



The Power of Distribution

MAS FINANCIAL SERVICES LIMITED

MFSL/SEC/EQ/2020/29

June 04, 2020

To,
The Manager,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001

To,
General Manager
National Stock Exchange of India Limited
Exchange Plaza
Plot No. C/1, G Block
Bandra-Kurla Complex
Bandra (East)
Mumbai – 400051

Scrip Code: 540749, 951920, 952312

Trading Symbol: **MASFIN**

Dear Sir,

Sub.: Investor Presentation for the quarter and year ended on March 31, 2020

Please find enclosed herewith Investor Presentation for the quarter and year ended on March 31, 2020.

Thanking you,

Yours faithfully,
For, **MAS Financial Services Limited**

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



Encl.: As above

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INVESTOR
PRESENTATION –
Q4 FY20



The Power of Distribution

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***EVERY TIME WE REACH
A MILESTONE,
WE BELIEVE
WE HAVE
JUST BEGUN...***

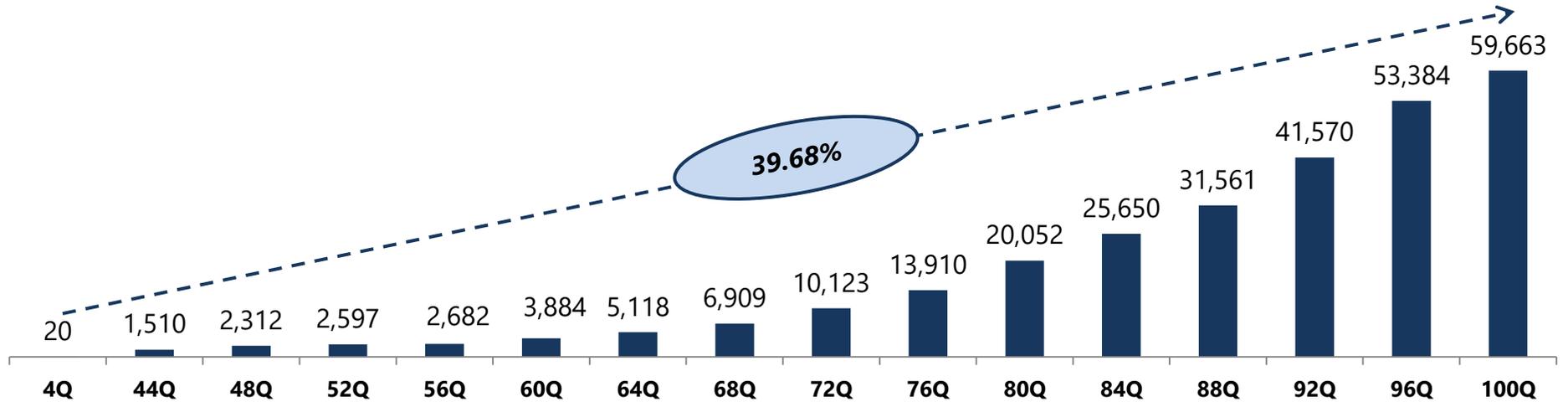
JOURNEY OF 100 QUARTERS

Consistent Growth in AUM and PAT

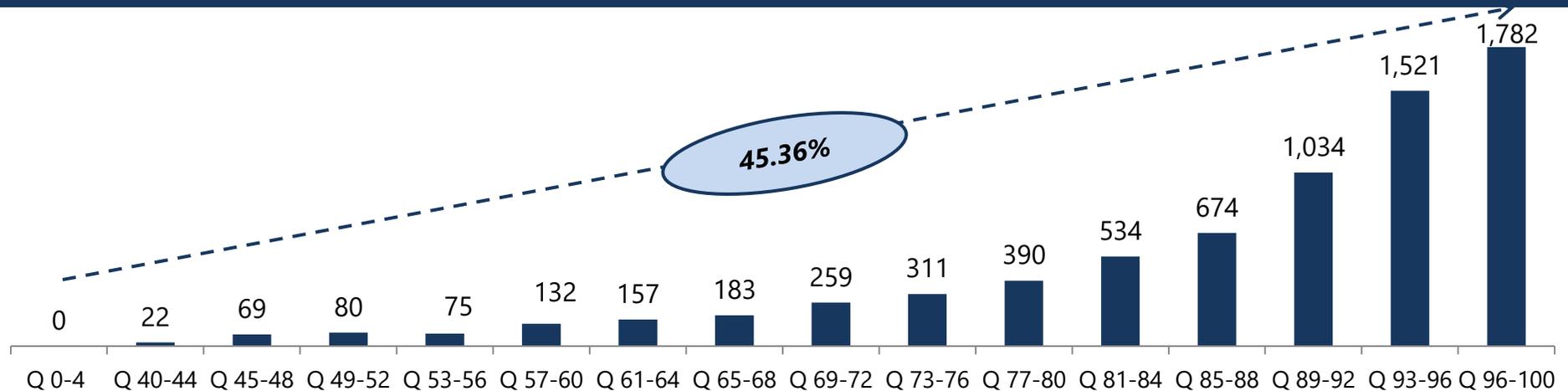


Asset Under Management (AUM)

In INR Mn



Profit After Tax (PAT)



Assessment of Covid-19 impact on the basis of :



Strong Fundamentals

Asset Management

Liquidity Management

Operational Management

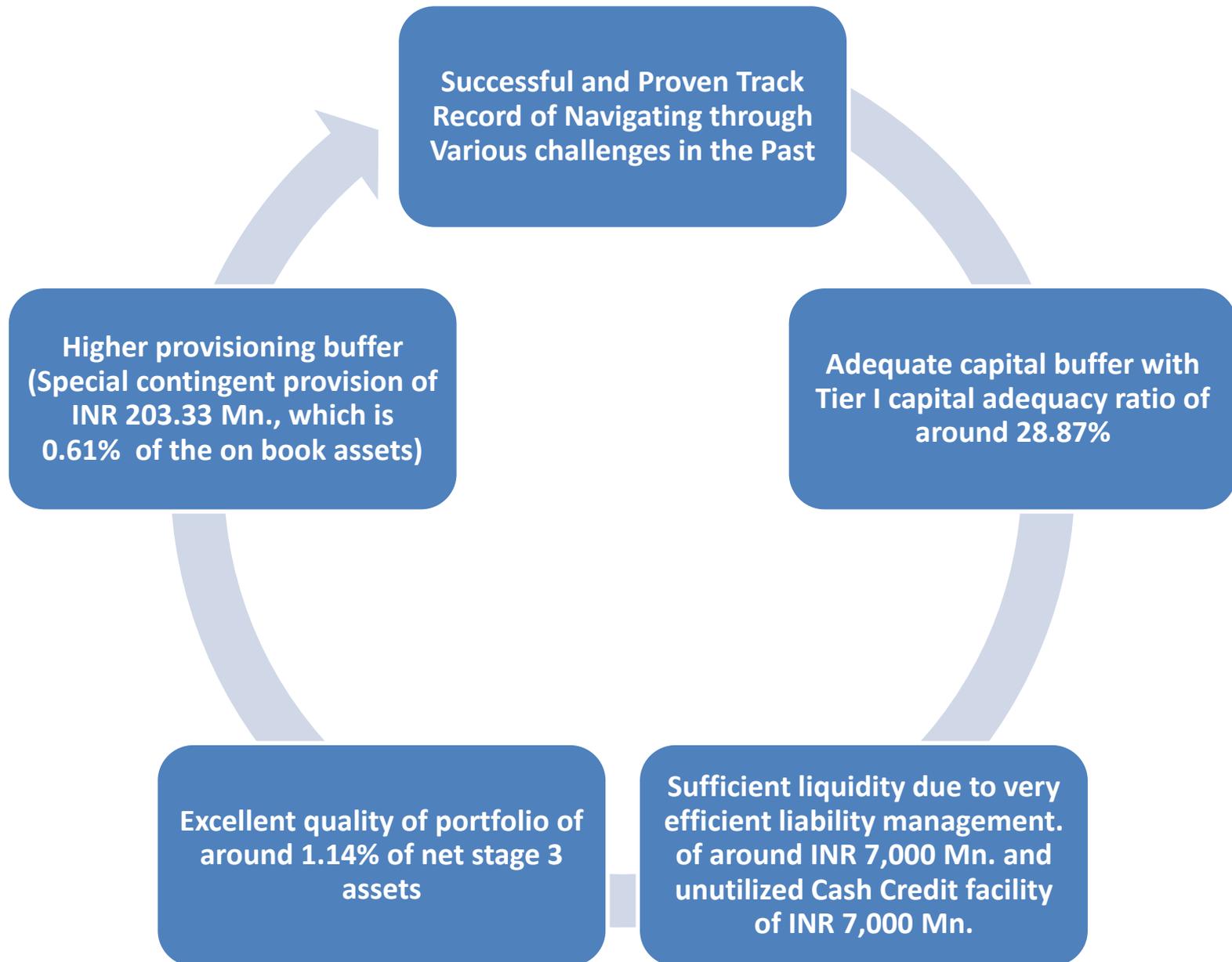
Employees

Profitability

Going Forward

Strong Fundamentals :

Enablers for Navigating through current unprecedented challenges



COVID 19 IMPACT



Assets and Portfolio Quality:

- The company's AUM stood at INR 59,663 Mn. registering a growth of 11.76% over the previous year. The company missed the opportunity of approx. INR 3,250 Mn. Disbursement in March 2020 due to lockdown, potentially taking the AUM to approx. INR 63,000 Mn.
- The company took a cautious call of postponing lending activity in the month of April and May on account of lockdown . In the month of June we are planning to start lending with necessary changes in our credit policy.
- The Company has granted moratorium up to three months on the payment of installments falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers but are in constant touch with them to educate and convince them to continue paying their EMIs, if they have liquidity.
- The amount received against the demand for the month of April and May was 49% and 45% respectively despite of having granted the moratorium. This translates in to 51% and 55% of the customers by value having availed moratorium in April and May respectively.
- Having served the sector for more than two decades, we firmly believe that the policy of the company of granting moratorium should enable the borrowers to effectively manage their liquidity in this unprecedented time. Availing such forbearance by them does not signify a weak credit prognosis. It very clearly manifests company's resolve of not only extending credit but also all the facilities where it is due, within its capabilities.
- The Company in its preparation for potential Covid-19 impact in portfolio quality have made a special contingent provision of INR 203.33 MN., which is 0.61% of the on book assets of INR 33,255 Mn.

COVID 19 IMPACT



Liquidity Management:

- Company's Capital adequacy remains strong at 30.96% with Tier I Capital of 28.87%.
- As on 31st May 2020, the company had liquidity buffer of around INR 7,000 Mn. and unutilised Cash Credit facility of INR 7,000 Mn. In addition the company has sanction on hand to the tune of INR 14,500 Mn. in the form of Term loan and Direct assignment.
- Company also assessed its structural liquidity for the period ended March 31, 2020 after taking in to account the moratorium extended to its borrower under the RBI relief. Based on this assessment no negative impact on liquidity has been observed and the cash flow in all the cumulative buckets remains positive.
- Company has also stress tested its liquidity model and is comfortably placed to meet its repayment obligations for the entire year.
- Company has not opted for moratorium benefits on the loan o/s from any of its lenders.
- Company has applied for fresh sanctions from its existing lenders as well as under the various schemes launched by Reserve Bank of India and Government of India..

COVID 19 IMPACT



Operational Management:

- Currently , out of 105 branches 96 branches are operational with minimum staffing to be scaled up gradually depending upon the situation.
- Company uses banking platform for 100% of its disbursement and collections. The use of banking platform ensured seamless Collection operations during the lockdown.
- On cost monitoring, the company is taking various initiatives to enhance the efficiency of the employees, cutting on advertisement, travelling and other related expenses. The company is also taking steps to move more towards variable based cost structure.

Employees :

- Reskilling and training of Employees.
- Daily basis Health advisory as well as regular monitoring of temperatures of employees.
- Regular sanitizing of office premises, as well compulsory sanitizing of all individuals entering the office premises.
- Availability of Doctor on call.

COVID 19 IMPACT



Profitability :

- Profit after Tax for the year ended 31 March 2020 is INR 1,782 Mn. as compared to INR 1521 Mn. respectively for the year ended 31 March 2019. A Growth 17.16% in PAT over the corresponding period of the previous year. (Adjusting the special contingent provision the PAT stands at INR 1,934 Mn. registering growth of 27.16% over the corresponding period of the previous year)
- Return on AUM for the year ended 31 March 2020 was 3.15% and Return on Equity was 18.29%. (Adjusting the special contingent provision , ROA for the year was 3.42% and ROE was 19.85%).
- The ROA of the company may be impacted in the short run due to the changed macro economic environment. Currently the company may recalibrate the yield matrix by constantly evaluating the impact of borrowing cost and the credit cost given the changed macro environment to minimise the impact on it's ROA
- The Company is confident to maintain its Return On Asset (ROA) in the medium to long term.

COVID 19 IMPACT



Going Forward :

- The company will continue its dictum of extending credit where it is due.
- As a prudent business strategy over the years the company firmly believes in taking medium to long term view of its business which ensures stability as demonstrated over two decades.
- Anticipated growth for the next five years to be in the range of 20% - 30% with an understanding of recalibrating it depending on the macro situation, prioritizing asset quality and profitability and maintaining healthy ROA and ROCE.
- We are constantly engaging with the borrowers understanding their cluster, geographies etc. in order to further strengthen our credit policy.
- Structurally MSME will continue to play an important role in the economy. The NBFCs with niche expertise and sound fundamentals, play an important role in the efficient last mile credit dispensation to this sector, giving us ample opportunity for future growth.

Major events and milestones in the history

2020

AUM crossed INR 60 Bn. on a consolidated basis.

2019

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

2018

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

2016

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

2015

Raised Subordinate Debentures of INR 200 Mn

2014

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

2013

Disbursement & AUM crossed INR 10 Bn

2012

Fourth round of capital infusion of INR 650 Mn by DEG

2011

Listing of NCDs on Bombay Stock Exchange

2008

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

2006

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

1995

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

Understanding *MAS*



Vision, Mission and Belief

Team MAS

Fundamentals – Assets, Liability and Operational excellence

Going Forward.....



VISION

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

MISSION

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

BELIEF

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

“Together we can and we will”



TEAM MAS

EXPERIENCED PROMOTERS



Mr. Kamlesh Chimanlal Gandhi
Chairman & MD

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



Mr. Mukesh Chimanlal Gandhi
Director & CFO

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

EMINENT DIRECTORS



Mrs. Darshana Saumil Pandya
Executive Director & CEO

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



Mr. Bala Bhaskaran
Independent Director

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



Mr. Chetan Ramniklal Shah
Independent Director

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



Mr. Umesh Rajanikant Shah
Independent Director

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



Mrs. Daksha Niranjani Shah
Independent Director

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

Team MAS



CORE TEAM

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

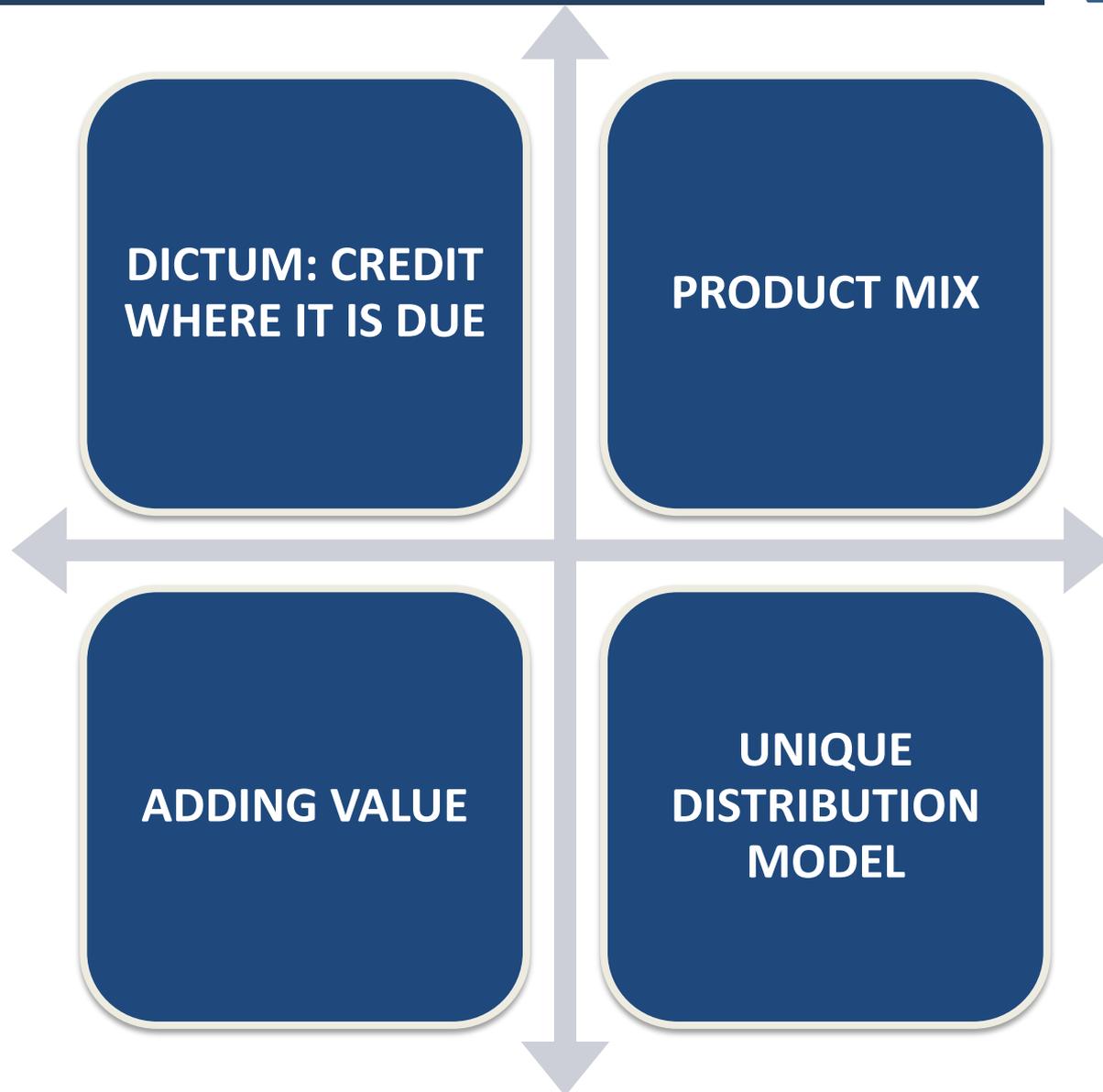
EXECUTION TEAM

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



FUNDAMENTALS

Asset Creation:



Liability Management:



Operational Excellence: Key Enablers



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

HR Policy

**Being a
Learning
Organization**

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



GOING FORWARD

Going Forward.....



Asset Creation

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

Liability Management

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

Operational Excellence

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



Q4 FY19-20 RESULTS

Overview

SPECIALISED IN RETAIL LENDING SINCE 25 YEARS

Diversified Product Portfolio



Strong Retail Presence & Wide Distribution Network

6 states and
NCT of Delhi



105 branches



7,00,000+

Active loan accounts

3,450

Customer locations

Sourcing Intermediaries



342



326



135 NBFCs

CONSISTENT GROWTH

AUM with immaculate Quality



AUM: INR 59,663 Mn
(YoY Growth of 11.76%)

Gross Stage 3 Assets: 1.42%

Net Stage 3 Assets: 1.14%

Consistent Profitability & Returns

Revenue: INR 6,831Mn



PAT: INR 1,782Mn

18.29%

Return on Avg. Net
Worth



4.31%

Return on
Avg. Balance Sheet
Assets

3.15%

Return on Avg. AUM

EFFICIENT LIABILITY MANAGEMENT

Capitalization



TOTAL CRAR: 30.96%

TIER I CRAR : 28.87%

TIER II CRAR : 2.09%



44.26% of AUM

Assigned to Banks/FIs

Fund Raising

9.31%

Cost of borrowings

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

All the above figures are for FY 20

Diversified product offerings presenting significant growth opportunities



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

Micro-Enterprise Loans



- Loans of up to INR 300,000 to Micro-Enterprises which primarily include retailers, traders, small manufacturers and service providers
- Tenure up to 36 months; Average ticket size in FY20 – INR 38,383
- AUM as of March 31, 2020– INR 36,374 Mn**

SME Loans



- Loans of up to INR 50 mn to SMEs which primarily include manufacturers, distributors, dealers and service providers engaged in various industries
- SME loans include working capital loans, loans for machinery and loans to purchase Industrial Sheds.
- Tenure up to 60 months; Average ticket size in FY20 – INR 4.02 Mn
- AUM as of March 31, 2020– INR 17,740 Mn**

Two Wheeler Loans



- Two-wheeler loans to our customers, which primarily include farmers, self-employed and salaried individuals and professionals
- Tenure up to 36 months; Average ticket size in FY20 – INR 50,333
- AUM as of March 31, 2020– INR 4,003 Mn**

Commercial Vehicle (CV) Loans

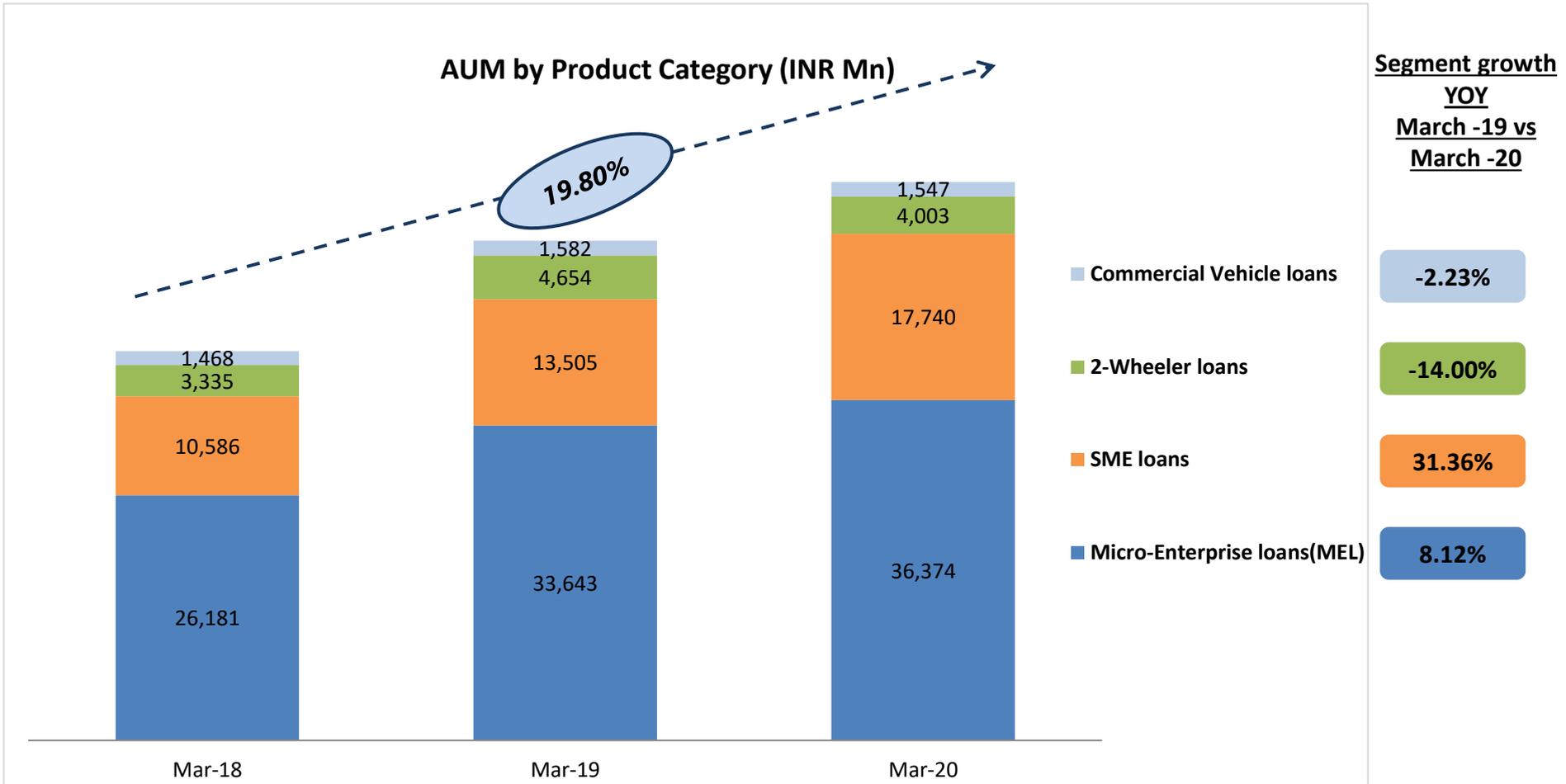


- Loans of up to INR 700,000 for the purchase of new and used CVs to small road transporters, used cars to small traders and manufactures and tractors to the persons engaged in Agricultural activities
- Tenure up to 60 months; Average ticket size in FY20 – INR 2,12,593
- AUM as of March 31, 2020– INR 1,547 Mn**

Recent Growth in Overall AUM



MAS' has exhibited steady growth in AUM over the years



PARTICULARS	MAR-18	MAR-19	MAR-20
AUM (INR Mn.)	41,570	53,384	59,663

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 have cash profit for the previous 3 years)
- Requires a guarantor or co-applicant according to the assessment of the applicant's profile

SME Loans

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

Two-wheeler Loans

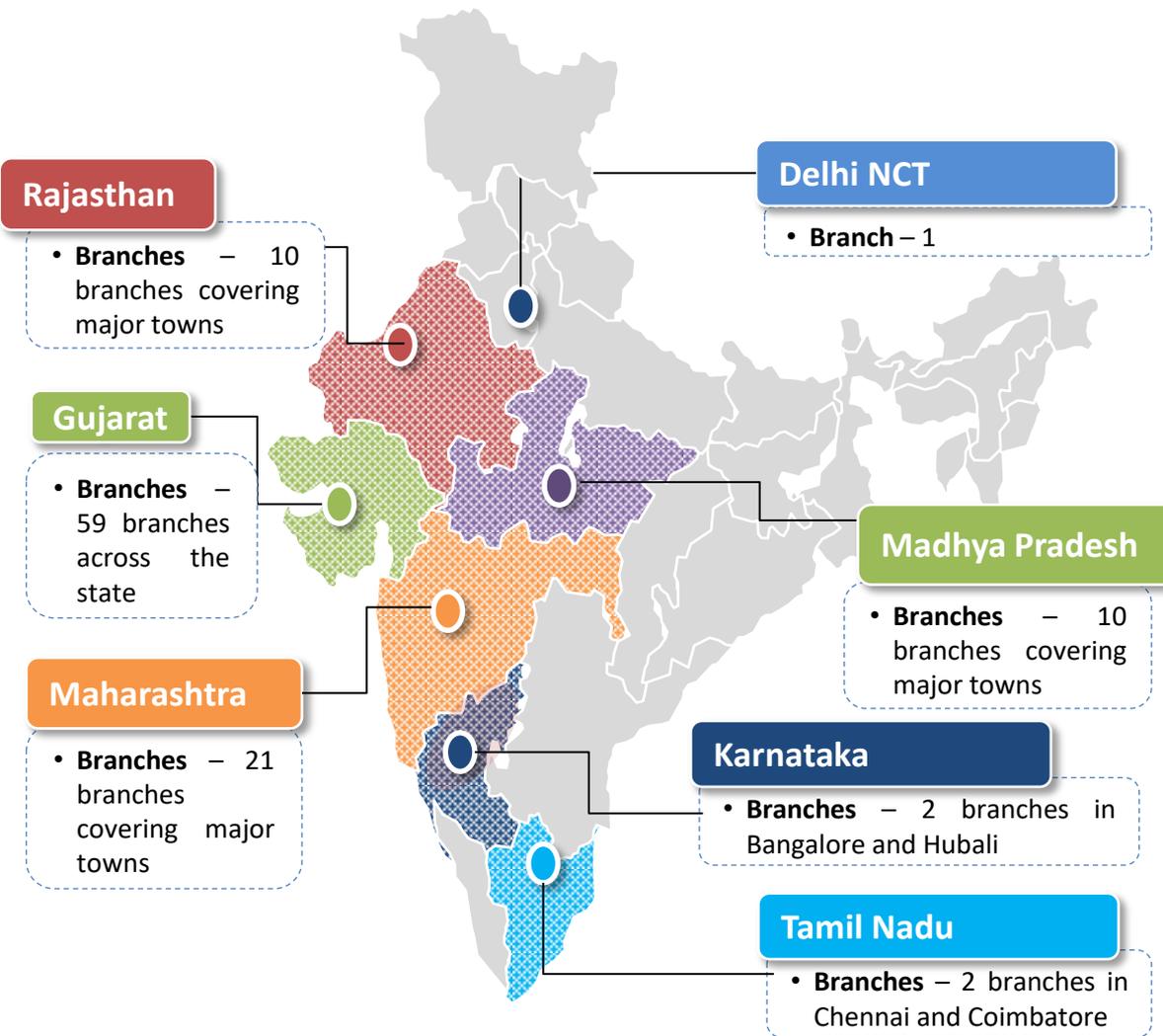
- At least one property (residential or business) should be owned by the applicant or jointly residing family members
- For a student applicant, a co-applicant is compulsory

Commercial Vehicle Loans

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

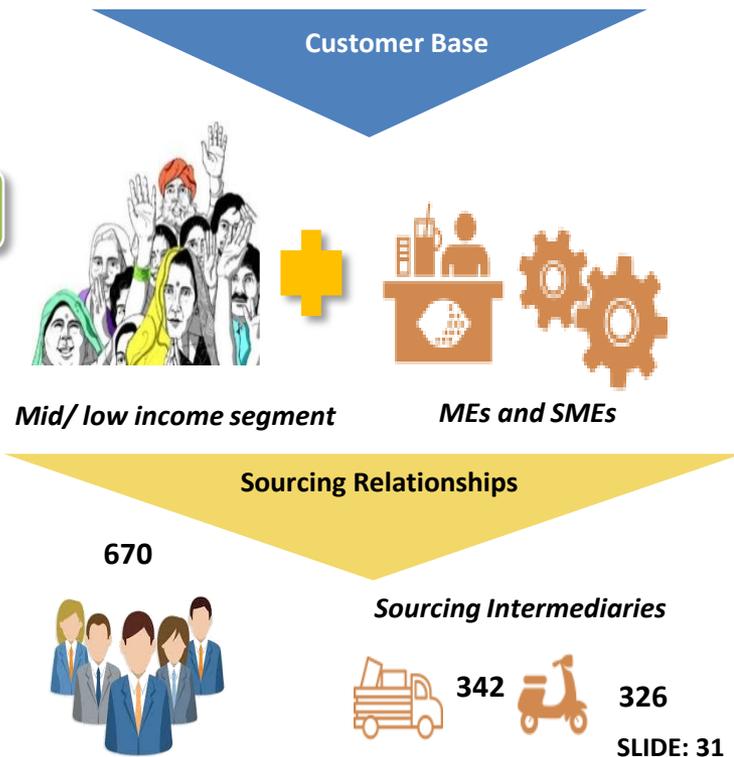
Retail Presence and Distribution

700,000+ active customers across 3,450 locations in Rural, semi urban and urban locations



Presence in the high growth markets in West and South

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



Unique and Robust Distribution Network Through NBFC Partners



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

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

AIM & Our Understanding

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

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

Unique and Robust Distribution Network Through NBFC Partners



Operational Dynamics

Key Criteria for starting relationship:

Promoters
Evaluation

Product
Alignment

Operational
Excellence

Growth Strategy

Capital Base

Financial
Performance

Credit Assessment

Pre-Engagement Due Diligence

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

Transaction Level Due Diligence

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

Periodical Deep Diving

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

Unique and Robust Distribution Network Through NBFC Partners



MAS

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

NBFCs

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

IMPACT

Borrowers

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

Eco - System

- Catalyst in Efficient last mile delivery of credit.

Unique and Robust Distribution Network Through NBFC Partners



TRACK RECORD

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

GOING FORWARD

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

Retailed focused partner NBFCs – An Overview

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

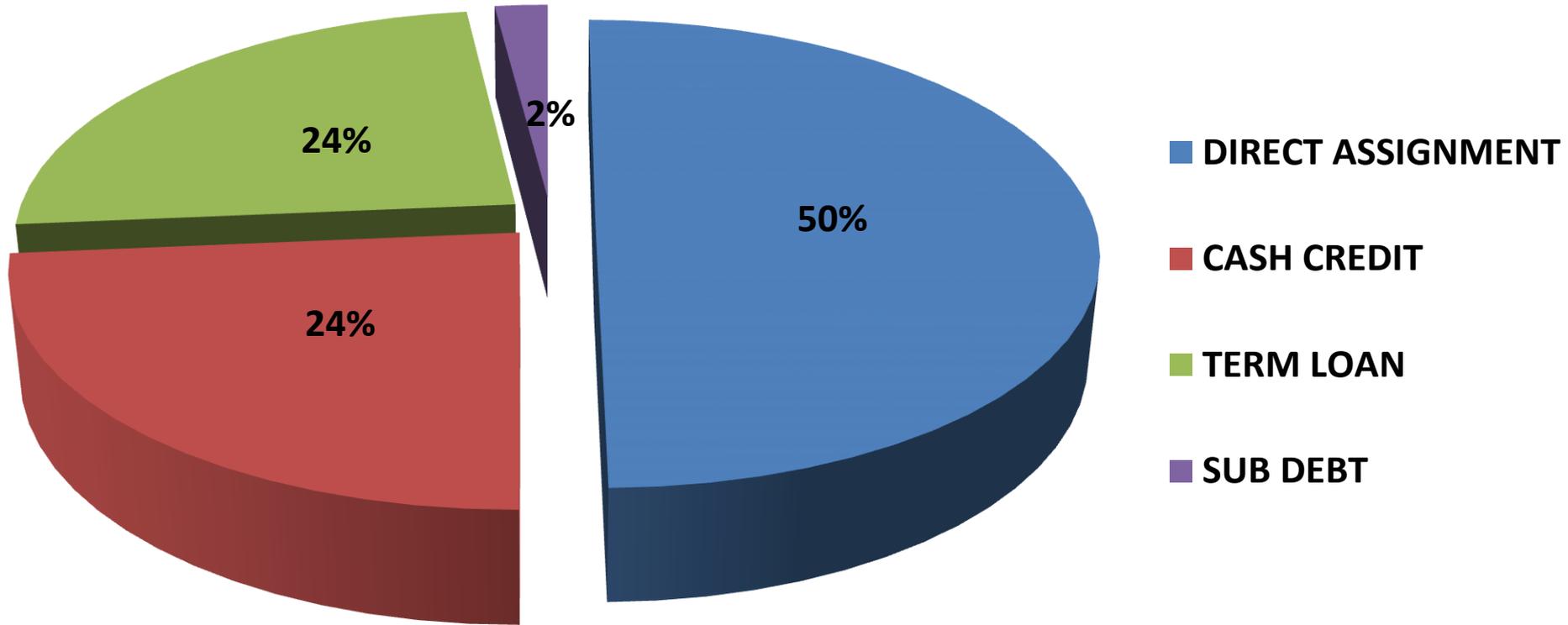
Adequately Capitalized

Experienced Management

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

Assets quality on track.

Borrowing Mix as on 31st March 2020



- **Efficient liability management ensures :**

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

Liability Management



Liability Planning:

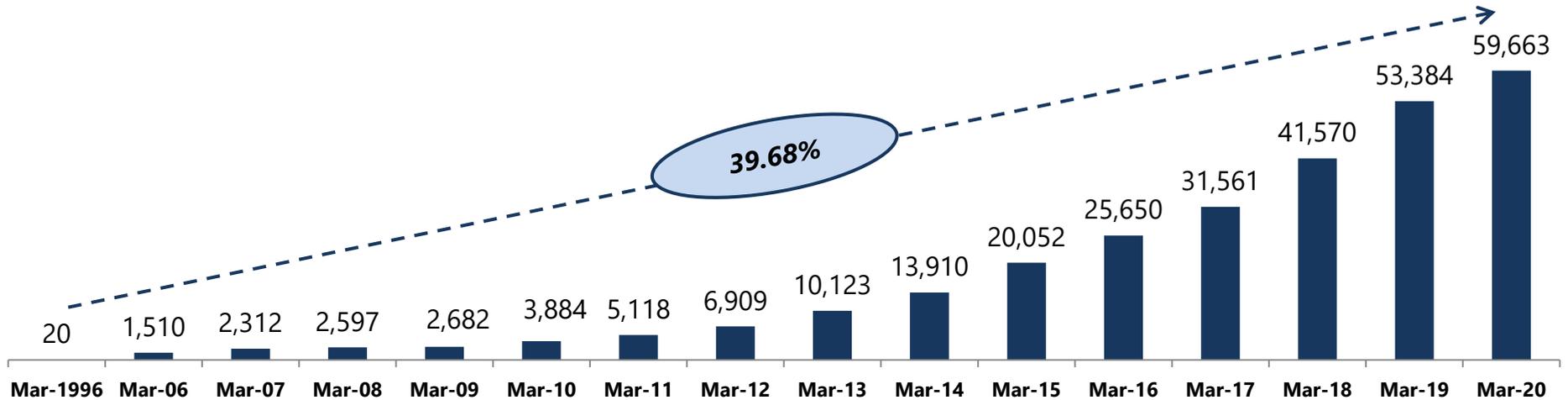
- The composition of our liability mix ensures healthy ALM and well diverse resource mix.
- The Company withstood the litmus test very successfully during this which was one of the most challenging year
 - **A testimony to its very efficient liability management.**
- Capital adequacy ratio, as on 31st March 2020 is 30.96% against regulatory norms of 15%. Tier I capital is 28.87% as against requirement of 10%. Tier II capital is just 2.09% which will increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen ALM.
- Around 75% of the portfolio is MSME loans which qualifies as Priority Sector Lending. Over the years we have maintained around 35% to 40% of AUM as off book through Direct assignment transactions. It is with door to door maturity and without recourse to the company. This further strengthens the liability management.
- The total Cash credit limit available to the company is Rs. 17.95 BN. spread across 18 banks. The utilization level is maintained at 65% - 70% of the total Cash Credit Facility, ensuring sufficient liquidity on hand.
- Leverage Ratio on balance sheet works out to be 3.01 times and going forward plan is to maintain the leverage at optimum level.

Consistent Growth in AUM and PAT

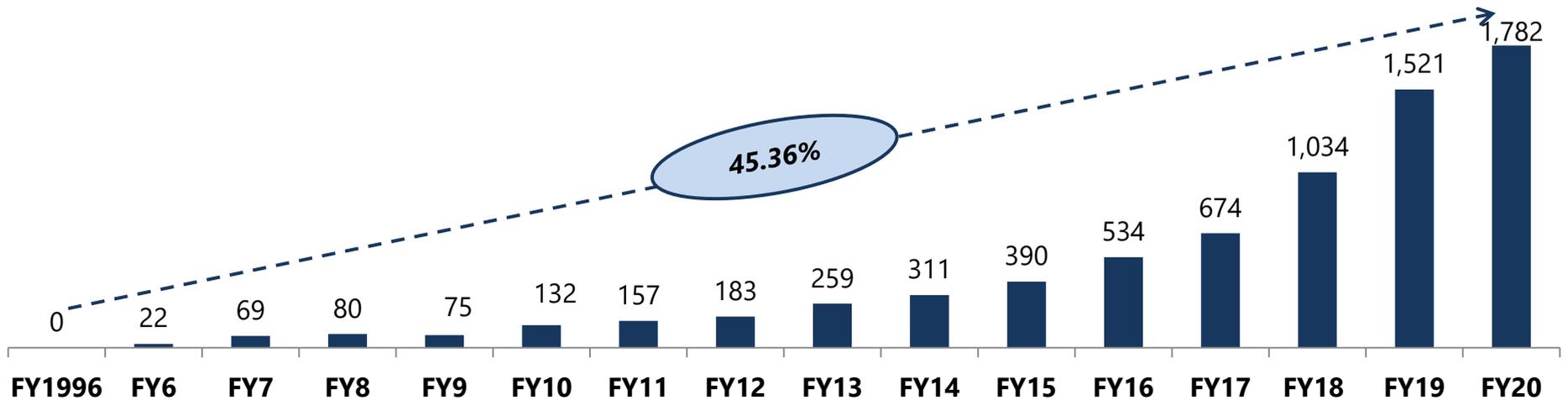


Asset Under Management (AUM)

In INR Mn

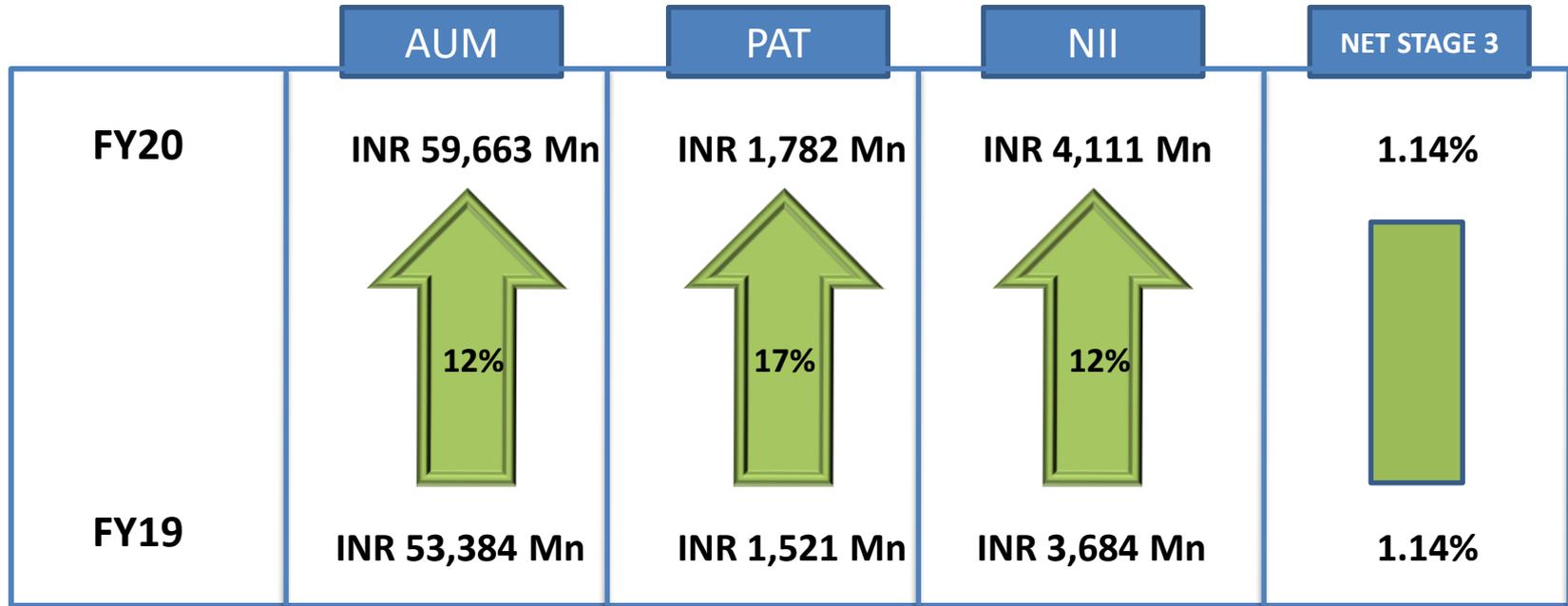


Profit After Tax (PAT)



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

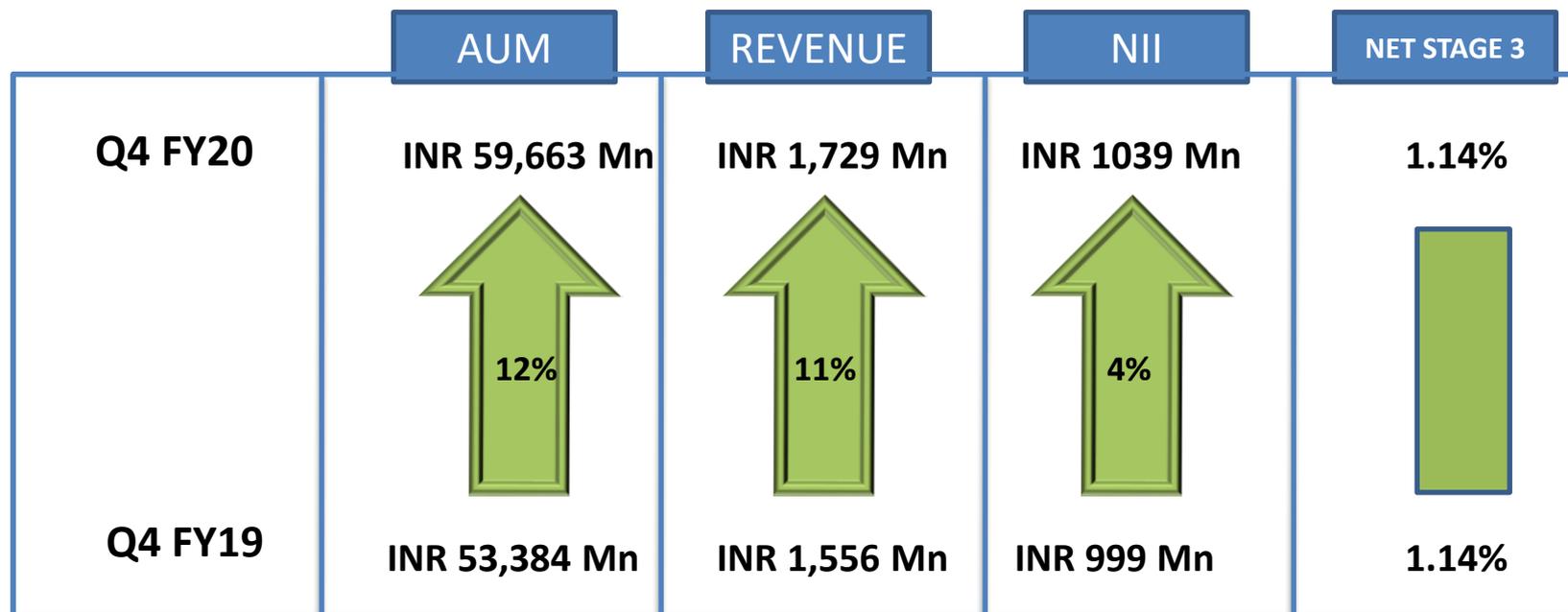
Key Achievements Highlights – FY 20 vs FY 19



Note: PAT without effect of special COVID provisioning works out to be INR 1,934 Mn. which is 27% growth from FY19

ABBREVIATIONS	
AUM	ASSET UNDER MANAGEMENT
PAT	PROFIT AFTER TAX
NII	NET INTEREST INCOME
NET STAGE 3	NET STAGE 3 ASSETS

Key Achievements Highlights – Q4 FY 20 vs Q4 FY 19



Note: PAT without effect of special COVID provisioning works out to be INR 509 Mn. which is 22% growth from Q4 FY 19.

ABBREVIATIONS

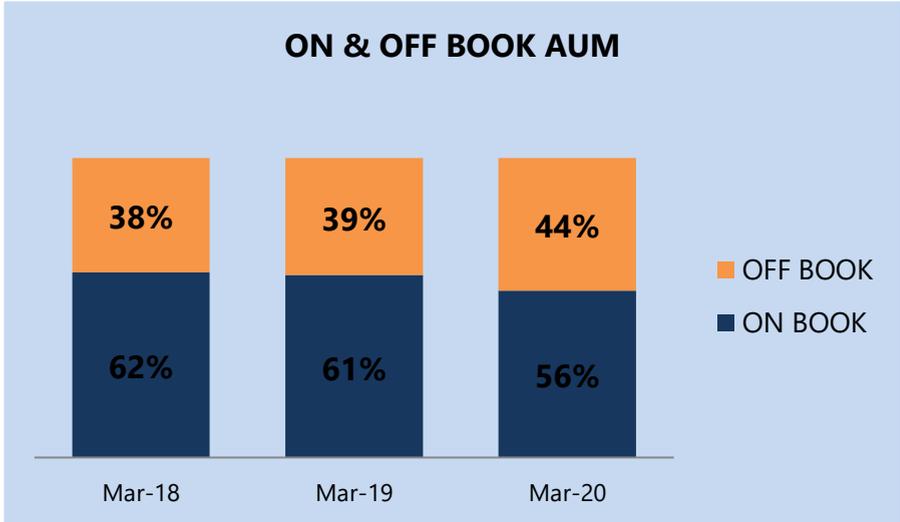
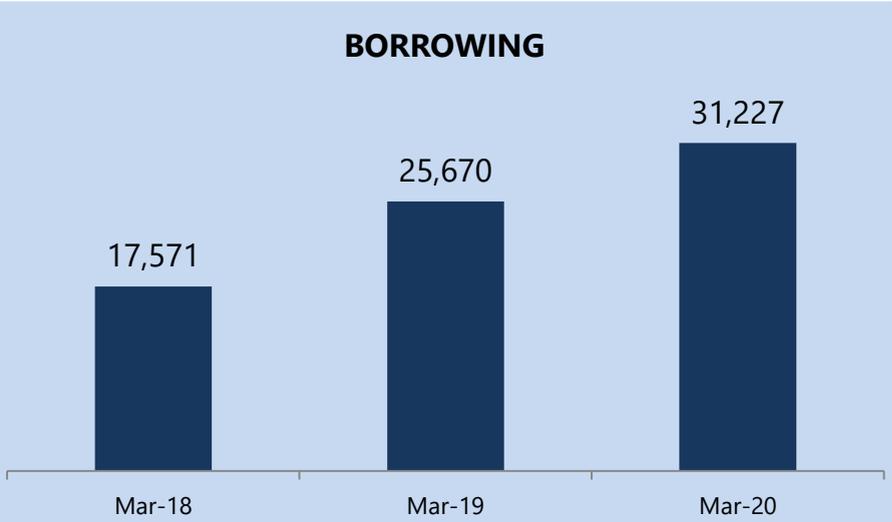
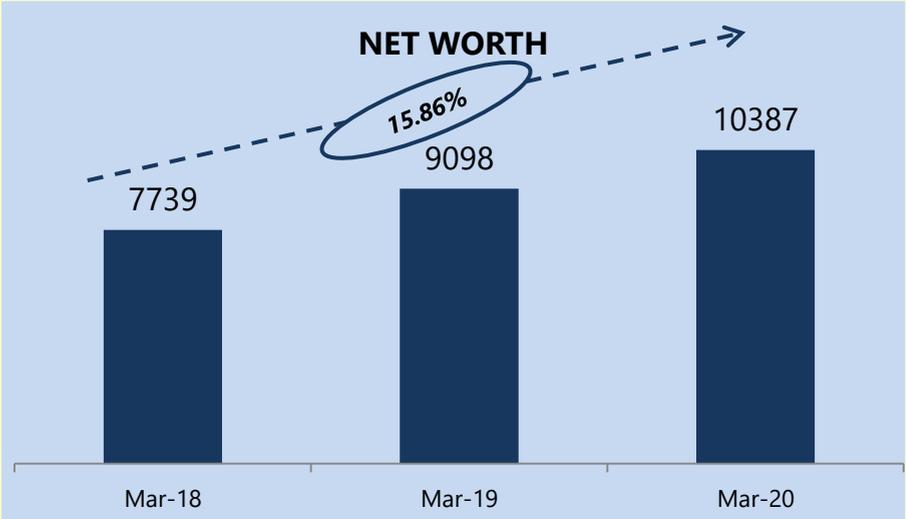
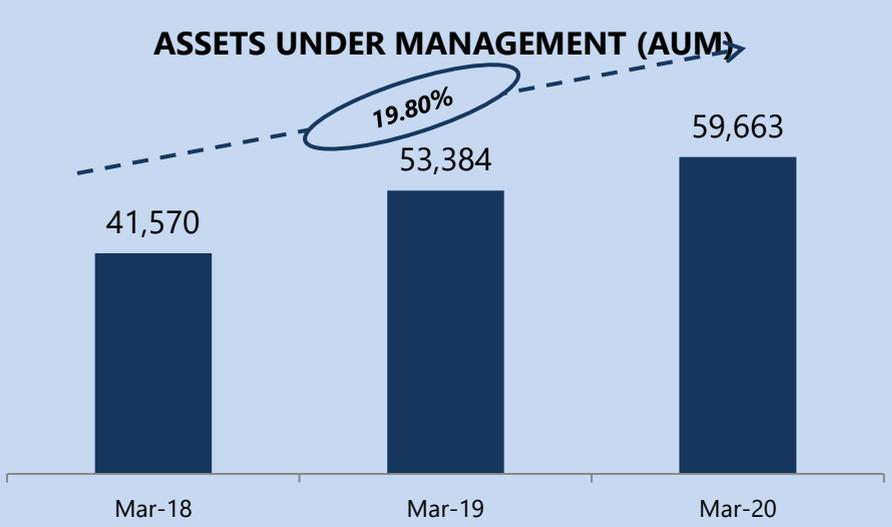
AUM	ASSET UNDER MANAGEMENT
NII	NET INTEREST INCOME
NET STAGE 3	NET STAGE 3 ASSETS

Financial Performance Trends – Q4 FY20



Robust Performance

In INR Mn

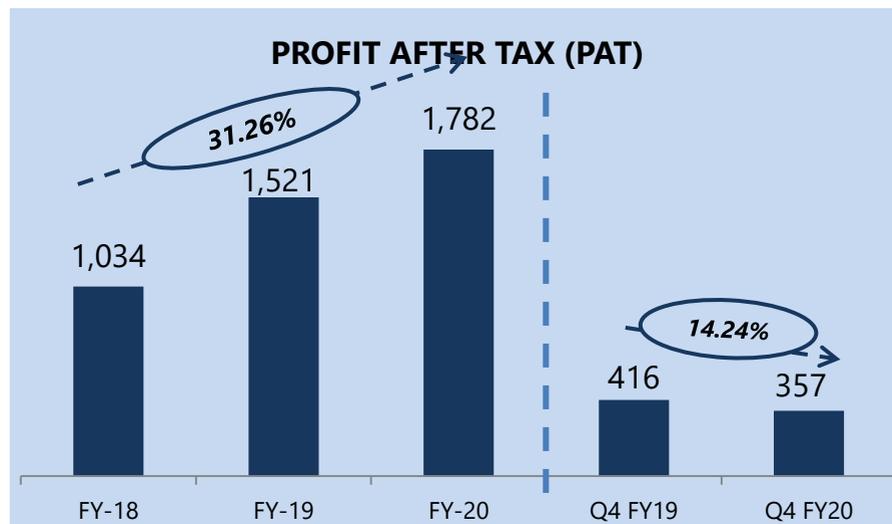
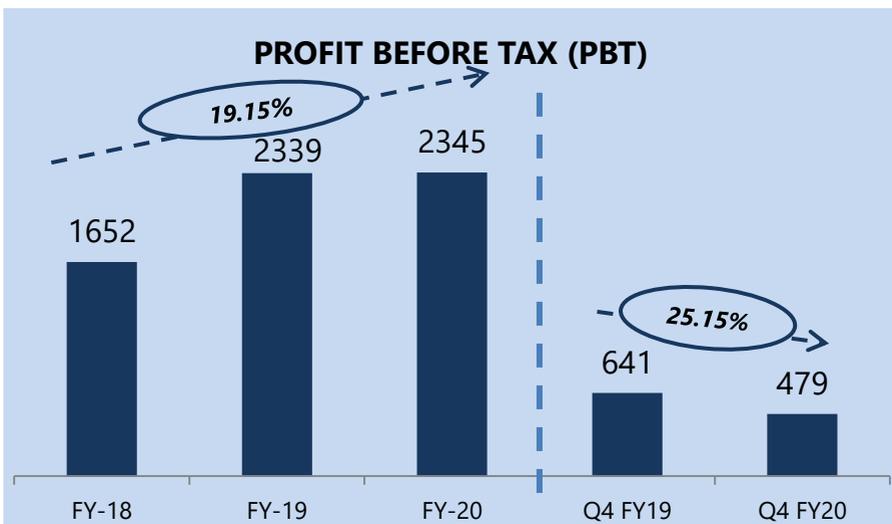
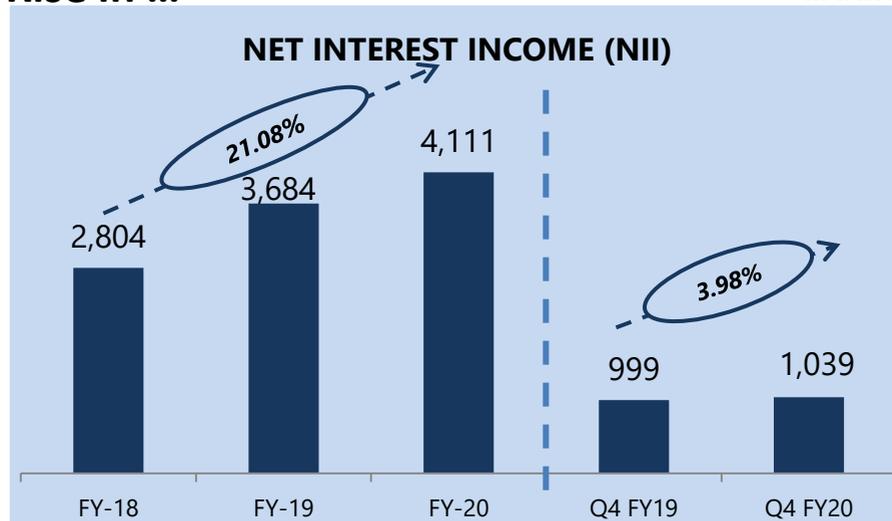
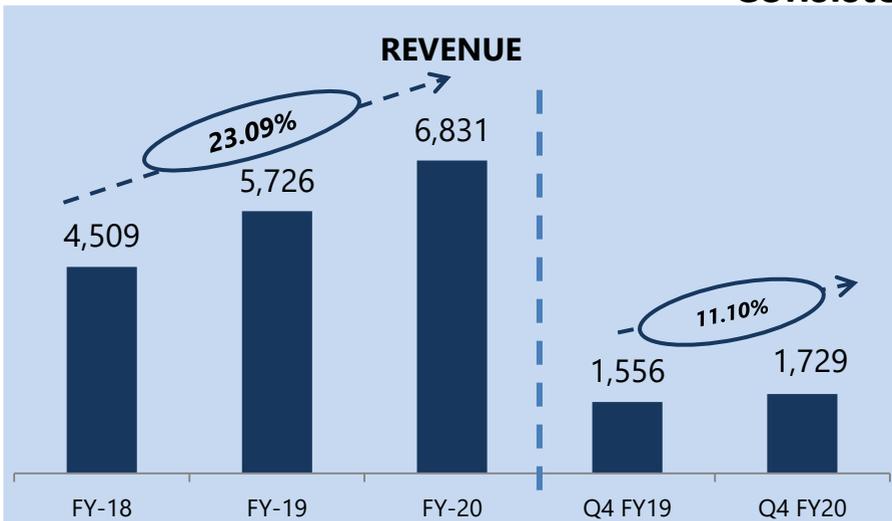


Financial Performance Trends – Q4 FY20



Consistent Rise in ...

In INR Mn



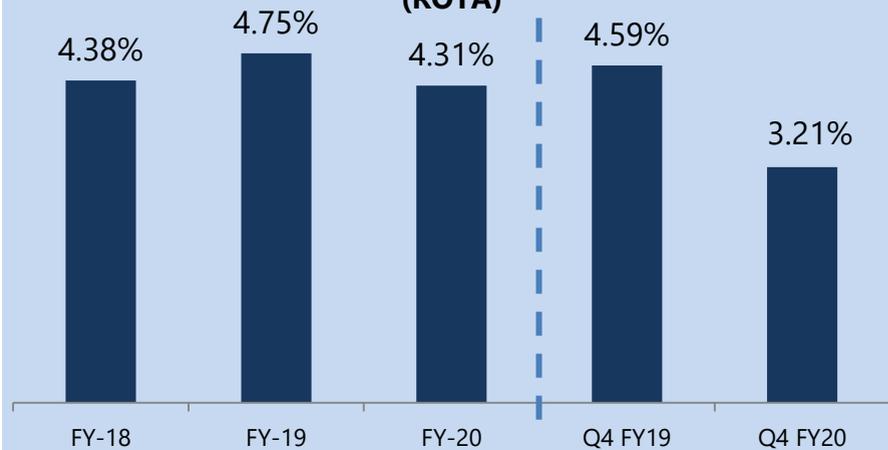
Note: PAT without effect of special COVID provisioning works out to be INR 509 Mn. for Q4 FY 20 registering growth of 22.32% and INR 1,934 Mn. for FY 20 registering growth of 27.16%.

Financial Performance Trends – Q4 FY20

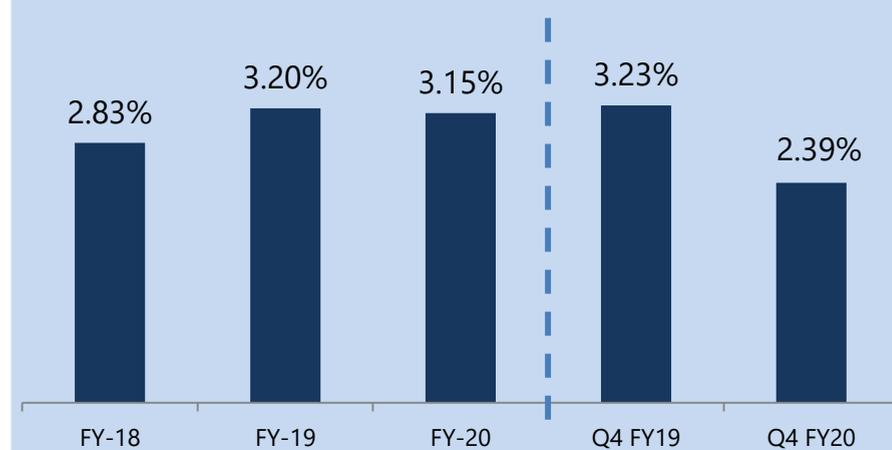


Focus on Efficiency

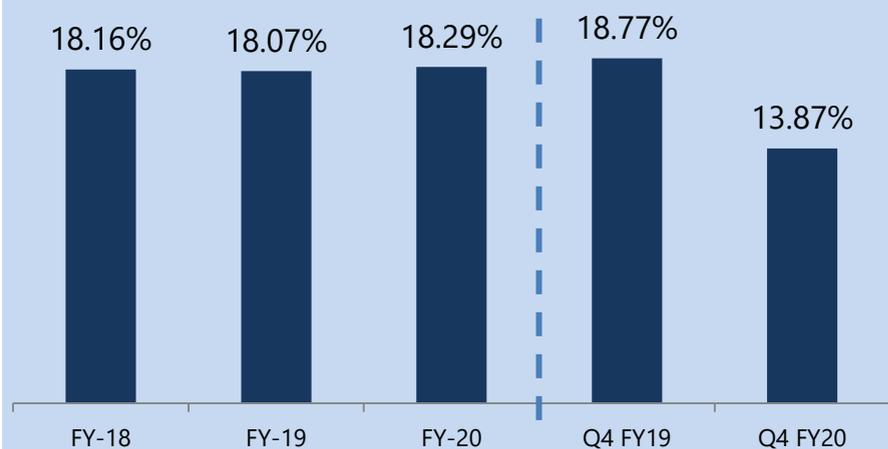
RETURN ON AVG. BALANCE SHEET ASSETS (ROTA)*



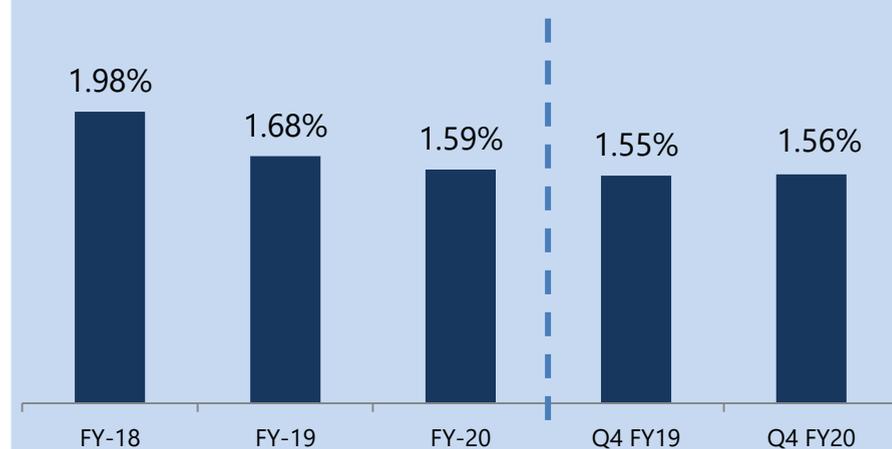
RETURN ON AVG. AUM (ROAUM)*



RETURN ON AVG. NET WORTH (RONW)*



OPERATING EXPENSE RATIO (OE RATIO)*



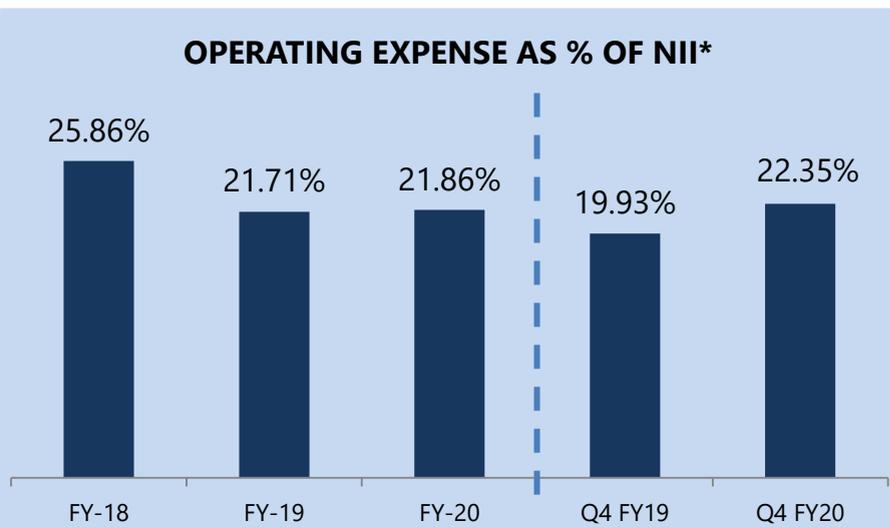
Note: ROTA without effect of special COVID provisioning works out to be 4.57% For Q4 FY 20 and 4.68% for FY 20
 Note: ROAUM without effect of special COVID provisioning works out to be 3.41% For Q4 FY 20 and 3.42% for FY 20
 Note: RONW without effect of special COVID provisioning works out to be 19.78% For Q4 FY 20 and 19.85% for FY 20

*Quarterly figures have been annualized. SLIDE: 44

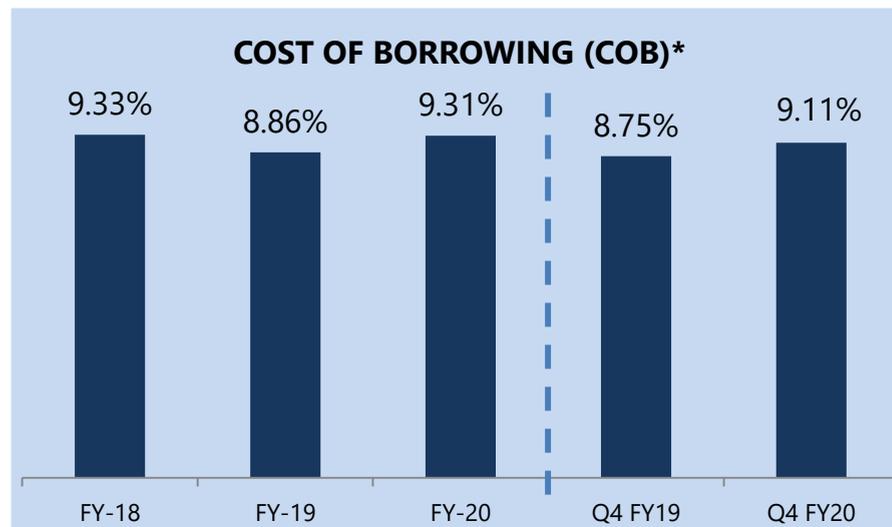
Financial Performance Trends – Q4 FY20



OPERATING EXPENSE AS % OF NII*

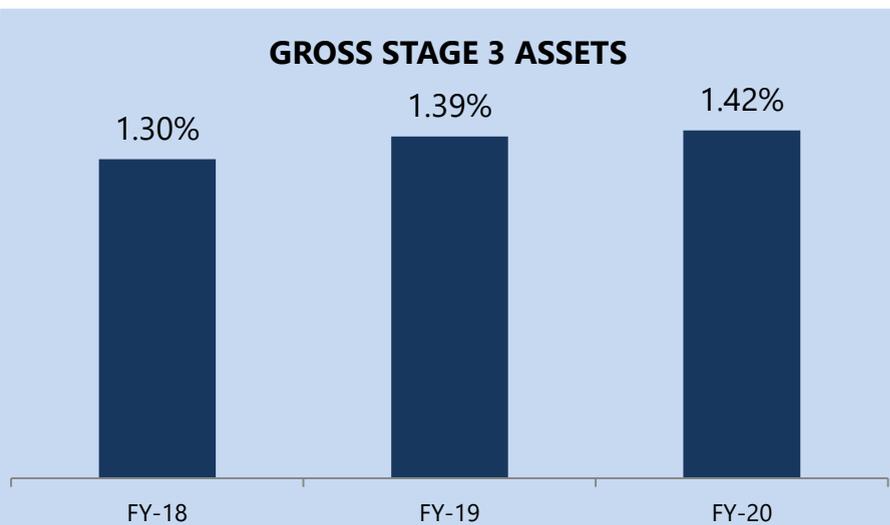


COST OF BORROWING (COB)*

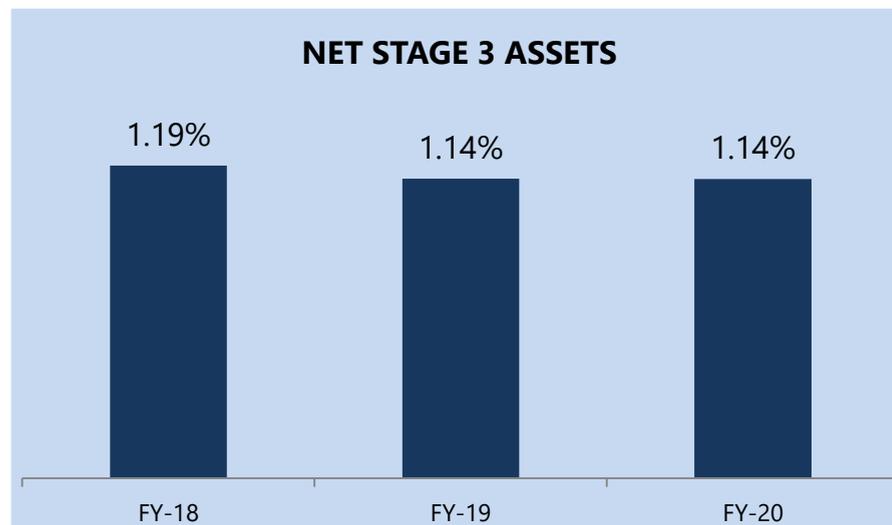


Efficiently maintaining the quality of assets

GROSS STAGE 3 ASSETS



NET STAGE 3 ASSETS



*Quarterly figures have been annualized.

Financial Performance Trends – Q4 FY20

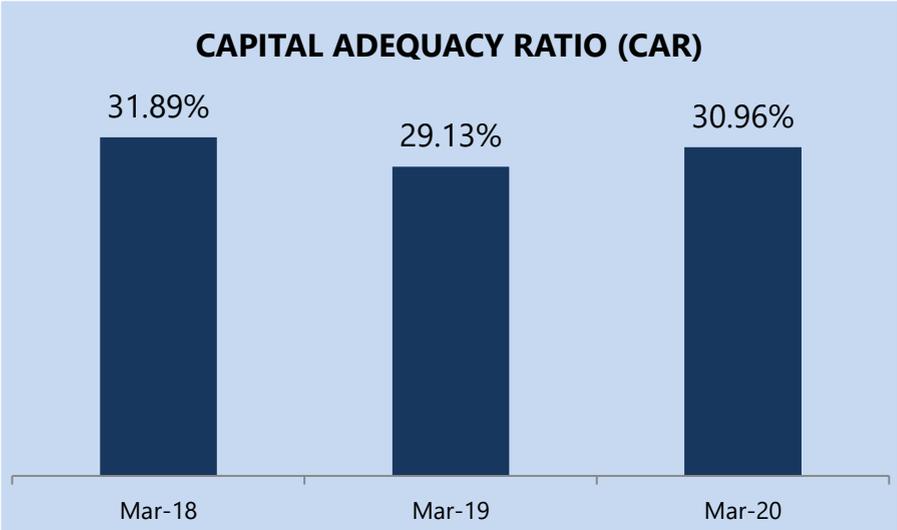


Adequately Capitalized

DEBT – EQUITY RATIO (DER)

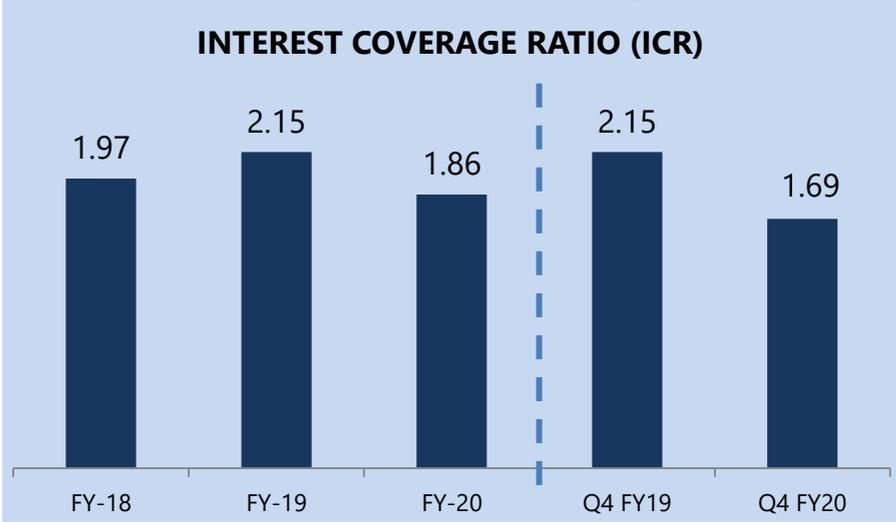


CAPITAL ADEQUACY RATIO (CAR)



Healthy Coverage

INTEREST COVERAGE RATIO (ICR)



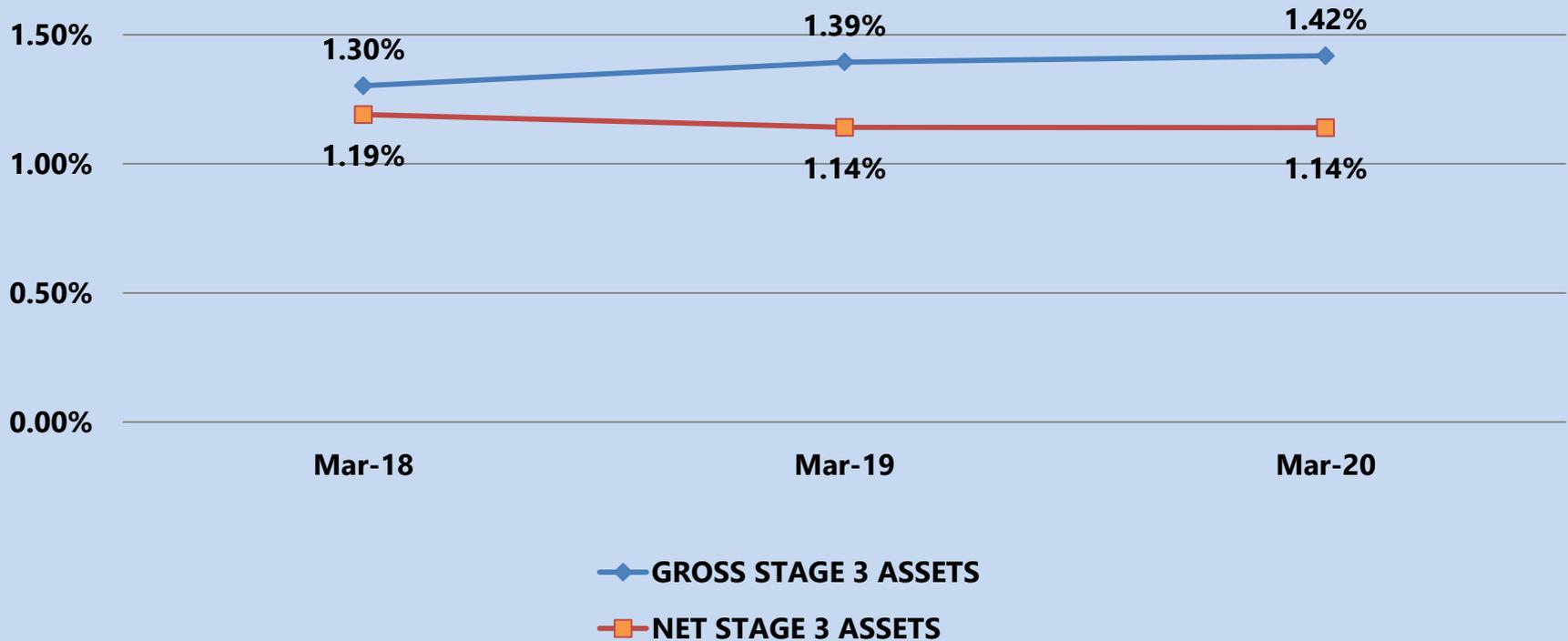
Note: ICR without effect of special COVID provisioning works out to be 1.99 times For Q4 FY 20 and 1.94 times for FY 20

Quality of the portfolio : Consistently maintained



Catalyst in growth of Entrepreneurs, not creating just borrowers

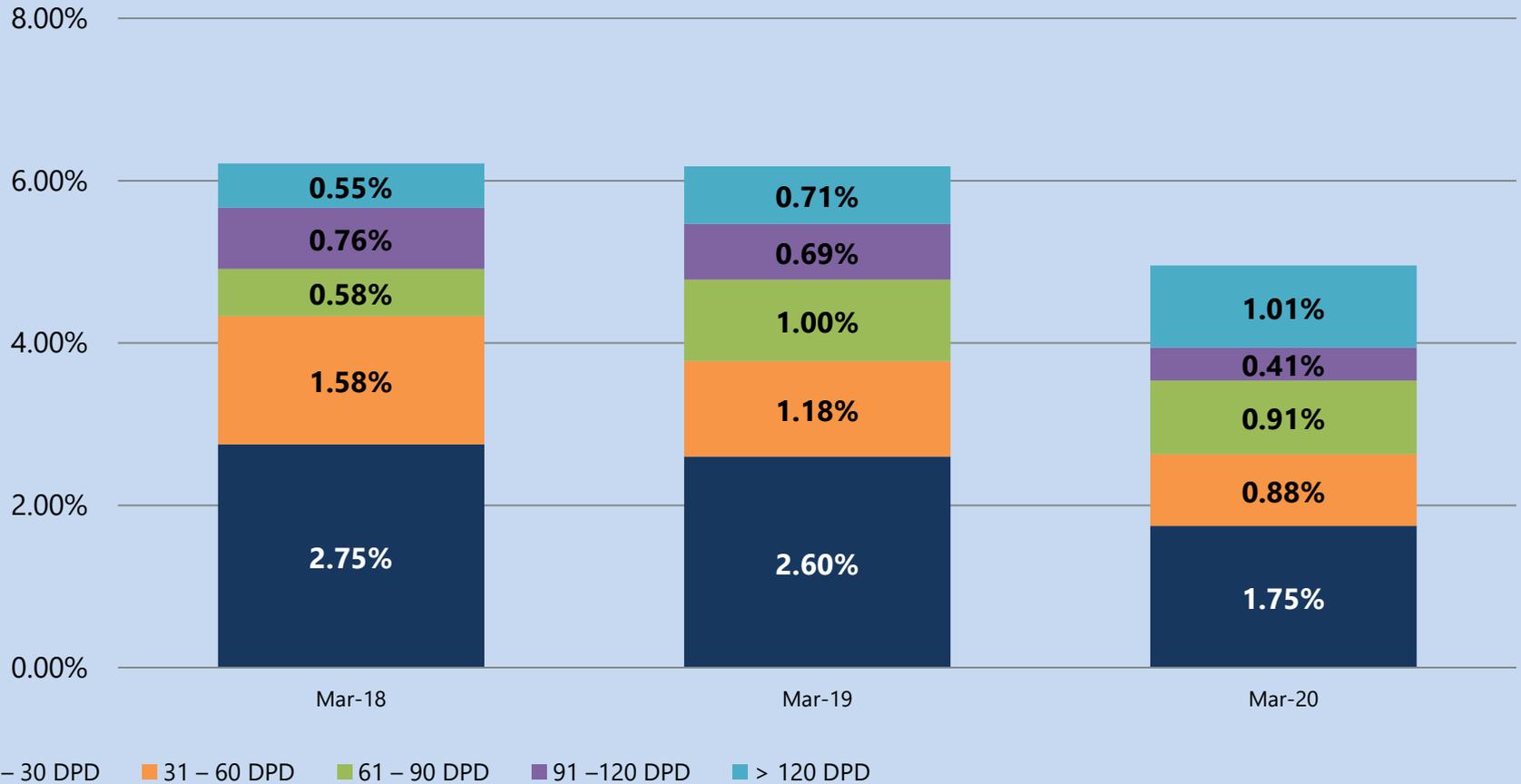
STAGE 3 ASSETS *



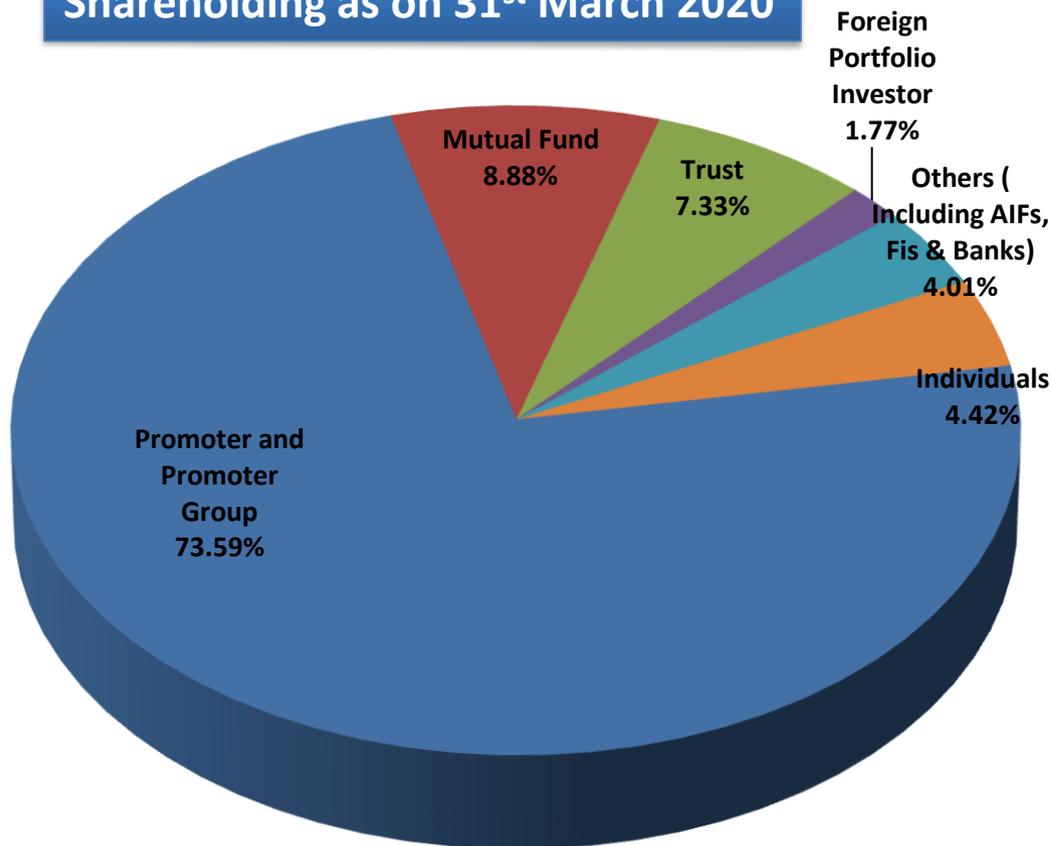
Asset Under Management - Credit Quality



ASSET UNDER MANAGEMENT- DPD



Shareholding as on 31st March 2020



Marquee Non Promoter Shareholders

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

Note:

The following persons / entity belonging to promoter and promoter group of the Company has purchased the equity shares of the Company as on 30.03.2020 & 31.03.2020. However the said shares were not reflected under the BENPOS received from Registrar and Transfer Agent as the same were in transit process. Therefore, we are unable to mention the said shares in this shareholding pattern for the quarter ended on 31st March, 2020:

1. Mr. Kamlesh Chimanlal Gandhi : 4,250 shares (purchased 2250 shares on 30/03/2020 & 2000 shares on 31/03/2020)
2. M/s. Anamaya Capital LLP : 4,327 shares (purchased 2223 shares on 30/03/2020 & 2104 shares on 31/03/2020)

Financial Statement: FY18 – FY20



PROFIT & LOSS STATEMENT			
INR Mn.	FY 2018	FY 2019	FY 2020
Total Revenue	4509	5726	6831
Expenses	2857	3387	4486
Finance Costs	1705	2041	2720
Operating Expense	725	800	899
Provisions and Loan Losses	428	545	868
Profit Before Tax	1652	2339	2345
Profit After Tax	1034	1521	1782
Other comprehensive income	161	-66	47
Total comprehensive income	1195	1455	1829
BALANCE SHEET STATEMENT			
INR Mn.	Mar-18	Mar-19	Mar-20
ASSETS			
Financial assets	26371	36435	44906
Loans	25463	32185	33378
other financial assets	908	4249	11529
Non-financial assets	606	601	662
Total assets	26977	37036	45568
LIABILITIES			
Financial liabilities	18903	27494	34946
Debt securities	597	598	599
Borrowings (other than debt securities)	12252	19598	25202
Other Financial Liabilities	6054	7297	9145
Non-financial liabilities	335	444	235
Total liabilities	19238	27937	35181
EQUITY			
Equity share capital	547	547	547
Other equity	7192	8552	9841
Total equity	7739	9098	10387
Total liabilities and equity	26977	37036	45568

All the above figures are as per IND-AS

Assignment Income Reconciliation

IN INR Mn.

Sr. No.	Particulars	Q4 FY20	Q4 FY19	FY20	FY19
1	Upfront spread booked on present value basis on portfolio assigned during the year (based on IND-AS)	288.62	282.28	1074.88	941.45
2	Income booked on asset created out of spread receivable (based on IND-AS)	17.12	14.59	63.85	49.62
3	Spread that would have been booked on assigned portfolio on amortization basis (based on I-GAAP)	289.83	242.24	1075.57	852.64
4	Net Impact on income due to upfront booking of spread on the assigned portfolio (based on IND-AS) (1+2-3)	15.91	54.63	63.16	138.42

Credit Quality

IN INR Mn.

Particulars	March-20		March-19	
	AUM	Provision	AUM	Provision
Stage 1	31762.21	106.04	30828.73	110.91
Stage 2	863.52	111.56	1024.95	113.64
Stage 3	629.19	164.73	662.25	135.44
TOTAL ON BOOK	33254.91	382.33	32515.93	359.99
Assigned Portfolio	26407.92	N/A	20867.82	N/A
TOTAL AUM	59662.82		53383.74	

Particulars	March-20	March-19
Gross Stage 1 And Stage 2 Assets As % Of On Book Assets	98.11%	97.96%
Stage 1 & Stage 2 Assets (Standard Assets) Provisioning	0.67%	0.70%
Gross Stage 3 Assets As % Of On Book Assets	1.89%	2.04%
Stage 3 Assets Provisioning	26.18%	20.45%
Net Stage 3 Assets As % Of On Book Assets	1.40%	1.62%
Gross Stage 3 As % Of AUM	1.42%	1.39%
Net Stage 3 As % Of AUM	1.14%	1.14%

Note: Stage 3 (>90 DPD Assets) on Assigned portfolio was Rs. 217.30 Mn. on 31st March 2020 and Rs. 82.33 Mn. on 31st March 2019 which has been taken into consideration while calculating Stage 3 As % Of AUM.

Note: The company has done special COVID provisioning of INR 203.32 Mn. (Not netted off with gross assets in various stages) with which total provision amounts to around INR 585.65 Mn.

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 59 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 FY20– INR 7,89,810
- **AUM as of March 31, 2020– INR 2,865Mn**

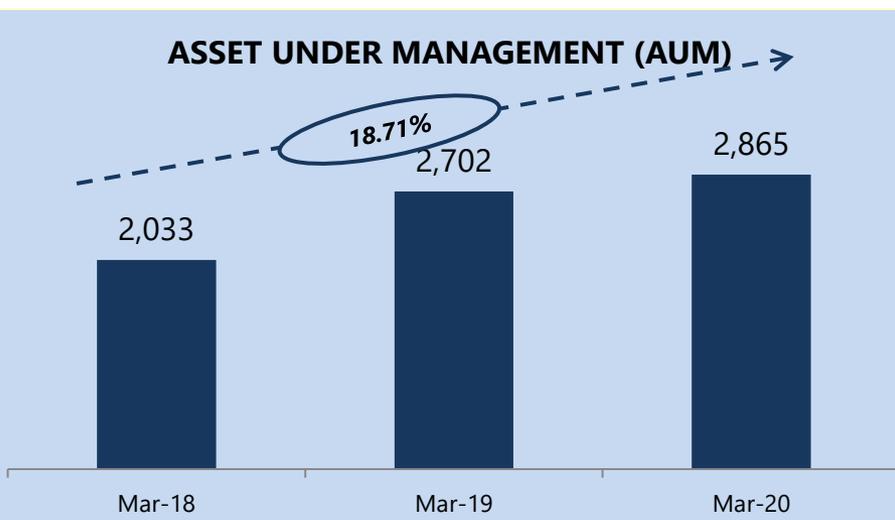
Financial Performance Trends – Q4 FY20

MRHMFL

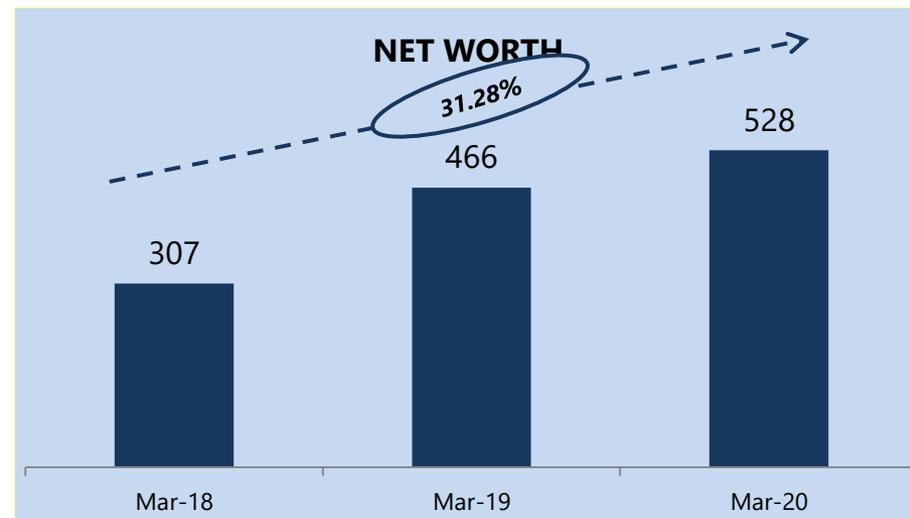


In INR Mn

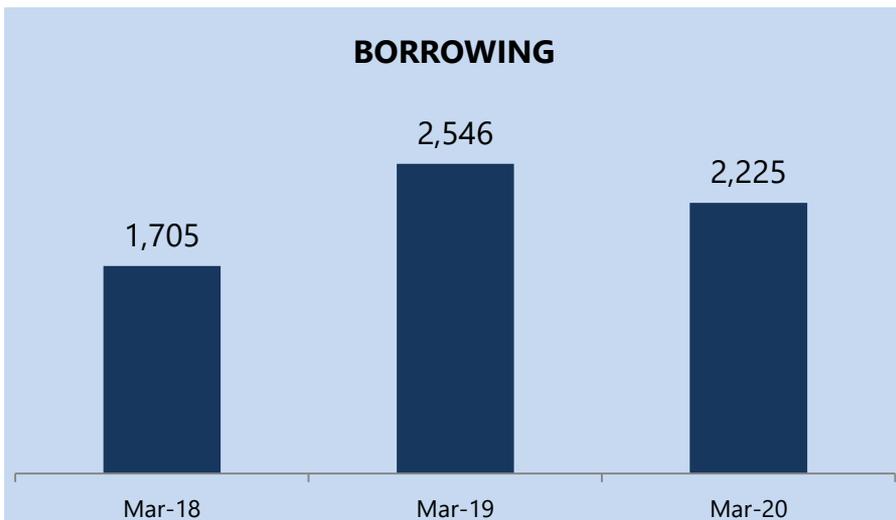
ASSET UNDER MANAGEMENT (AUM)



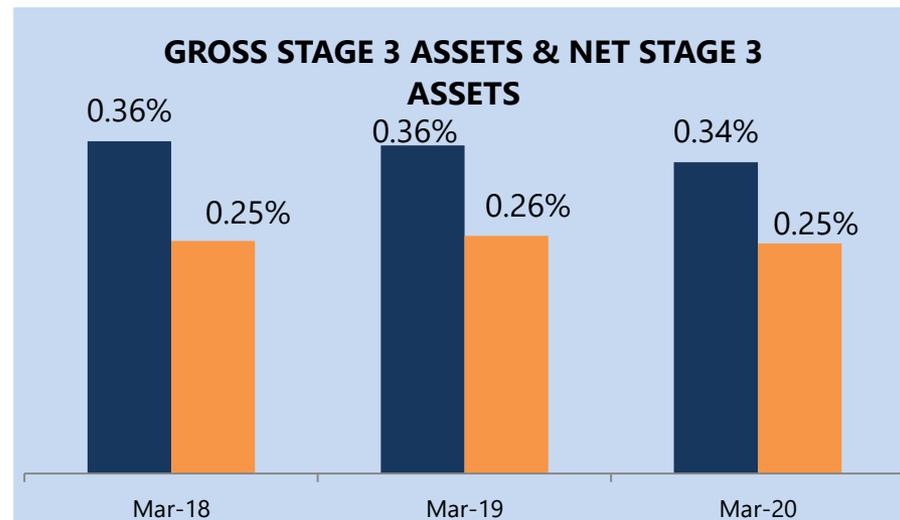
NET WORTH



BORROWING

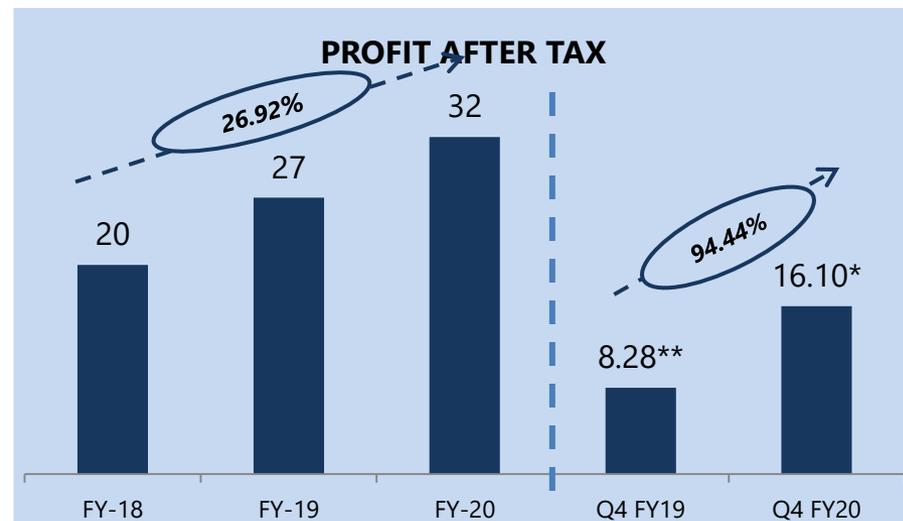
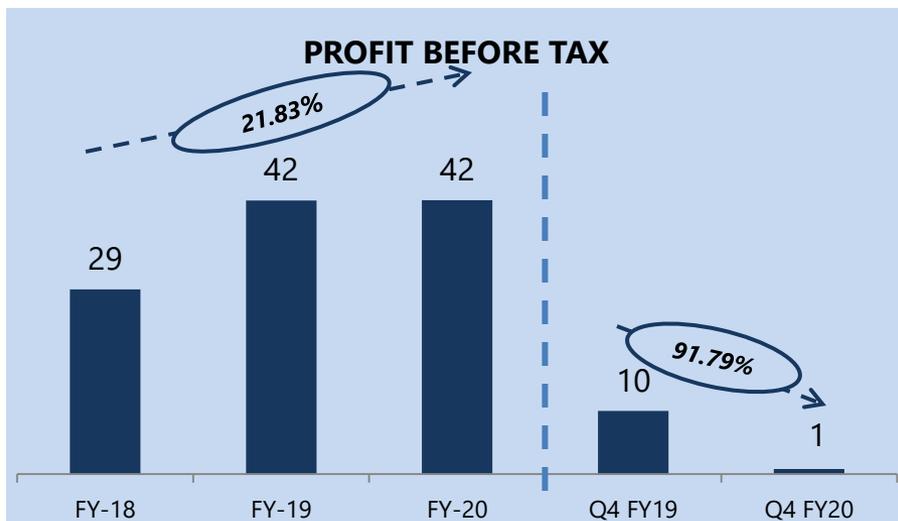
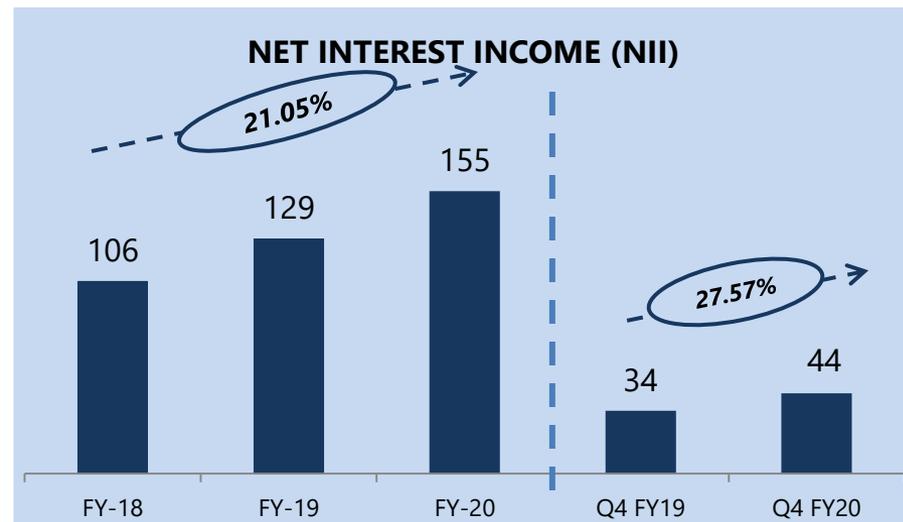
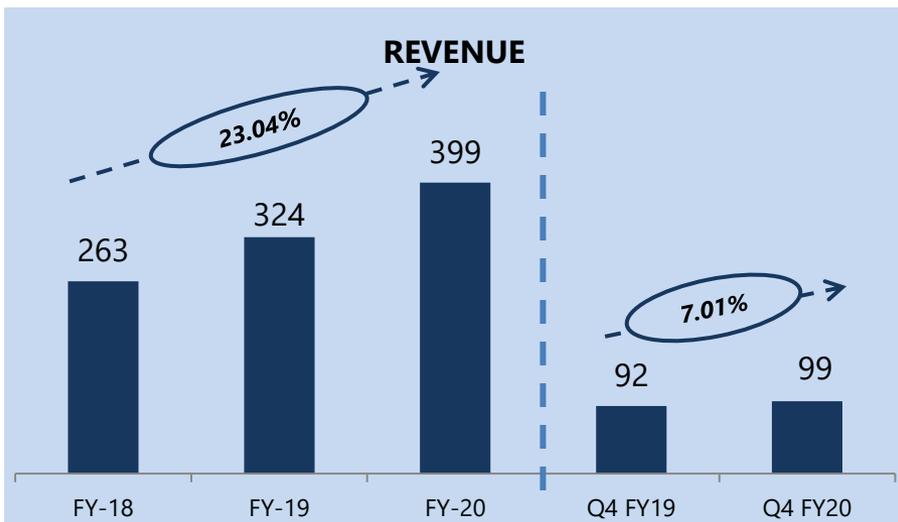


GROSS STAGE 3 ASSETS & NET STAGE 3 ASSETS



Financial Performance Trends – Q4 FY20

MRHMFL



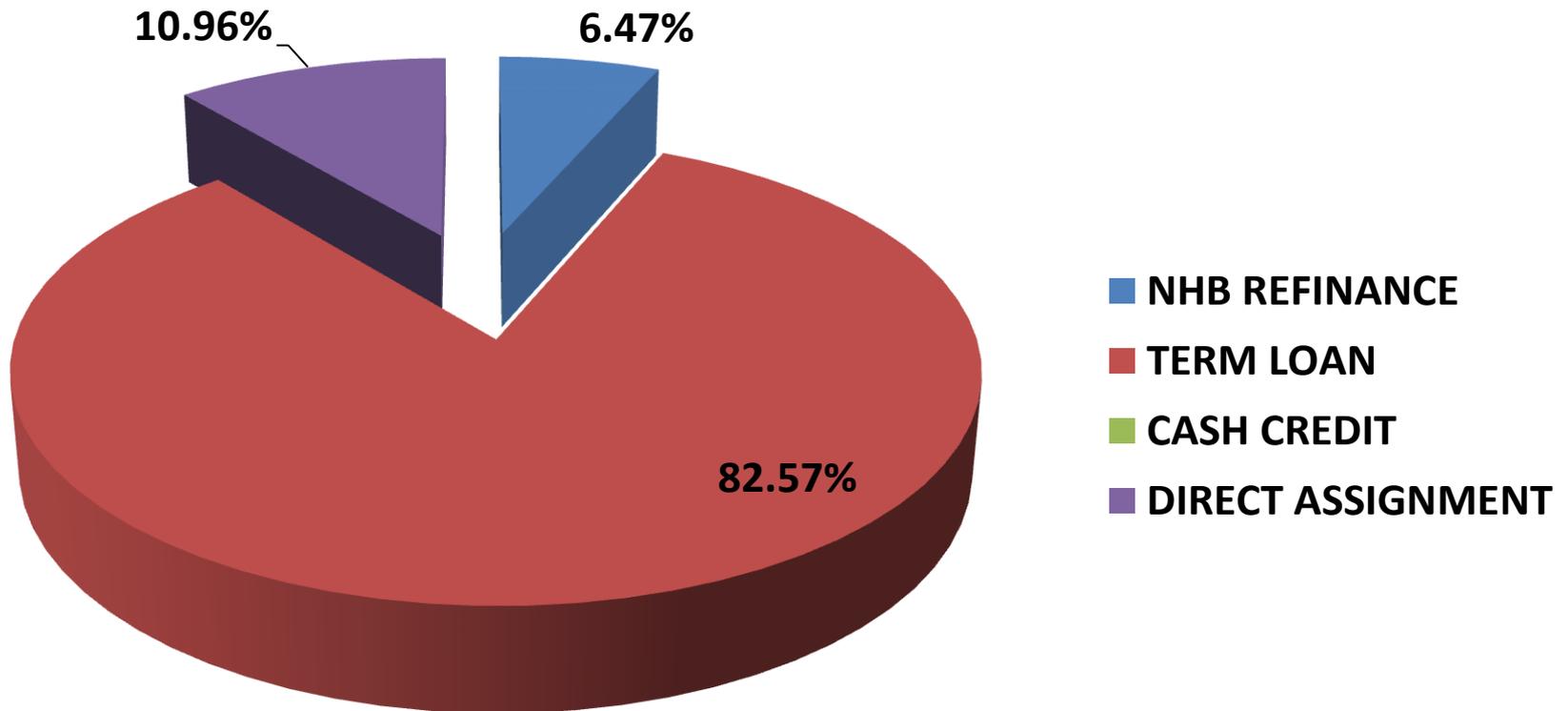
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Note: PAT without effect of special COVID provisioning works out to be INR 16 Mn. for Q4 FY 20 registering growth of 16356.20% and INR 47 Mn. for FY 20 registering growth of 78.96%.

Note: * The company has made special contingent provision of INR 20.22 Mn. due to Covid-19.

**Excluding the negative Deferred Tax Impact of INR 8.18 Mn. due to conversion of OCPS in Q4 FY19 for better understanding of the comparative figures.

Borrowing Mix as on 31st March 2020



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

Liability Management



Liability Planning:

- The composition of our liability mix ensures healthy ALM and well diverse resource mix.
- The Liability management was tested last quarter and the company could successfully demonstrate its capability of efficient liability management
- Capital adequacy ratio, as on 31st March 2020 is 40.69% against regulatory norms of 12%. Tier I capital is 32.57%. Tier II capital is just 8.12% 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 6.47% of our total borrowing mix. This help us to raise matching tenure loans at very competitive rates. The company is working very hard to enhance NHB refinance share in our total liability management.
- The total Cash credit limit available to the company is Rs. 170 Mn. The utilization level is maintained at 65% - 70% of the total Cash Credit Facility, ensuring sufficient liquidity on hand.
- Around 100% of the housing loan portfolio qualifies as Priority Sector Lending for banks if the same is assigned to banks. Increase in direct assignment of portfolio over a period of time will enable efficient ALM and will bring about capital efficiency.

Credit Quality



IN INR Mn.

Particulars	March-20		March-19	
	AUM	Provision	AUM	Provision
Stage 1	2,487.95	3.48	2,591.55	5.26
Stage 2	101.37	5.44	77.66	4.56
Stage 3	9.27	2.56	9.72	2.68
TOTAL ON BOOK	2,598.59	11.48	2,678.93	12.49
Assigned Portfolio	266.85	N/A	23.43	N/A
TOTAL AUM	2,865.45		2,702.36	

Particulars	March-20	March-19
Stage 1 And Stage 2 Assets As % Of On Book Assets	99.64%	99.64%
Stage 1 And Stage 2 Assets (Standard Assets) Provisioning	0.34%	0.37%
Stage 3 As % Of On Book Assets	0.36%	0.36%
Stage 3 Assets Provisioning	27.56%	27.57%
Net Stage 3 As % Of On Book Assets	0.26%	0.26%
Stage 3 As % Of AUM	0.34%	0.36%
Net Stage 3 As % Of AUM	0.25%	0.26%

Note: Stage 3 (>90 DPD Assets) on Assigned portfolio was Rs. 0.51 Mn. on 31st March 2020 and Nil on 31st March 2019 which has been taken into consideration while calculating Stage 3 As % Of AUM.

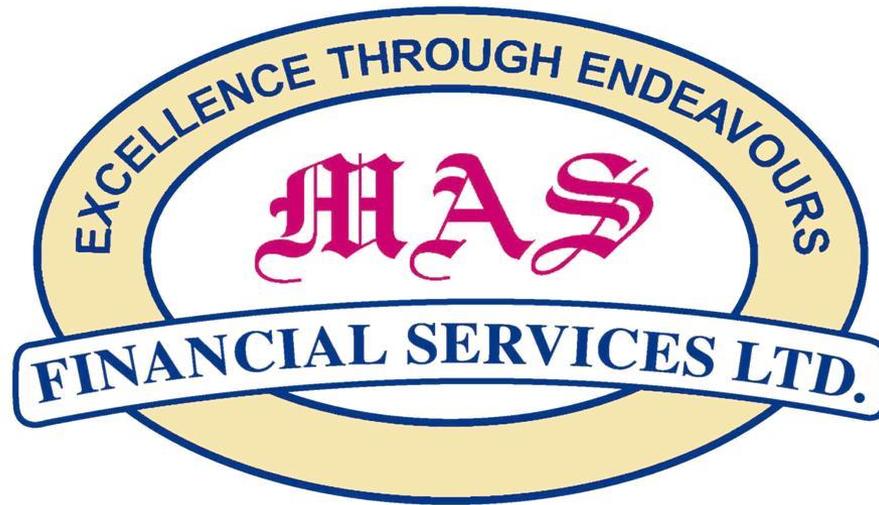
Note: The company has done special COVID provisioning of INR 20.22Mn. (Not netted off with gross assets in various stages) with which total provision amounts to around INR 31.70 Mn.

Glossary



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

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



The Power of Distribution

BEST WISHES

INVESTOR CONTACT

Name: Ankit Jain

Designation: Chief Financial Officer

Contact No.: 079-41106682

Email ID: ankit_jain@mas.co.in