.16
Operating Expense	549.87	603.94	715.45	381.60
Provisions and Loan Losses	232.82	267.36	464.26	252.50
Profit Before Tax	816.51	1030.72	1,580.54	1036.46
Profit After Tax	533.9	673.72	1033.74	670.85

BALANCE SHEET STATEMENT

INR Mn	Mar-16	Mar-17	Mar-18	Sept-18
LIABILITY				
Share Capital	594.71	904.27	546.62	546.62
Reserves and Surplus	1184.04	2365.15	6592.60	7121.33
Compulsorily Convertible Debentures (Unsecured)	499.80	499.80	0.00	0.00
Share Holders Fund	2278.55	3769.22	7139.22	7667.95
Non-current liabilities	4598.39	4516.16	5792.23	7649.44
Current liabilities	11265.20	11956.30	13686.56	16599.47
Total Liability	18142.10	20241.70	26618.00	31916.86
ASSETS				
Fixed assets	63.73	71.62	565.41	568.21
Non-current assets	5035.64	7917.73	12090.62	13677.51
Current assets	13042.80	12252.30	13961.98	17671.14
Total Assets	18142.10	20241.70	26618.00	31916.86

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 85 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 Q2 FY19 – INR 701,626
- **AUM as of Sept 30, 2018– INR 2,372 Mn**

Financial Performance Trends – Q2 FY19

MRHMFL



In INR Mn

ASSETS UNDER MANAGEMENT (AUM)



NET WORTH



BORROWING



GROSS NPA & NET NPA



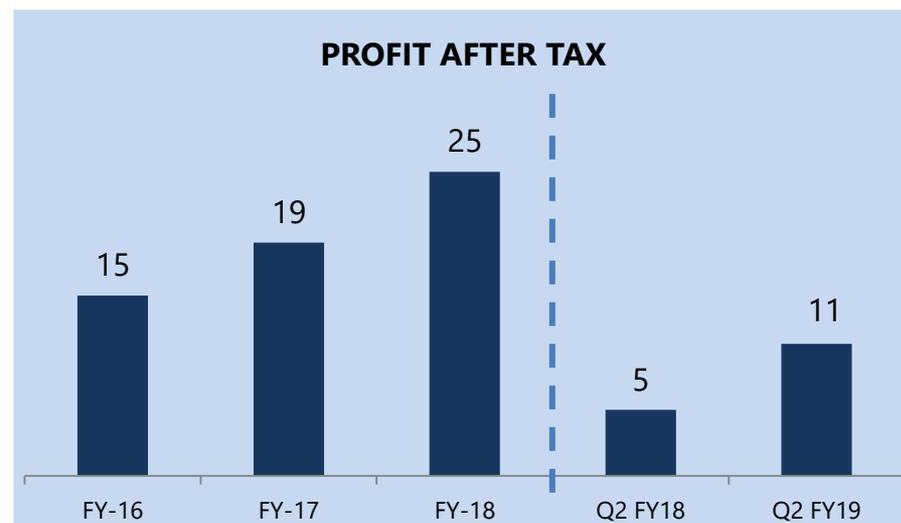
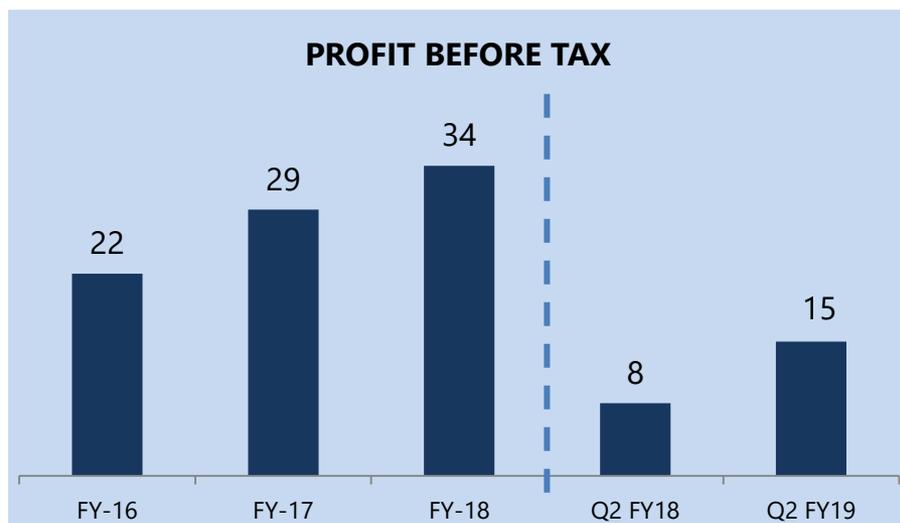
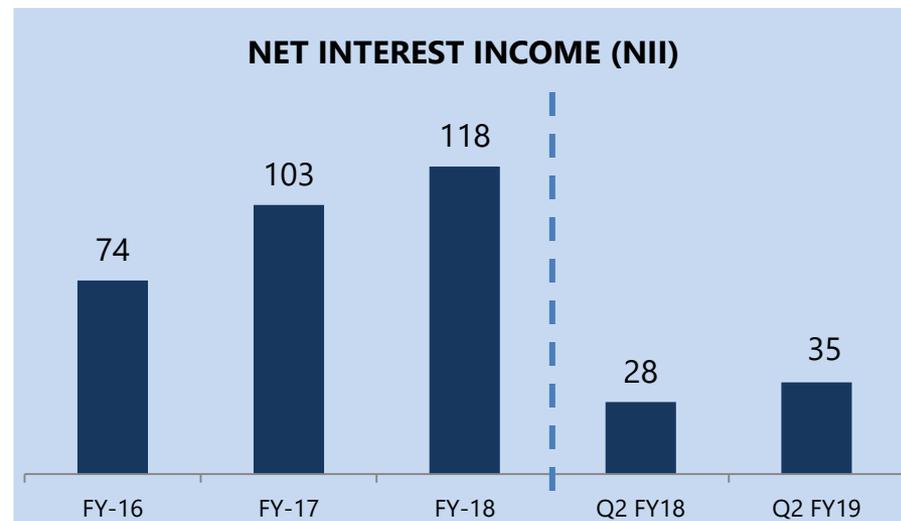
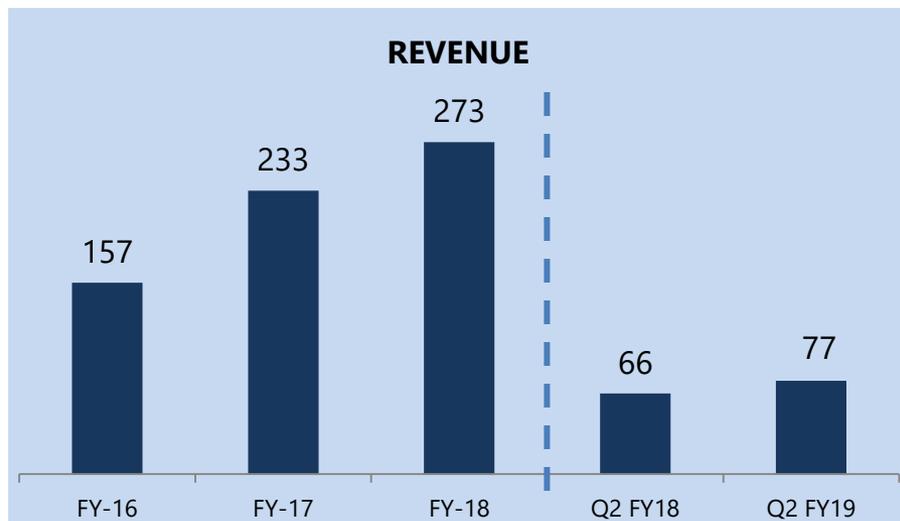
All the above figures are as per I-GAAP

Financial Performance Trends – Q2 FY19

MRHMFL

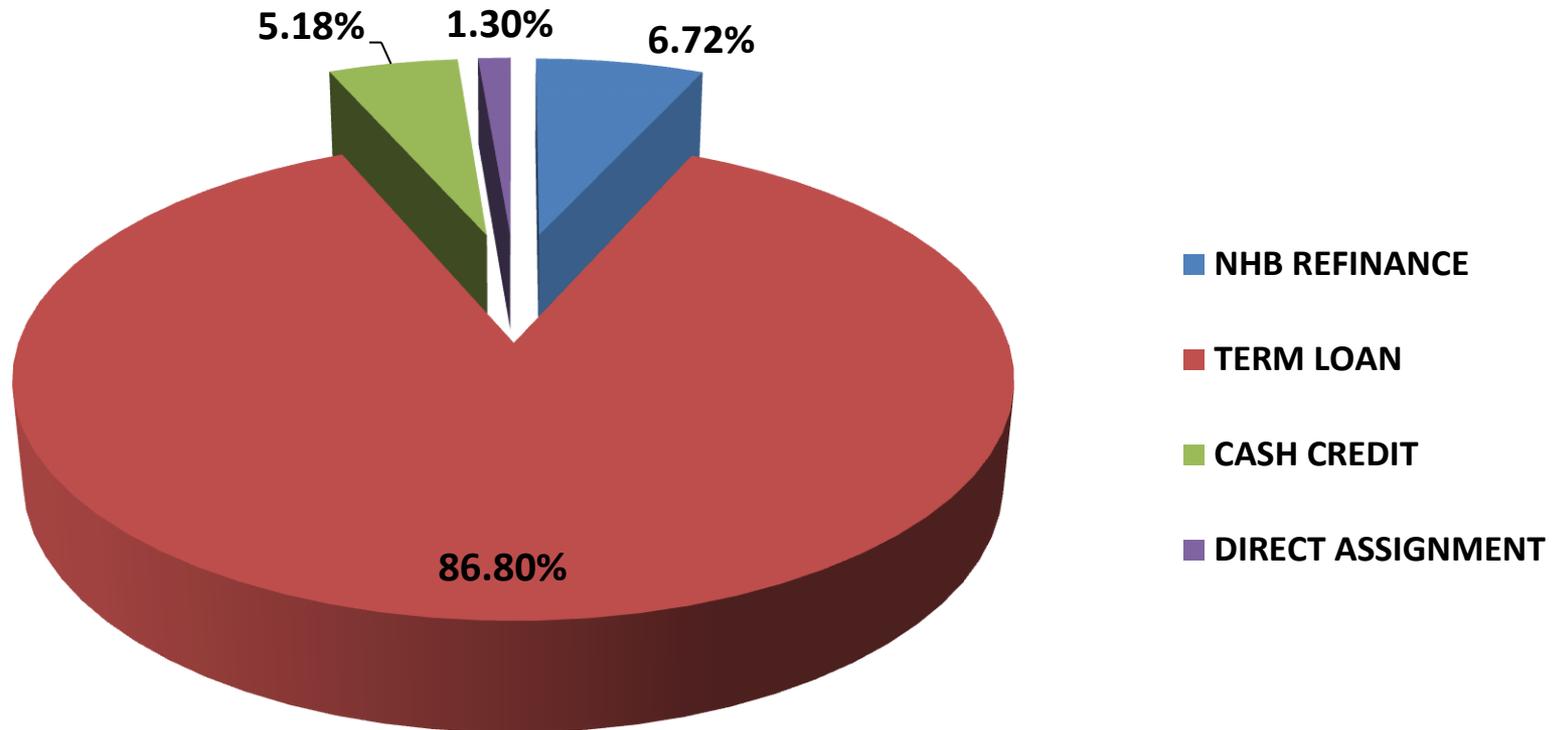


In INR Mn



All the above figures are as per I-GAAP

Borrowing Mix Sept 2018



- 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 Planning:

- The composition of our liability mix ensures healthy ALM and well diverse resource mix.
- Capital adequacy ratio, as on 30th September 2018 is 24.75% against regulatory norms of 12%. Tier I capital is 21.09% as against requirement of 10%. Tier II capital is just 3.66% 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 6.72% of our total borrowing mix. This help us to raise matching tenure loans at very competitive rates.
- The total Cash credit limit available to the company is Rs. 170 Mn. The utilization level is maintained at 55% -65% 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.



IND – AS IMPACT

**MAS FINANCIAL SERVICES
LIMITED**

Reconciliation of profit from I-GAAP to IND - AS



IN INR MN

Particulars		Q2 FY 18	Q2 FY 19	FY 18	H1 FY 18	H1 FY 19
Profit After Taxes (based on I-GAAP)		250.89	335.15	1033.70	481.29	670.85
Adjustments	Impact of Adopting EIR on Financial Assets	1.93	-20.38	-6.60	-1.67	-12.98
	Impact of Adopting EIR on Financial Liabilities	-2.30	1.34	1.80	-2.30	0.34
	Impact of Income accrues on Stage 3 Assets	1.31	9.65	-0.60	0.81	12.95
	Impact of recognition of Assigned Portfolio	87.02	13.26	189.00	81.82	-20.84
	Impact on application of ECL method for Provision on Loan Portfolio	-15.43	13.51	18.30	-0.03	-10.09
	Reclassification actuarial gain/loss on Employee benefit schemes	0.00	-0.70	0.00	0.00	-0.70
	Fair value impact of Compulsory convertible Debentures	-18.64	0.00	-41.90	-40.04	0.00
	Fair value impact of Compulsory Convertible Cumulative Preference Shares	-37.55	0.00	-79.50	-79.45	0.00
	Others	-0.05	0.00	-6.90	-3.65	0.00
	Total of the above Adjustments	16.29	16.67	73.60	-44.51	-31.33
Add/Less: Impact of Taxes on account of above adjustments		-24.05	-5.97	-69.60	-25.95	10.95
Profit after Taxes (based on IND-AS)		243.13	345.84	1037.70	410.83	650.47
Other Comprehensive Income for the Period, Net of Tax		313.40	-390.74	160.85	227.25	-47.71
Total Comprehensive Income for the Period (V + VI)		556.54	-44.90	1198.55	638.09	602.75

Credit Quality

IN INR MN

Particulars	Sept-18		Sept-17	
	AUM	Provision	AUM	Provision
Stage 1	28552.16	89.84	21059.16	58.59
Stage 2	1165.28	145.70	751.31	72.55
Stage 3	564.46	107.31	420.15	35.48
TOTAL ON BOOK	30281.90	342.84	22230.62	166.62
Assigned Portfolio	16,334.26		13,002.75	
TOTAL AUM	46,616.16		35,233.37	

Particulars	Sept-18	Sept-17
Stage 1 And Stage 2 Assets (Standard Assets) Provisioning	0.79%	0.60%
Stage 3 Assets (>90 DPD Assets) Provisioning	19.01%	12.45%
Stage 3 As % Of On Book Assets	1.86%	1.89%
Stage 3 As % Of AUM	1.29%	1.33%
Stage 3 As % Of On Book Assets after provisioning	1.51%	1.73%
Stage 3 As % Of AUM after provisioning	1.06%	1.23%

Note: Stage 3 (>90 DPD Assets) on Assigned portfolio was Rs.36.13 MN. on 30th Sept 2018 and Rs. 47.11 MN. on 30th Sept 2017 which has been taken into consideration while calculating Stage 3 As % Of AUM.



IND – AS IMPACT

**MA\$ RURAL HOUSING AND
MORTGAGE FINANCE LIMITED**

Reconciliation of profit from I-GAAP to IND - AS



IN INR MN

Particulars		Q2 FY 18	Q2 FY 19	FY 18	H1 FY 18	H1 FY 19
Profit After Taxes (based on I-GAAP)		5.41	10.86	24.99	12.55	19.83
Adjustments	Impact of Adopting EIR on Financial Assets	-2.20	-1.20	-0.78	-1.70	-2.14
	Impact of Adopting EIR on Financial Liabilities	-0.12	-0.61	-0.75	-0.31	-1.25
	Impact of Income accrues on Stage 3 Assets	0.08	-0.05	-0.28	0.09	0.17
	Impact of recognition of Assigned Portfolio	-0.23	-0.22	-0.89	-0.41	-0.40
	Impact on application of ECL method for Provision on Loan Portfolio	-0.07	0.46	0.57	0.33	1.66
	Reclassification actuarial gain/loss on Employee benefit schemes	-0.10	-0.17	-0.18	-0.08	-0.22
	Others	-0.07	0.11	-2.53	0.10	0.27
	Total of the above Adjustments	-2.71	-1.68	-4.84	-1.98	-1.91
Add/Less: Impact of Taxes on account of above adjustments		0.45	1.06	-0.06	0.48	1.35
Profit after Taxes (based on IND-AS)		3.14	10.24	20.09	11.04	19.27
Other Comprehensive Income for the Period, Net of Tax		0.10	0.17	0.18	0.08	0.22
Total Comprehensive Income for the Period		3.24	10.41	20.27	11.12	19.49

Credit Quality



IN INR MN

Particulars	Sept-18		Sept-17	
	AUM	Provision	AUM	Provision
Stage 1	2,240.71	2.88	1,791.70	4.60
Stage 2	103.80	4.92	64.02	3.71
Stage 3	8.57	2.50	8.29	2.32
TOTAL ON BOOK	2,353.08	10.30	1,864.01	10.63
Assigned Portfolio	25.16	N/A	31.00	N/A
TOTAL AUM	2,378.25		1,895.01	

Particulars	Sept-18	Sept-17
Stage 1 And Stage 2 Assets (Standard Assets) Provisioning	0.33%	0.45%
Stage 3 Assets (>90 DPD Assets) Provisioning	29.20%	27.93%
Stage 3 As % Of On Book Assets	0.36%	0.44%
Stage 3 As % Of AUM	0.36%	0.44%
Stage 3 As % Of On Book Assets after provisioning	0.26%	0.32%
Stage 3 As % Of AUM after provisioning	0.26%	0.32%

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
NPA	Non-performing Asset
PAT	Profit After Tax
ROTA	Return On Avg. Total Asset
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

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