



MAS FINANCIAL SERVICES LIMITED

MFSL/SEC/EQ/2024/18

January 24, 2024

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, 947381**

Trading Symbol: **MASFIN**

Dear Sir,

Sub.: Investor Presentation for the quarter & nine months ended on December 31, 2023

Please find enclosed herewith Investor Presentation for the quarter & nine months ended on December 31, 2023.

Thanking you,

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

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

Encl.: As above

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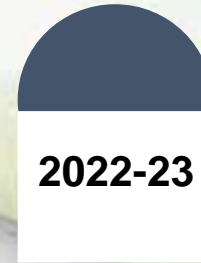


The Power of Distribution

INVESTOR PRESENTATION – Q3FY24



1995-96



2022-23

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

Thank You!



Crore Times...



The Power of Distribution

Assets Under Management

₹10,000 Crores & Growing

Every Time We Reach A Milestone, We Believe We Have Just Begun...

Financial Services for



Micro
Enterprises
Loans



SME
Loans



Home
Loans



Two
Wheeler
Loans



Salaried
Personal
Loans



Used
Vehicle
Loans

MA Group at a Glance

25+

 Years of Endeavours

₹1,02,161 Mn
Consolidated AUM

₹1,839 Mn
Consolidated PAT
(9MFY24)

9
States / Union Territory

239
Branches
(MA Group)

167
NBFCs Partnership

11,450+
Customer locations

8,50,000+
Active Loan accounts

Sourcing Intermediaries

208



Two-Wheeler

440



Commercial Vehicle

85



Housing Loans

Diversified Product Portfolio



Micro Enterprise Loans



SME Loans



Two-Wheeler Loans



Commercial Vehicle Loans



Salaried Personal Loans



Housing Loans

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Note on change in accounting policy for income recognition on direct assignment transaction:

During the quarter ended 31st March 2023 the Company is directed by Reserve Bank of India to book the gain on assignment transaction upfront in the statement of profit and loss in accordance with Ind AS 109 instead of amortising it over the period of the underlying residual tenure of the assigned loan portfolio as practiced by the Company, by exercising their judgement under para 19 of Ind AS 1 for better transparency as per the Company’s view.

The new accounting policy has been implemented retrospectively and being presented from the beginning of the earliest period i.e. 1 April 2021.

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MA\$ at a Glance (Standalone)

MA\$ Financial Services was established in 1995 with an objective:
“To address the financial needs of the underserved segments of the country”

25+ Years of Endeavours

₹96,720 Mn
Standalone AUM

9
States / Union Territory

181
Branches

11,450+
Customer locations

8,50,000+
Active Loan accounts

167
NBFCs Partnership

Sourcing Intermediaries

208



Two-Wheeler

440



Commercial Vehicle

Diversified Product Portfolio



Micro Enterprise Loans



SME Loans



Two-Wheeler Loans



Commercial Vehicle Loans



Salaried Personal Loans

Strong Distribution Network

MASS has steadily entered adjacent geographies

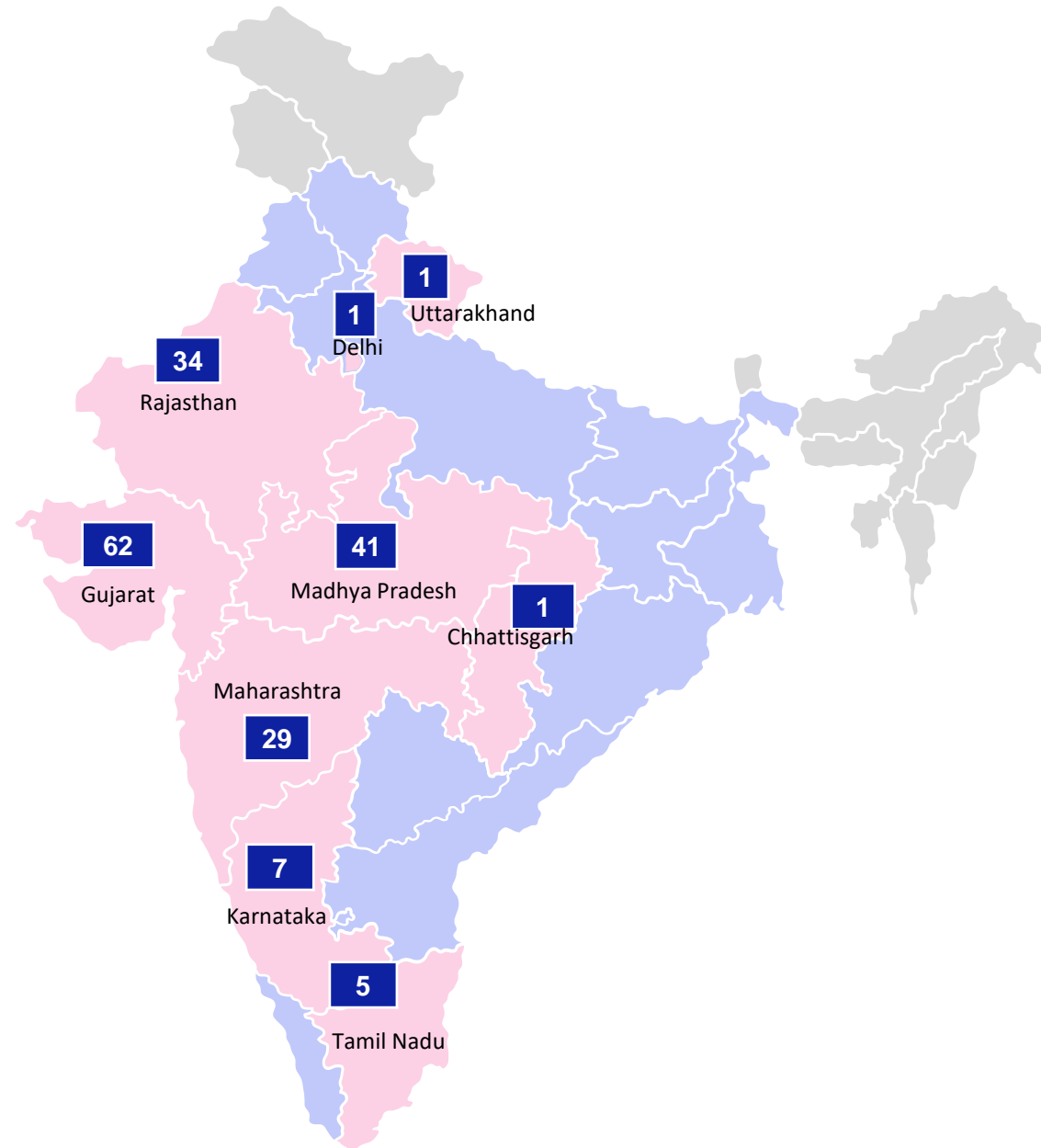
181

Branches

Pan India Network presence through

167

NBFC Partners



GROWTH

Belief & Philosophy

**CONSISTENTLY AND
STEADILY
IS THE FASTEST WAY TO
REACH WHERE YOU WANT TO**

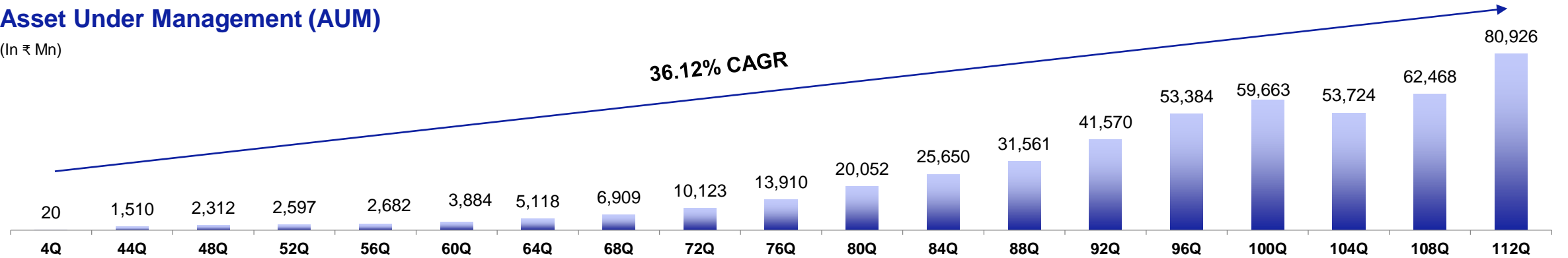


Journey of 112 Quarters

Asset Under Management (AUM)

(In ₹ Mn)

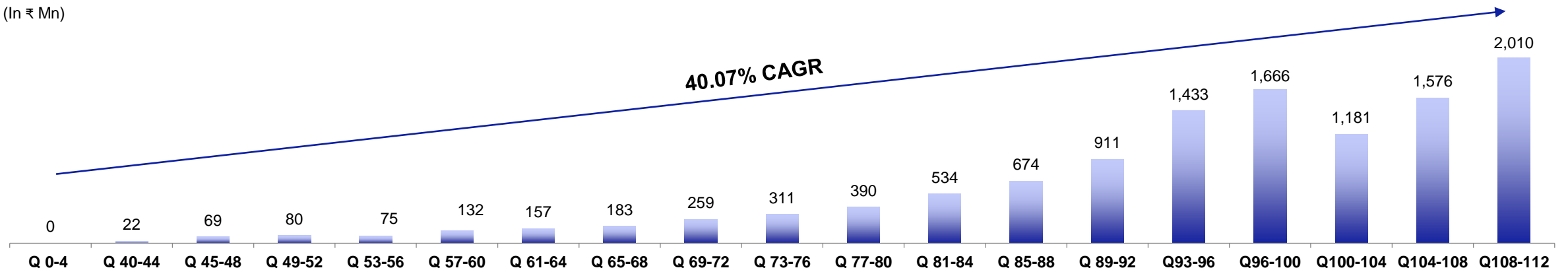
36.12% CAGR



Profit After Tax (PAT)

(In ₹ Mn)

40.07% CAGR



Growing Consistently and Steadily - Our Growth Journey of Last 16 Years Since Our First Capital Raise...

Despite various micro and macro headwinds including demonetisation, GST, NBFC liquidity crisis, and COVID, **MA&S has displayed resilience and has delivered robust and sustainable growth**

Track record of high-quality portfolio with Net Stage 3 Assets **below 2%** over the period

Maintained healthy return on assets and equity of around:

ROA:

2.75% - 3.00%

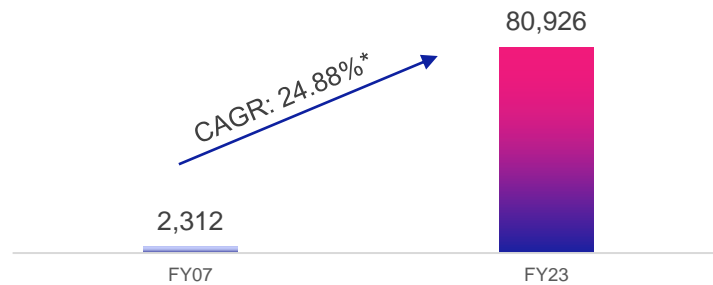
ROE:

16% - 18%

Growth journey was fuelled predominantly from internal accruals

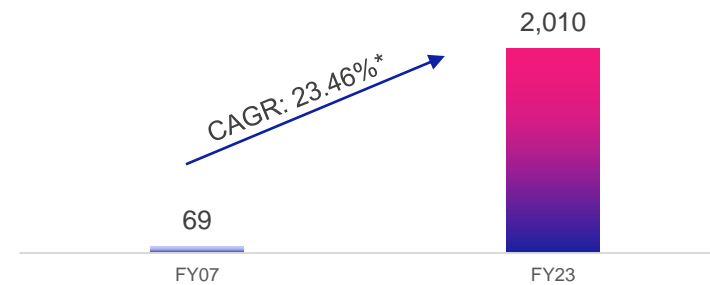
Assets Under Management (AUM)

(In ₹ Mn)



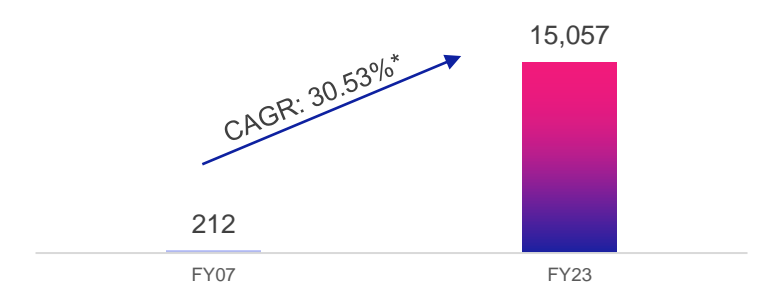
Profit After Tax (PAT)

(In ₹ Mn)



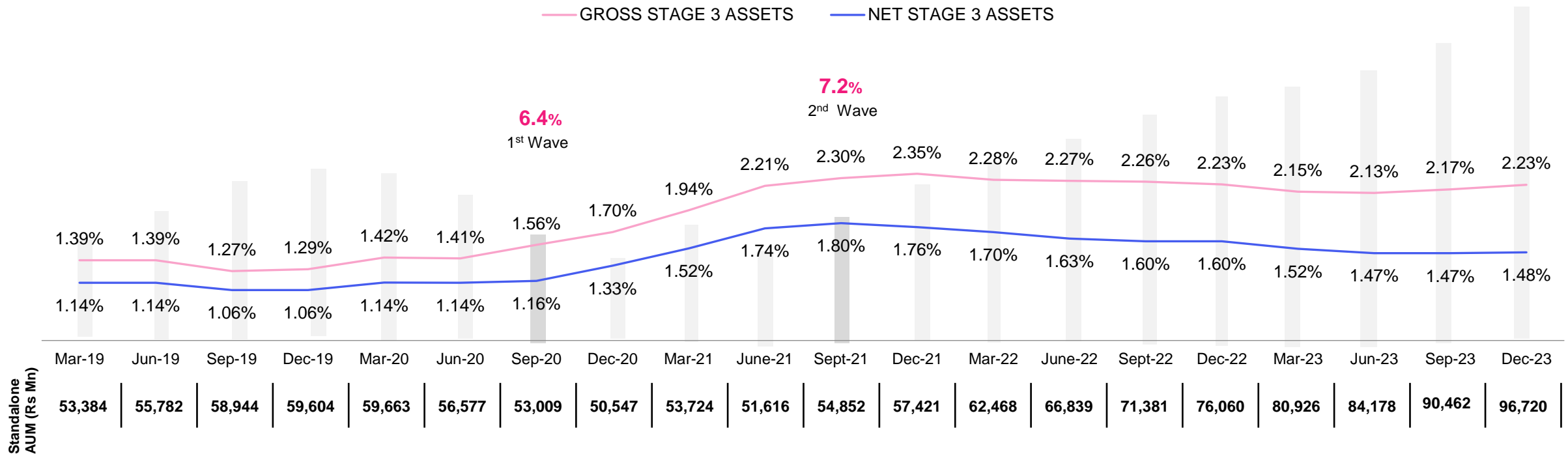
Net Worth

(In ₹ Mn)



Best-in-Class Asset Quality Across Cycles and Resilience Through Systematic Shocks

Catalyst in growth of entrepreneurs, not creating just borrowers



● Industry GNPA during COVID crisis






MAS has been actively de-risking across geographies, products and distribution channels.



Strong Fundamentals

Diversified Product Offerings Presenting Significant Growth Opportunities

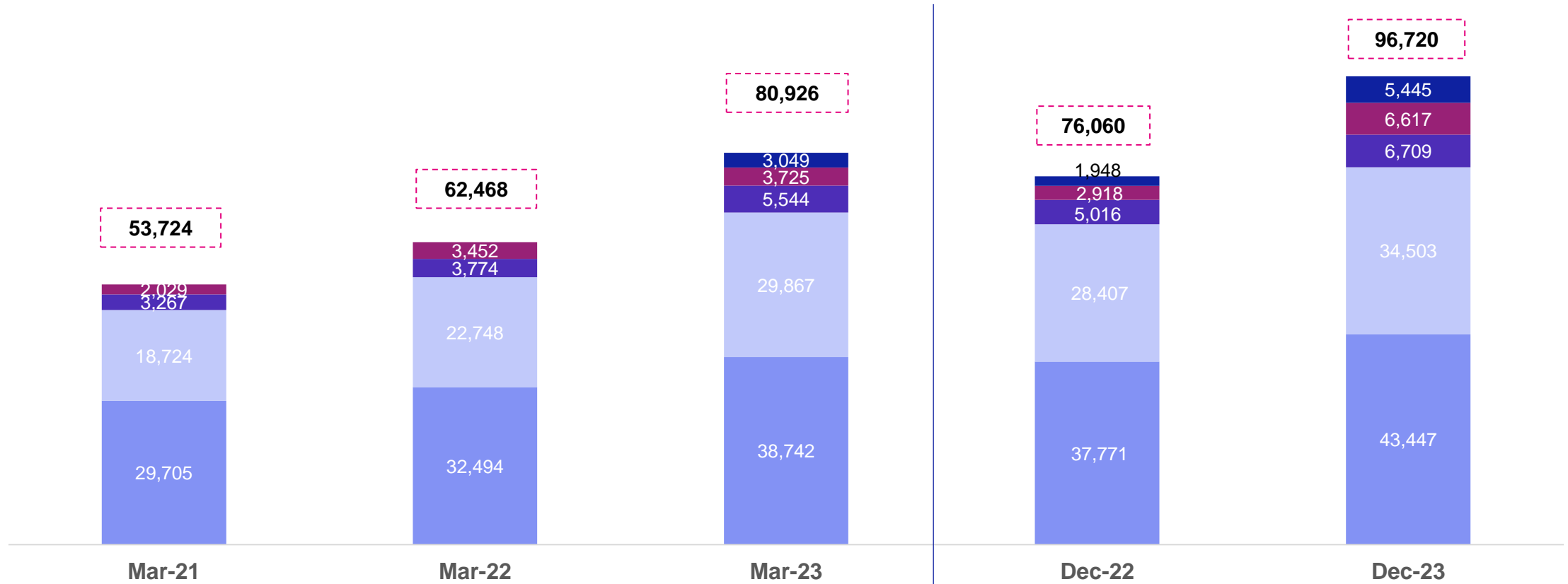
MASS focuses on serving the underserved credit needs of mid and low-income group segments

| | Micro-Enterprise Loans | SME Loans | Two-Wheeler Loans | Commercial Vehicle Loans | Salaried Personal Loans |
|----------------------|---|--|---|--|--|
| AUM* | ₹43,447 Mn | ₹34,503 Mn | ₹6,709 Mn | ₹6,617 Mn | ₹5,445 Mn |
| Target Customer | Loans of up to ₹ 300,000 to Micro-Enterprises which primarily include retailers, traders, small manufacturers and service providers | Loans of up to ₹ 50 Mn. to SMEs which primarily include manufacturers, distributors, dealers and service providers engaged in various industries | Two-wheeler loans to our customers, which primarily include farmers, self-employed and salaried individuals and professionals | Loans of up to ₹ 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 | Loans of up to ₹ 500,000 to the salaried individuals of the approved companies to satisfy their personal need. |
| Average Ticket Size* | ₹42,079 | ₹1.78 Mn | ₹66,184 | ₹4,32,117 | ₹1,90,597 |
| Tenure | ≤ 36 months | ≤ 60 months | ≤ 36 months | ≤ 60 months | ≤ 60 months |
| |  |  |  |  |  |

*As of December,2023

Asset Under Management – by Product Category

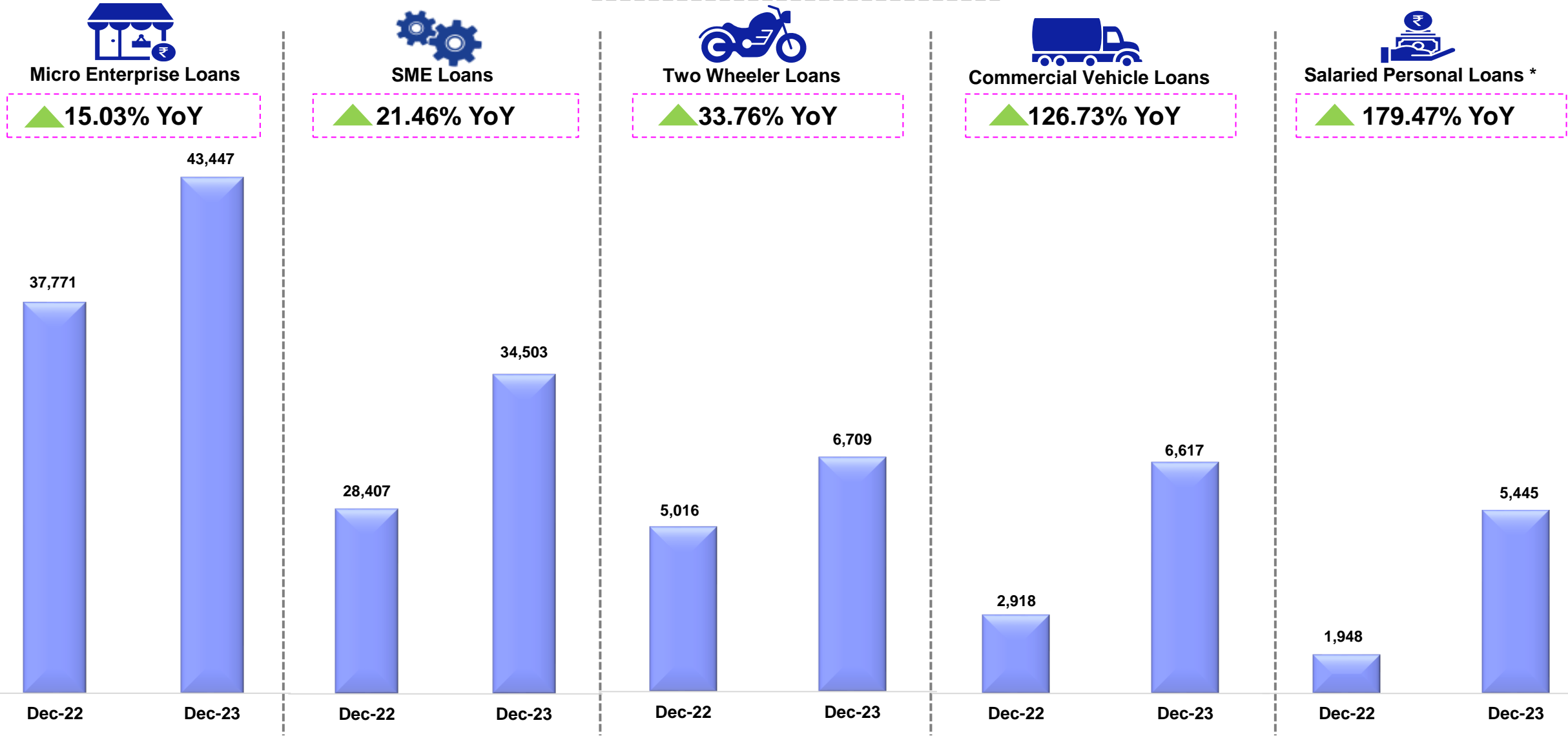
■ Micro-Enterprise loans(MEL)
 ■ SME loans
 ■ 2-Wheeler loans
 ■ Commercial Vehicle loans
 ■ Salaried Personal Loans



Asset Under Management – by Product Category

(In ₹ Mn.)

Dec 23 vs. Dec 22

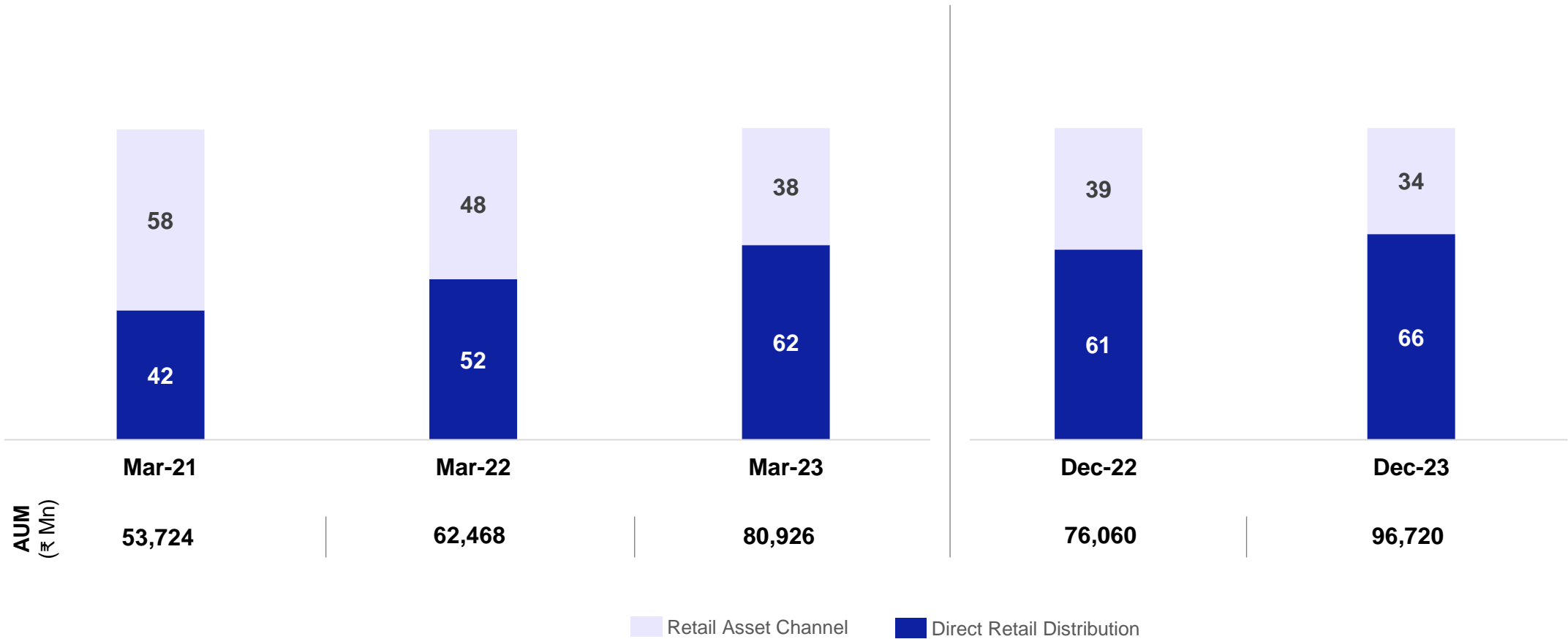


*New Product Segment

Asset Under Management – Distribution Channel Wise

Increasing share of Direct Retail Distribution

(%)



Retail Asset Channel

Direct Retail Distribution

Leveraging Technology

MASS is integrating technology across all verticals of its operations

Collaboration with 25+ APIs, enabling authentic data sourcing

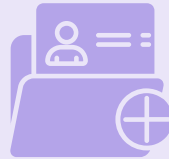
Origination

- Centralised onboarding and OTP based authentication
- Seamless application management with document upload
- Preliminary eligibility check



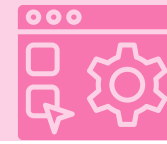
Decisioning

- Pre-set rule engines to determine credit worthiness
- EKYC, Bureau checks via integrated APIs
- Income analysis via tax and bank statements



Operations

- Remote and paperless documentation (e-sign/ e-stamp APIs)
- Customer engagement via Whatsapp, SMS and emails



Disbursement & Collection

- 100% cashless disbursement
- 100% cashless collection via ENACH, BillDesk, PayTM and Bharatpe tieups



Outcomes

1

Significant TAT reduction in SME & Housing products where the borrowers are mainly from formal segment

2

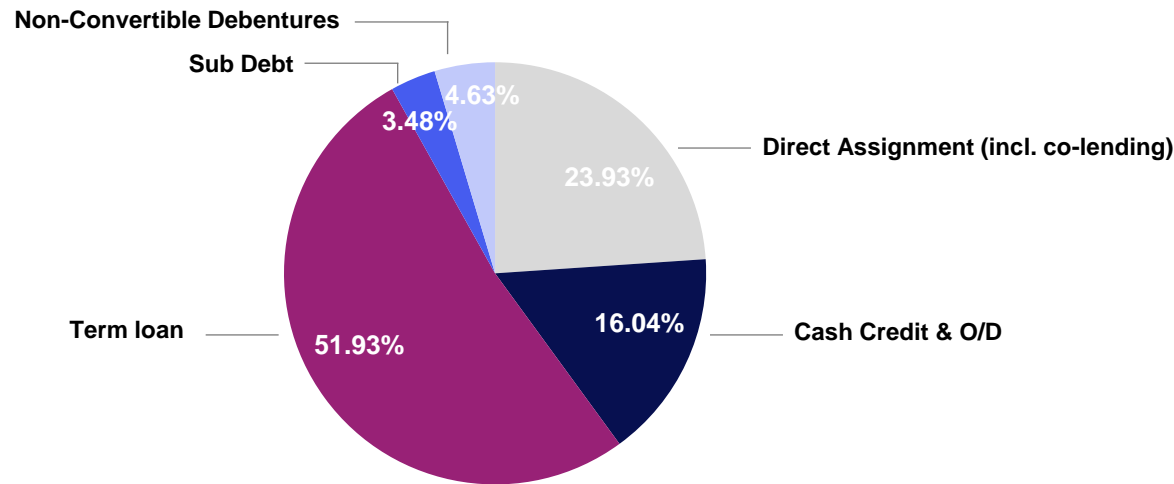
Improvement in opex cost

3

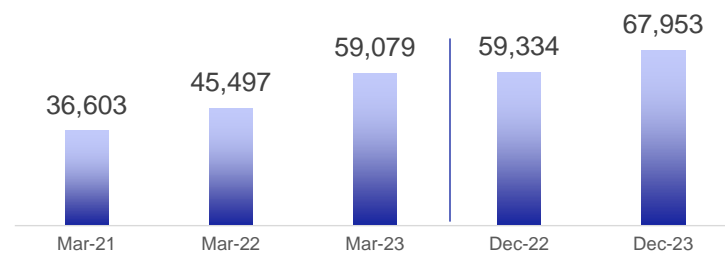
Authenticated data sourcing enabling better & faster credit assessment

Strong Liability Management

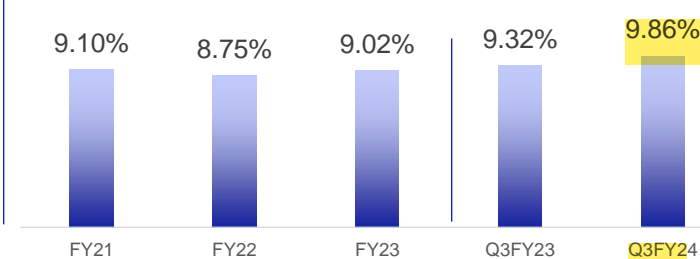
Sources of fund as on December 31, 2023 (%)



Borrowing (In ₹ Mn)



Cost of Borrowing (COB)*



*Quarterly figures have been annualised.

The composition of our liability mix ensures healthy ALM and well diversified resource mix. The cashflow in all the cumulative buckets is positive.

Capital adequacy ratio, as on 31st December 2023 is **24.47%** against regulatory norms of 15%. Tier-I capital is **20.59%** as against requirement of 10%. Tier-II capital is just **3.88%** which may potentially increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen ALM.

The **total Cash credit limit** available to the Company is **₹ 17.15 Bn.** spread across 14 banks. The **utilisation level** is maintained at **65% - 70%** of the total Cash Credit Facility, ensuring sufficient liquidity on hand.

The Company continues to demonstrate its capability of efficient liability management

Around 85% of the portfolio is MSME loans which qualifies as Priority Sector Lending. The Company aims to maintain **around 20%-25% of AUM as off book through Direct assignment and Co-lending transactions.** It is with matching door to door maturity and without recourse to the Company. This further strengthens the liability management. **The Direct Assignment and co-lending sanction on hand is around ₹ 9.31 Bn.**

The company raises term loan and debentures with average tenor of 2 to 5 years, which helps in strengthening the ALM. **The sanction on hand is around ₹ 10.50 Bn.**

Leverage Ratio on balance sheet works out to be **3.99 times** and going forward plan is to maintain the leverage at optimum level.



Standalone Financial Review (Q3FY24)

Key Highlights – Q3 FY24

Asset Under Management (AUM)

₹96,720 Mn | 27.16% ↑
(Dec-22: ₹76,060 Mn)

Profit After Tax (PAT)

₹624 Mn | 23.52% ↑
(Q3 FY23: ₹506 Mn)

Return on Avg. Net Worth*

16.15%

Return on Avg. Balance Sheet Assets*

2.88%

Return on Avg. AUM*

2.70%

Net Interest Income (NII)

₹1,620 Mn | 30.84% ↑
(Q3 FY23: ₹1,238 Mn)

Cost of Borrowing* (COB)

9.86% | 54bps ↑
(Q3 FY23: 9.32%)

Operating Expense Ratio (OER)*

2.21% | 7bps ↓
(Q3 FY23: 2.28%)

Capitalisation

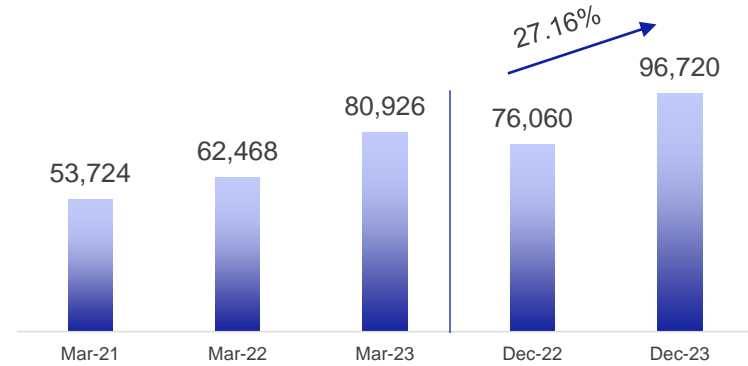
24.47% | 20.59% 3.88%
Total CRAR Tier-I CRAR Tier-II CRAR

Assigned to Banks/FIS

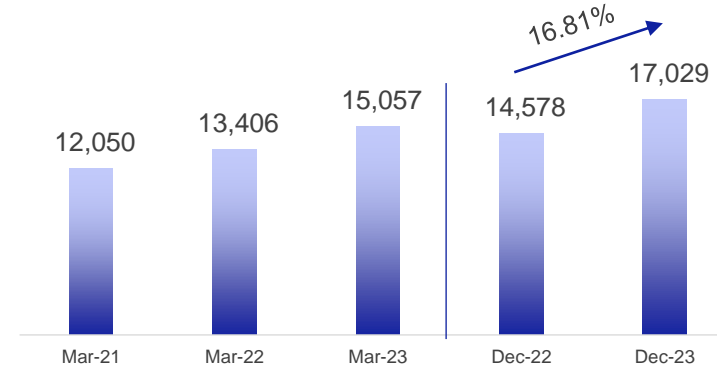
22%
of AUM

Financial Performance – Q3 FY24

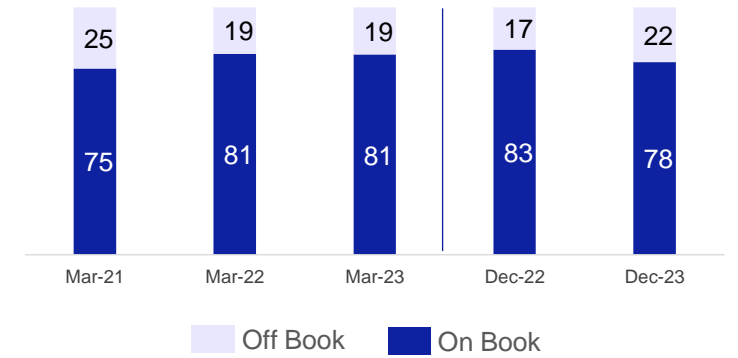
Assets Under Management (AUM) (In ₹ Mn)



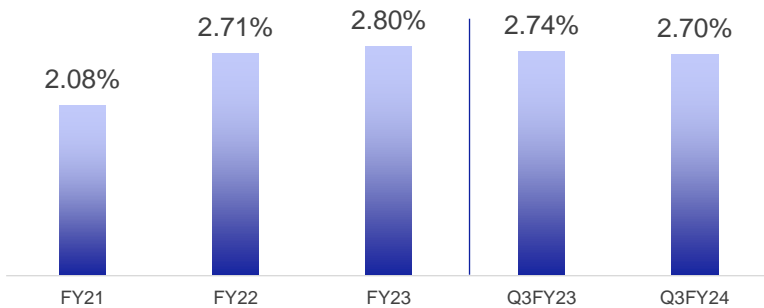
Net Worth (In ₹ Mn)



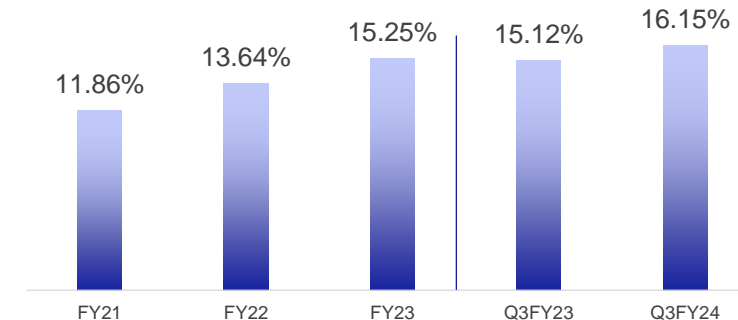
On & Off Book AUM (%)



Return on Avg. Aum (RoAUM)*



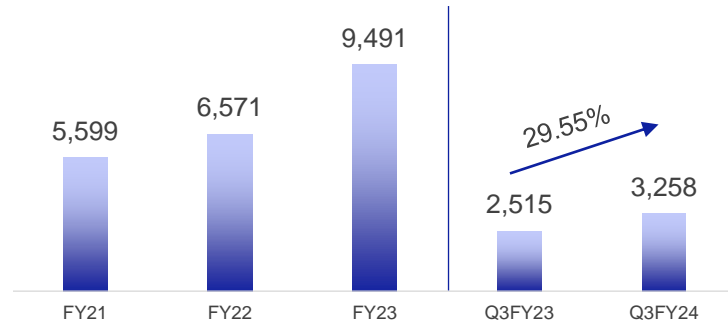
Return on Avg. Net Worth (RoNW)**



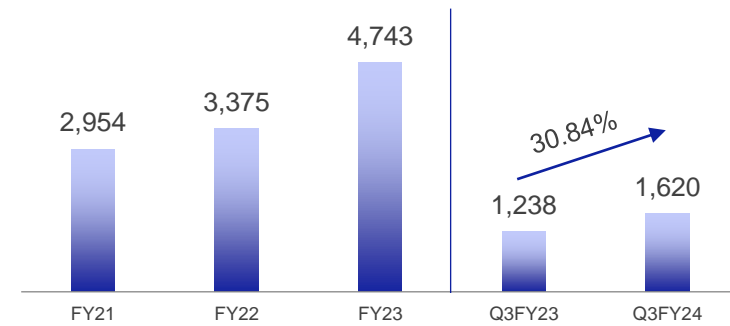
* Quarterly figures have been annualised. | ** Networth considered without OCI

Financial Performance – Q3 FY24

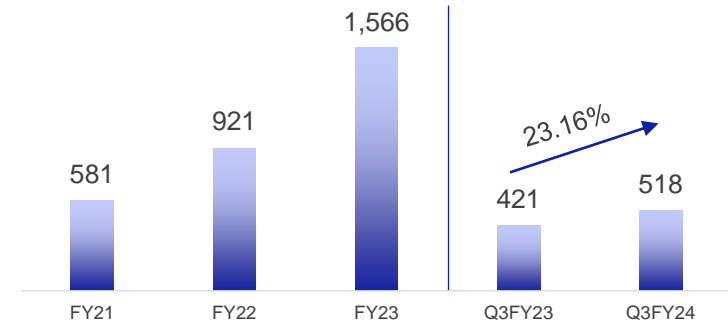
Revenue (In ₹ Mn)



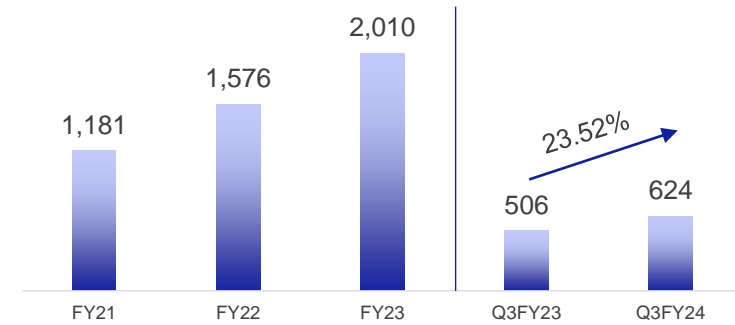
Net Interest Income (NII) (In ₹ Mn)



Operating Expense (In ₹ Mn)



Profit After Tax (PAT) (In ₹ Mn)



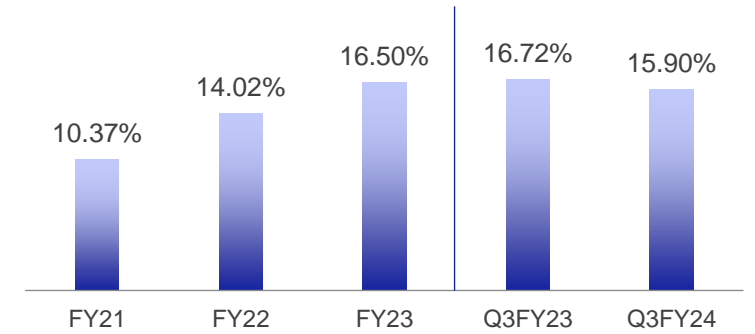
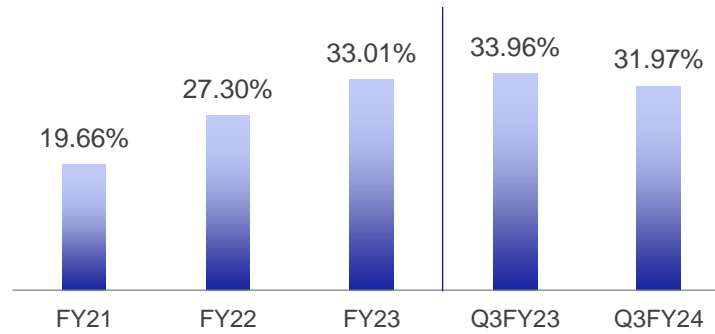
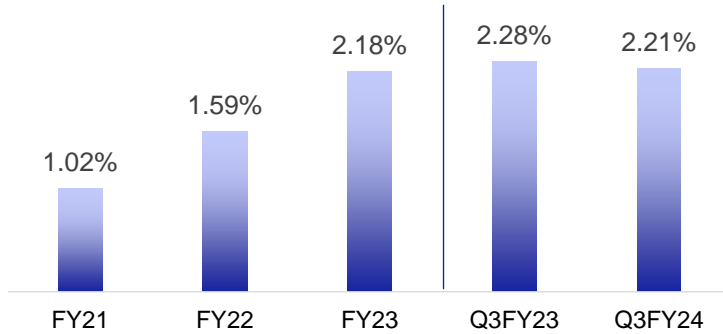
Financial Performance – Q3 FY24

Optimized cost structure

Operating Expense Ratio*

Operating Expense as % of NII

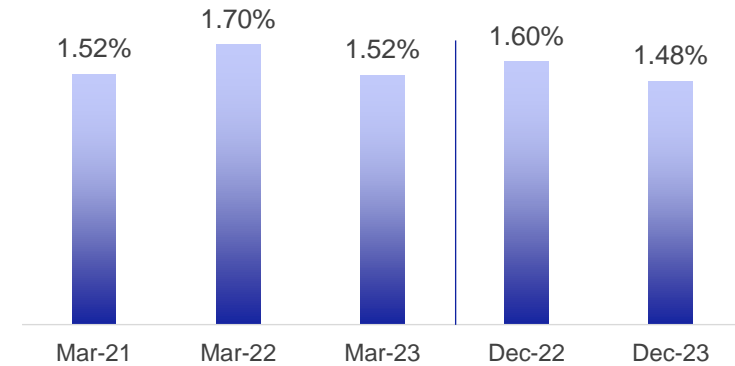
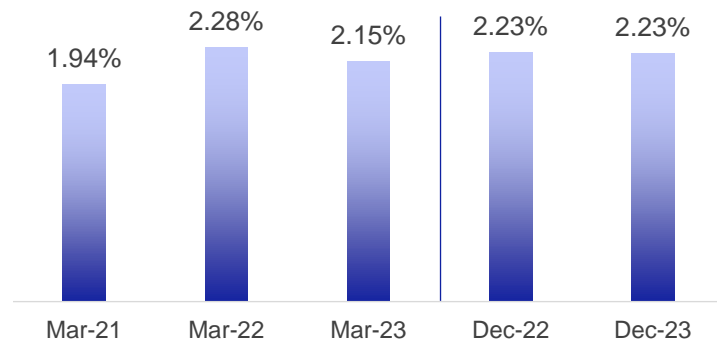
Operating Expense as % of Gross Income



Efficiently maintaining the quality of assets

Gross Stage 3 Assets

Net Stage 3 Assets

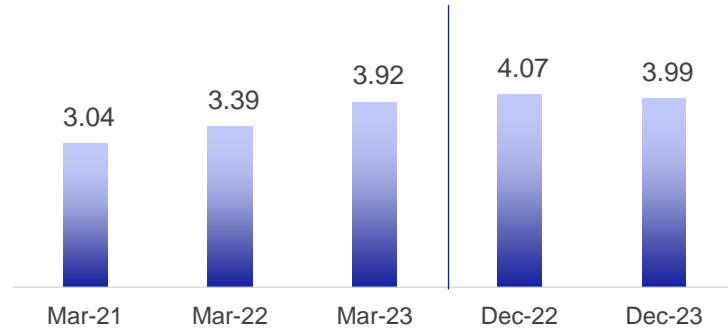


*Quarterly figures have been annualized.

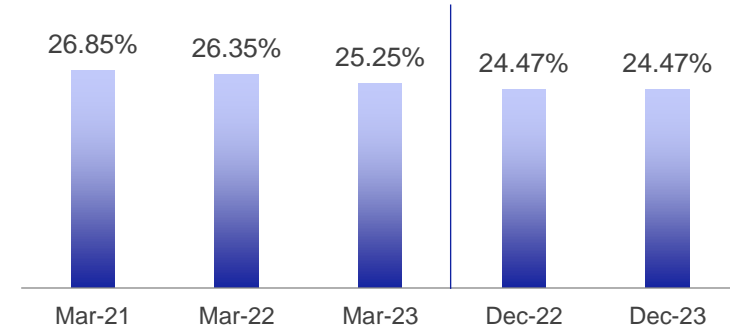
Financial Performance – Q3 FY24

Strongly Capitalized

Debt Equity Ratio

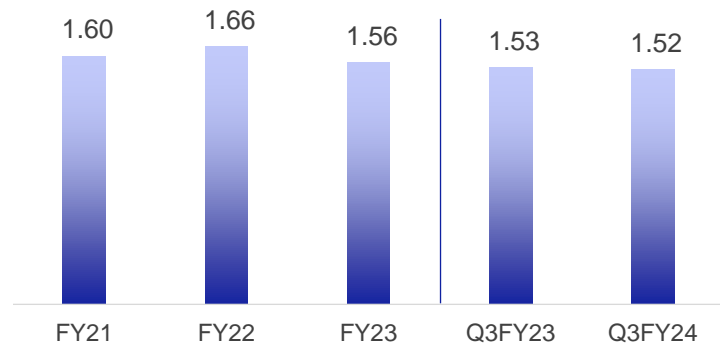


Capital Adequacy Ratio



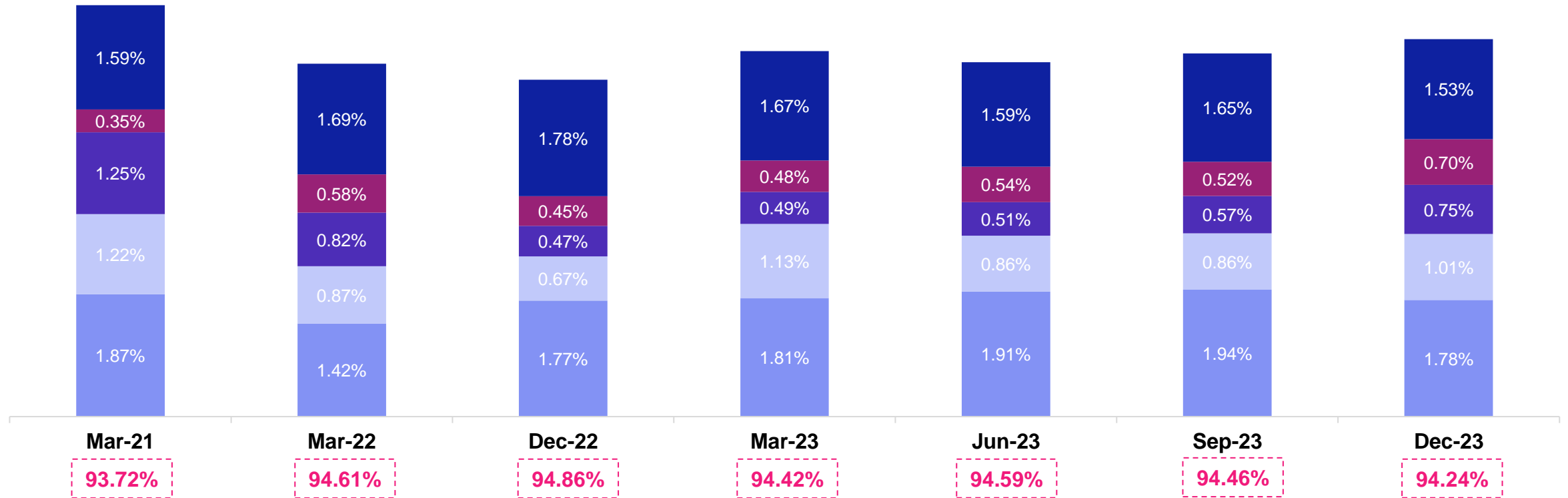
Healthy Coverage

Interest Coverage Ratio



Asset Under Management – Credit Quality

■ 1 – 30 DPD ■ 31 – 60 DPD ■ 61 – 90 DPD ■ 91 – 120 DPD ■ > 120 DPD



● Zero DPD Portfolio

Credit Quality

(In ₹ Mn.)

| Particulars | Dec-23 | | Dec-22 | |
|----------------------|------------------|-----------------|------------------|---------------|
| | AUM | Provision | AUM | Provision |
| Stage 1 | 72,436.68 | 194.84 | 60,974.71 | 218.64 |
| Stage 2 | 1,208.74 | 140.97 | 668.44 | 70.06 |
| Stage 3 | 1,746.50 | 723.62 | 1,379.79 | 479.09 |
| TOTAL ON BOOK | 75,391.92 | 1,059.43 | 63,022.94 | 767.79 |
| Assigned Portfolio | 21,328.42 | N/A | 13,037.44 | N/A |
| TOTAL AUM | 96,720.34 | | 76,060.38 | |

| Particulars | Dec-23 | Dec-22 |
|---|--------|--------|
| Gross Stage 1 And Stage 2 Assets As % Of On Book Assets | 97.68% | 97.81% |
| Stage 1 & Stage 2 Assets (Standard Assets) Provisioning | 0.46% | 0.47% |
| Gross Stage 3 Assets As % Of On Book Assets | 2.32% | 2.19% |
| Stage 3 Assets Provisioning | 41.43% | 34.72% |
| Net Stage 3 Assets As % Of On Book Assets | 1.36% | 1.43% |
| Gross Stage 3 As % Of AUM | 2.23% | 2.23% |
| Net Stage 3 As % Of AUM | 1.48% | 1.60% |

Notes:

- (1) Stage 3 (>90 DPD Assets) on Assigned portfolio is ₹ 405.75 Mn. on 31st December 2023 and ₹ 314.72 Mn. on 31st December 2022 which has been taken into consideration while calculating Stage 3 As % Of AUM.
- (2) The management & macroeconomic overlay as on 31st December 2023 is ₹ 187.92 Mn. (Not netted off with gross assets in various stages) with which total provision amounts to around ₹ 1247.35 Mn.
- (3) The restructured book outstanding as on 31st December 2023 was ₹ 41.42 Mn. which is 0.04% of the AUM.

Financial Statement: FY21 to 9MFY24

(In ₹ Mn.)

| PROFIT & LOSS STATEMENT | | | | |
|-----------------------------------|--------------|--------------|--------------|--------------|
| Particulars | FY 2021 | FY 2022 | FY2023 | 9MFY24 |
| Total Revenue | 5,599 | 6,571 | 9,491 | 9,040 |
| Expenses | 4,010 | 4,458 | 6,844 | 6,637 |
| Finance costs | 2,645 | 3,195 | 4,748 | 4,526 |
| Operating expense | 581 | 921 | 1,566 | 1,429 |
| Provisions and loan losses | 784 | 341 | 530 | 681 |
| Profit Before Tax | 1,590 | 2,113 | 2,647 | 2,403 |
| Profit After Tax | 1,181 | 1,576 | 2,010 | 1,797 |
| Other comprehensive income | 75 | (76) | (195) | 67 |
| Total Comprehensive Income | 1,256 | 1,500 | 1,815 | 1,864 |

| BALANCESHEET STATEMENT | | | | |
|--|---------------|---------------|---------------|---------------|
| Particulars | Mar-21 | Mar-22 | Mar-23 | Dec-23 |
| | ASSETS | | | |
| Financial assets | 50,869 | 59,763 | 75,724 | 86,302 |
| Loans | 38,051 | 45,538 | 59,102 | 69,121 |
| Other financial assets | 12,818 | 14,225 | 16,623 | 17,181 |
| Non-financial assets | 798 | 879 | 1,041 | 1,298 |
| Total Assets | 51,667 | 60,642 | 76,765 | 87,600 |
| LIABILITIES | | | | |
| Financial liabilities | 39,339 | 47,052 | 61,567 | 70,326 |
| Debt securities (incl. Subordinate Debt) | 3,741 | 4,993 | 8,800 | 7,123 |
| Borrowings (excl. Debt Securities) | 29,198 | 37,327 | 49,576 | 60,212 |
| Other financial liabilities | 6,401 | 4,733 | 3,191 | 2,991 |
| Non-financial liabilities | 278 | 184 | 141 | 246 |
| Total Liabilities | 39,617 | 47,236 | 61,708 | 70,571 |
| EQUITY | | | | |
| Equity share capital | 547 | 547 | 547 | 547 |
| Other equity | 11,503 | 12,859 | 14,511 | 16,482 |
| Total equity | 12,050 | 13,406 | 15,057 | 17,029 |
| Total Liabilities and Equity | 51,667 | 60,642 | 76,765 | 87,600 |



**MA\$ Rural Housing &
Mortgage Finance Limited
(MRHMFL) Subsidiary**

About MRHMFL



₹AS is targeting affordable housing finance segment through its subsidiary

₹AS Rural Housing & Mortgage Finance Limited (“₹AS Housing” or MRHMFL) is a non-deposit taking, NHB registered, housing finance institution. It was incorporated in FY 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 extend 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 80 branches and have sourcing arrangements with 85 intermediaries – typically project developers and property agents



Housing Loans

AUM

₹5,440 Mn

Target Customer

Primarily salaried and self-employed individuals and loans to developers for construction of affordable housing project

Average Ticket Size

₹ 8,15,096

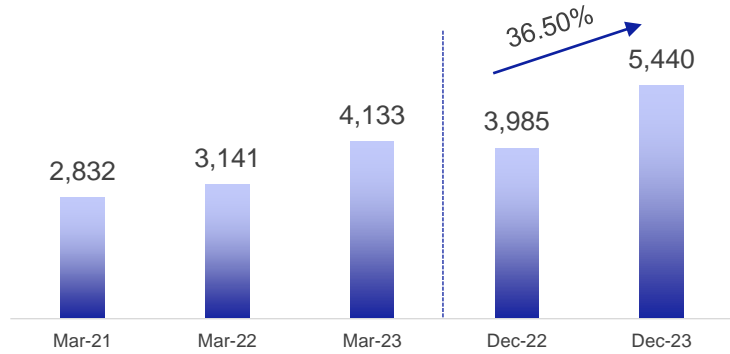
Tenure

Tenure up to 300 months for residential and 144 months for commercial loans

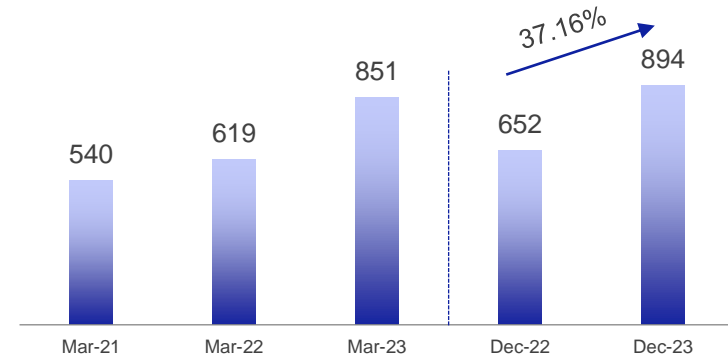
Financial Performance – Q3 FY24



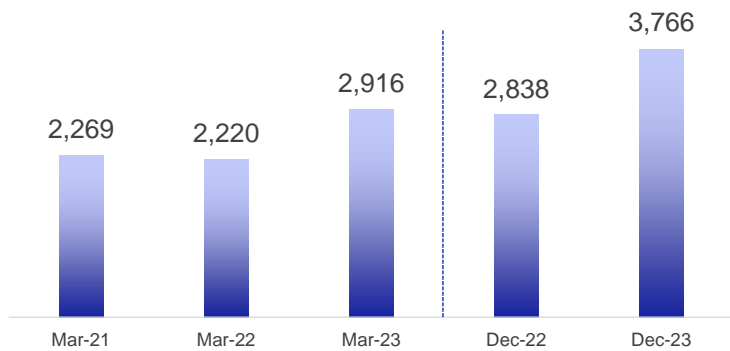
Assets Under Management (AUM) (In ₹ Mn)



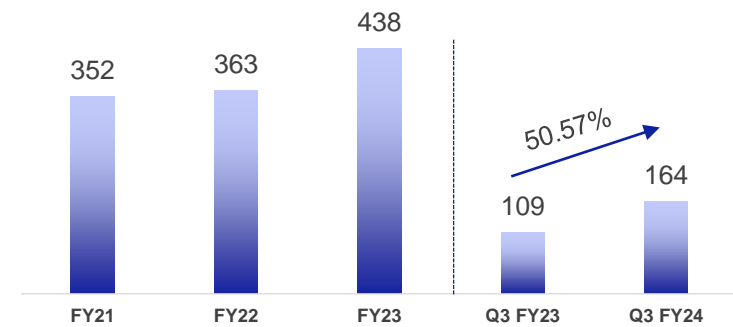
Net Worth (In ₹ Mn)



Borrowing (In ₹ Mn)



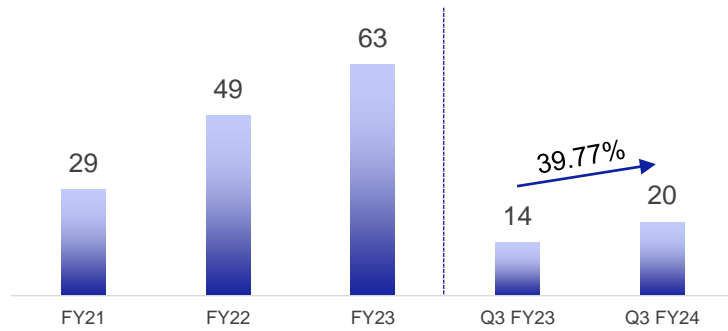
Revenue (In ₹ Mn)



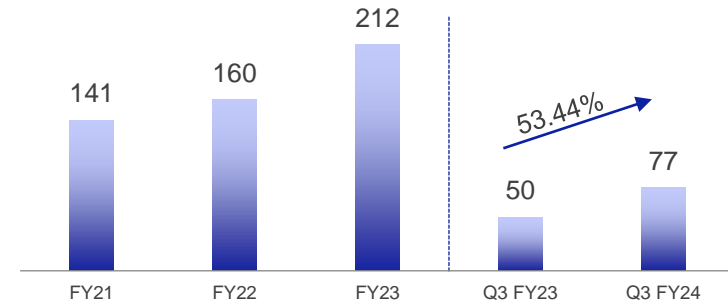
Financial Performance – Q3 FY24



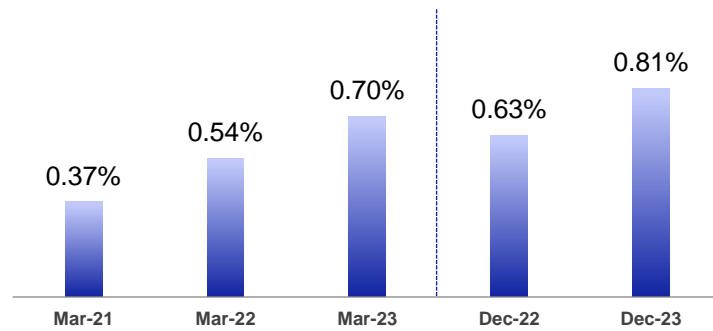
Profit After Tax (PAT) (In ₹ Mn)



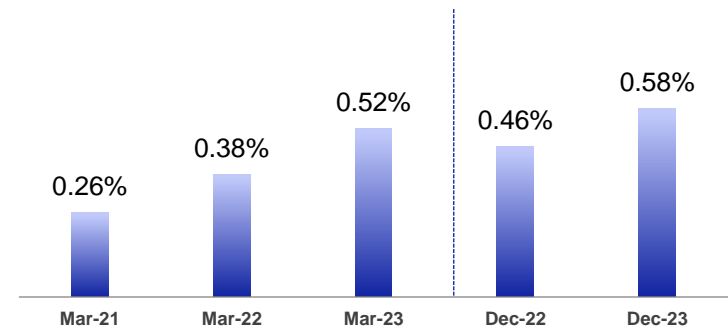
Net Interest Income (NII) (In ₹ Mn)



Gross Stage 3 Assets



Net Stage 3 Assets

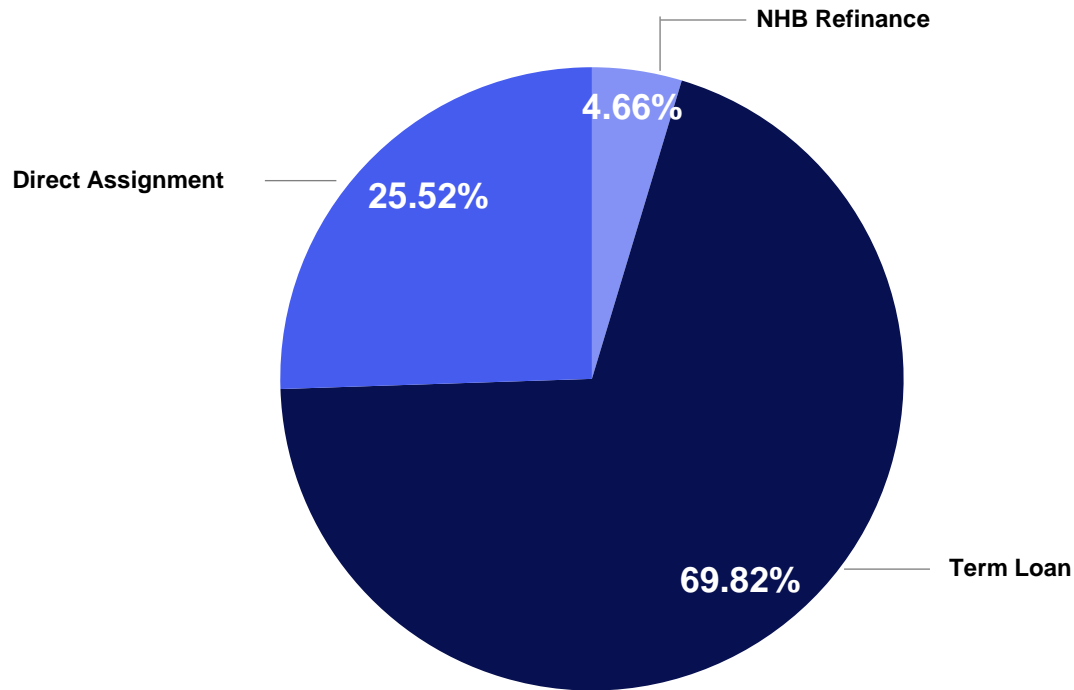


Liability Management



Sources of Fund

as on 31st December 2023
(%)



The composition of our liability mix ensures healthy ALM and well diverse resource mix. The cashflow in all the cumulative buckets is positive.

Capital adequacy ratio, as on 31st December 2023 is **31.52%** against regulatory norms of **15%**. **Tier I capital is 23.66%**. **Tier II capital is 7.86%**.

The Company keeps on **availing refinance from NHB which is currently 4.66% of its total borrowing mix**. This helps it to raise matching tenure loans at very competitive rates. The Company is working hard to enhance NHB refinance share in its total liability management.

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.

The Company continues to demonstrate its capability of efficient liability management.

Around 65% of the on-book portfolio qualifies as priority sector lending for banks as on lending to HFCs. We keep on raising term loans from banks for both priority sector and Nonpriority sector lending with an average maturity of 5 -7 years.

The total Cash credit limit available to the Company is **₹120 Mn**. The Company utilises the fund as per the requirement, ensuring sufficient liquidity on hand.

Credit Quality

(In ₹ Mn.)

| Particulars | Dec-23 | | Dec-22 | |
|----------------------|-----------------|--------------|-----------------|--------------|
| | AUM | Provision | AUM | Provision |
| Stage 1 | 3,877.52 | 3.29 | 3,007.29 | 3.12 |
| Stage 2 | 234.27 | 10.79 | 162.87 | 8.68 |
| Stage 3 | 37.97 | 12.05 | 21.45 | 6.41 |
| TOTAL ON BOOK | 4,149.77 | 26.13 | 3,191.61 | 18.22 |
| Assigned Portfolio | 1,290.41 | N/A | 793.87 | N/A |
| TOTAL AUM | 5,440.18 | | 3,985.48 | |

Notes:

- (1) Stage 3 (>90 DPD Assets) on Assigned portfolio is ₹5.85 Mn. on 31st December 2023 and ₹3.48 Mn. on 31st December 2022 which has been taken into consideration while calculating Stage 3 As % Of AUM.
- (2) The management & macroeconomic overlay as on 31st December 2023 is ₹29.90 Mn. (Not netted off with gross assets in various stages) with which total provision amounts to around ₹56.04 Mn.
- (3) The restructured book outstanding as on 31st December 2023 was ₹11.07 Mn. which is 0.20% of the AUM.



| Particulars | Dec-23 | Dec-22 |
|--|--------|--------|
| Stage 1 And Stage 2 Assets As % Of On Book Assets | 99.08% | 99.33% |
| Stage 1 And Stage 2 Assets (Standard Assets) Provisioning | 0.34% | 0.37% |
| Stage 3 As % Of On Book Assets | 0.92% | 0.67% |
| Stage 3 Assets Provisioning | 31.74% | 29.89% |
| Net Stage 3 As % Of On Book Assets | 0.62% | 0.47% |
| Stage 3 As % Of AUM | 0.81% | 0.63% |
| Net Stage 3 As % Of AUM | 0.58% | 0.46% |

E

S

G



Environment



Social



Governance

**FOCUS ON ENVIRONMENT, SOCIAL, &
GOVERNANCE (ESG)**

Environmental Stewardship



The management of MAS Financial Services Limited (MAS) believes in Environmentally Conscious approach for all business & operational activities.



Committed to optimize electricity / energy & water resources to reduce carbon and water footprints and minimize waste at all physical locations of the business. Also, strive to adopt renewable sources of energy wherever possible.



MAS endeavours to create awareness amongst all the stakeholders on the importance of environment conservation & protection. The company also encourages promotion of eco-friendly products across all value chains.



The company has formed ESG committee to implement and monitor all activities related to Environment, Social, and Governance aspects.

Click here to view ESG report : <https://mas.co.in/esg-report.aspx>

Enhancing Social Impact (1/2)

HUNGER & POVERTY

- ✓ Organized food distribution drive in Gujarat, wherein raw food packets comprising essential grocery items were provided to villagers

HONOURING THE VALIANT SOLDIERS

- ✓ The company has donated Ultrasound Machines at the Indian Army - Military Hospital, Ahmedabad
- ✓ Further, the company plans to continuously contribute towards war widow's welfare in various aspects

SHIKSHA PROTSAHAN

- ✓ Identified & supported various bright students from more than 30 schools who wish to pursue higher studies
- ✓ Provided basic infrastructure facilities at many schools around Ahmedabad

MENSTRUAL HYGIENE PROGRAMME

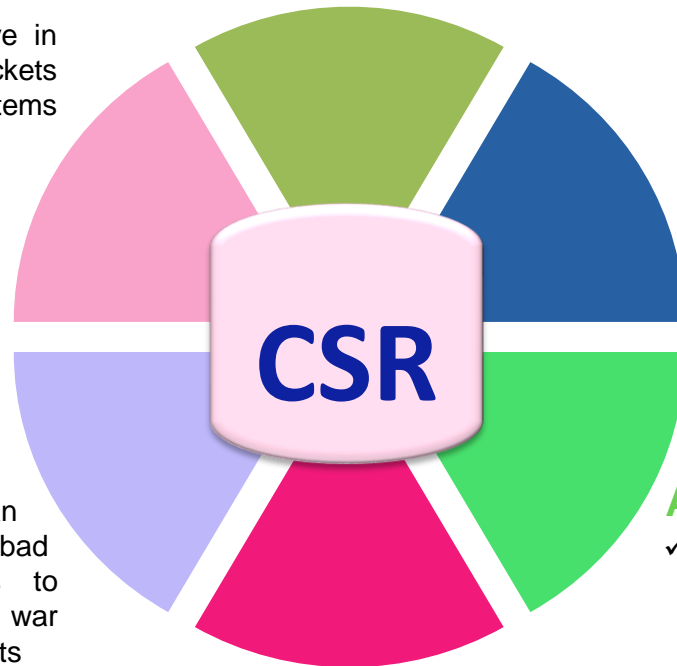
- ✓ To increase the awareness, the Company has team of Female Staff who visits the villages and distribute sanitary napkins at various locations and also educate them about menstrual hygiene

AROGYA ABHIYAN

- ✓ The company provided financial assistance for elderly care to old age homes.

BLOOD DONATION

- ✓ Amid the COVID – 19 crises and in July-2023, the company organized a Blood Donation Camp in collaboration with local Police Station and Indian Red Cross Society.



“Caring for communities is a way of life”

- ❖ MAS Financial Services Ltd strongly believes in giving back to society and has always been actively involved in various Corporate Social Responsibility activities.
- ❖ Focussed on long term projects of Promoting Education, Sanitisation, Health, Environment & Welfare to ensure overall well-being.
- ❖ CSR committee comprising of one Executive Director and two Independent Directors of the Company.
- ❖ More information on CSR projects and policy at www.mas.co.in

Enhancing Social Impact (2/2)



Shiksha Protsahan



Arogya Abhiyan



Blood Donation



Welfare of War Widows'

Strict Governance Compliance

The management of MAS Financial Services Limited adheres to the highest standards of corporate governance and proactively ensure its application across business operations.

Strict compliance with the regulations of SEBI, RBI and other regulators.

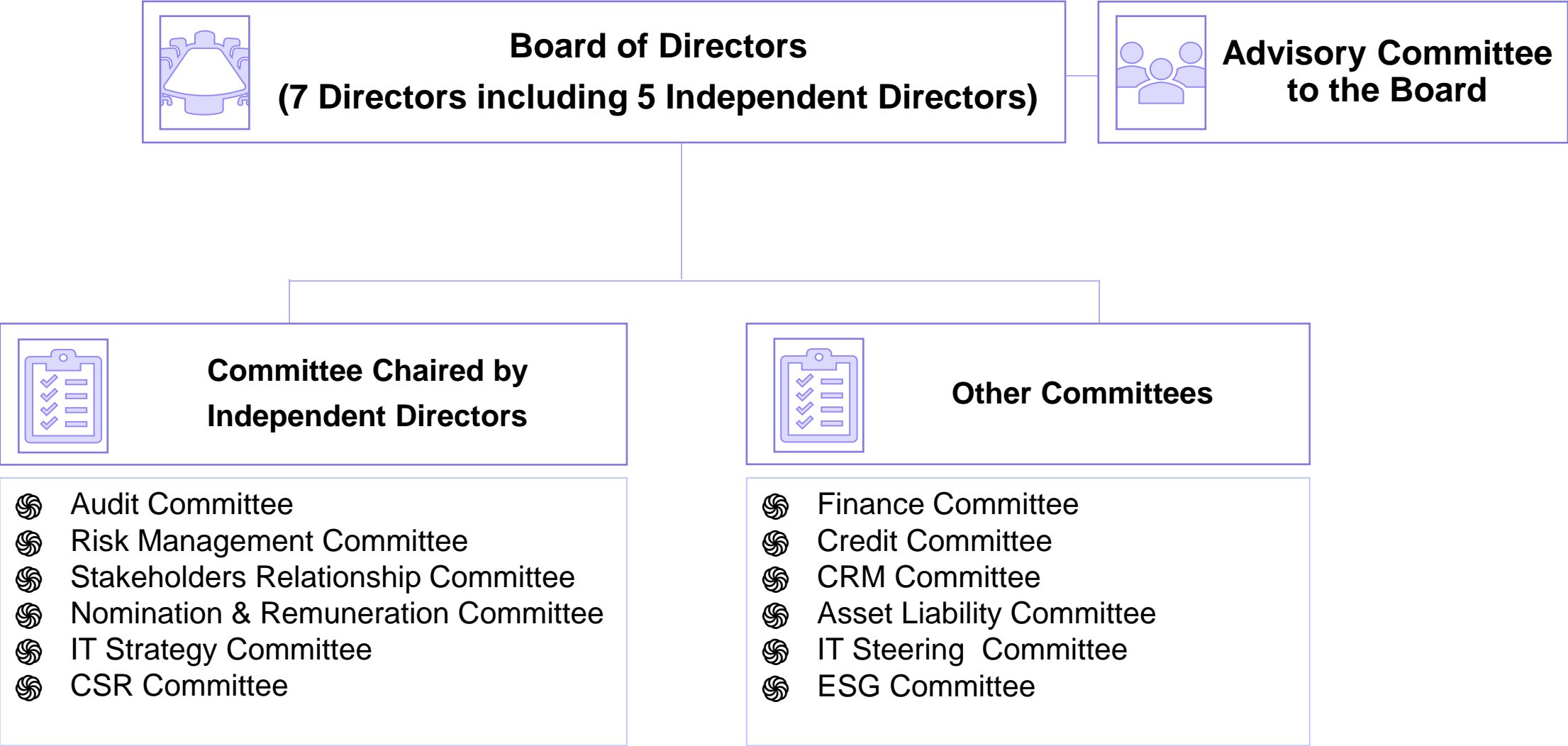
Rich experienced Board of the Company comprising of 7 Directors including 5 Independent Directors. Board comprises of two Woman Directors (one Executive and one Independent).

Regular monitoring & continuous upgradation of internal control system and risk management process. Also, maintaining periodic dialogue with statutory and internal auditors for compliance.

Adequate processes, operational & IT mechanism to ensure all regulatory & tax compliances and safeguarding privacy and cybersecurity.

Board approved policies on Corporate Governance are uploaded on the company's website at www.mas.co.in

Governance Framework





Understanding *MAA*

About **MAS**



VISION

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



MISSION

To constantly endeavor, 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”

LIABILITY MANAGEMENT

- ✓ Self Propelling Business Model – Capital requirement met predominantly from internal accruals
- ✓ Healthy ALM
- ✓ Right mix of resources
- ✓ Planning and maintaining Cost Efficiency

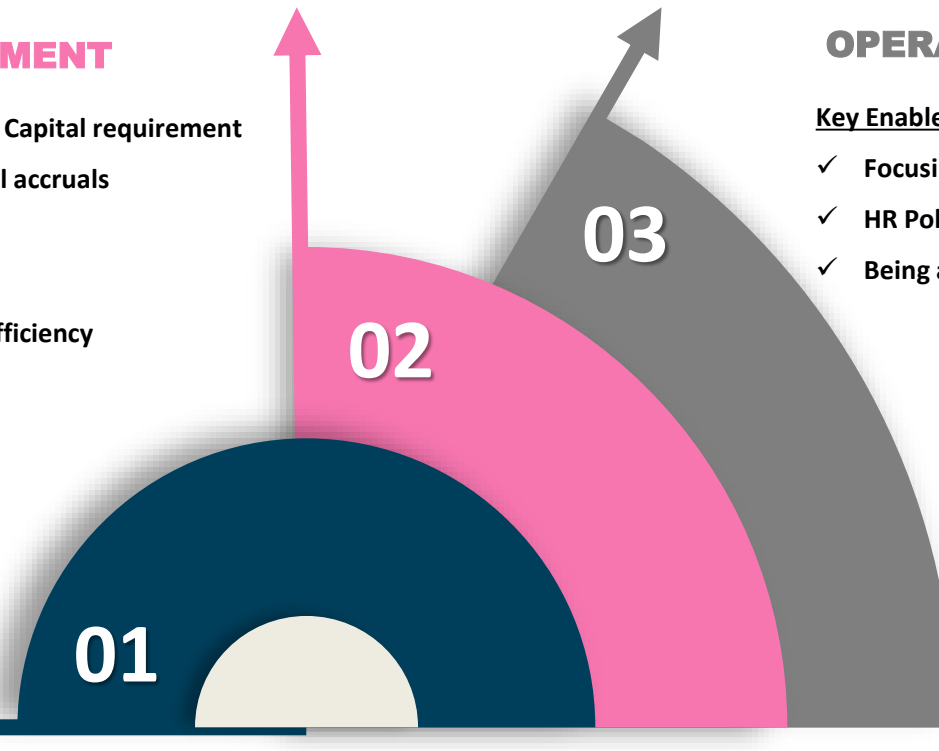
OPERATIONAL EXCELLENCE

Key Enablers:

- ✓ Focusing on extending credit where it is due
- ✓ HR Policy
- ✓ Being a Learning Organization

ASSET CREATION

- ✓ Dictum: Credit Where It Is Due
- ✓ Product Mix
- ✓ Adding Value
- ✓ Unique Distribution Model



Visionary Leadership

Experienced Promoters



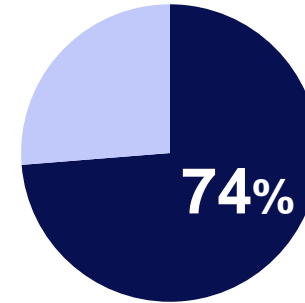
Mr. Kamlesh Chimanlal Gandhi, 57, is the Founder, Chairman, and Managing Director of **AS** with over two decades of industry expertise, driving consistent company performance.

Mr. Kamlesh Chimanlal Gandhi
Chairman and MD



Late Mr. Mukesh Chimanlal Gandhi, a Co-founder and former Director (Finance) at **AS** Financial Services Limited, brought over 30 years of financial services experience and played a vital role in the Company's success over the years.

Late Mr. Mukesh Chimanlal Gandhi



Promoter Shareholding

One of the highest promoter shareholding across lending businesses in India

Supported by a Strong Leadership Team

● Vintage with **AS** (Years)



Mrs. Darshana Saumil Pandya
Executive Director & CEO

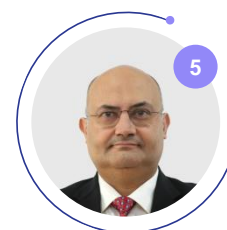
Mrs. Darshana S. Pandya is responsible for leading the operations at **AS**. She is also the driving force behind forging relationships between the Company and its partners which amount to over 100 NBFC-MFIs and NBFCs.



Mr. Saumil Pandya
President – Retail Assets



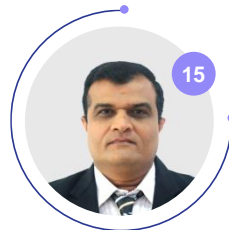
Mr. Dhvanil K. Gandhi
Executive Vice President



Mr. Himanshu Kanakhara
Executive Vice President - MRHMFL



Mr. Ankit Jain
Chief Financial Officer



Mr. Dipak Dangar
Chief Operating Officer



CA Nishant Jain
Chief Risk Officer



Mr. Rajen Shah
Chief Technology Officer



CA Chintan Pandya
Chief Operating Officer - MRHMFL

CORE TEAM

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

EXECUTION TEAM

Consisting of more than 3000 employees who works along with the core team towards accomplishing the company's Mission and Vision. 425+ employees have vintage of 5 years+ at **AS**

Governance by an Independent Board; Guidance from Industry Leaders



Mr. Bala Bhaskaran
Independent Director

2 decades in finance and consulting; IIT Madras, IIM Bangalore, CFA



Mr. Chetan Ramniklal Shah
Independent Director

3 decades in financial services; CA, LLB, ex Natpur Cooperative Bank



Mr. Umesh Rajanikant Shah
Independent Director

3 decades in finance, audit, tax; CA



Mr. Narayanan Sadanandan
Independent Director

3 decades in Retail, MSME and international banking; currently CM Advisor at SBI Caps and ex MD CEO of SBI Pension Funds



Mrs. Daksha Niranjn Shah
Independent Director

3 decades with financial services, textiles and chemical cos; IIM Ahmedabad and Economic Institute in Colorado, USA

Corporate Advisory Committee



Dr. Rajiv Kumar

Former Vice Chairman of Niti Aayog, Former Independent director on RBI and SBI Boards



Mr. TT Srinivasaraghavan

Retd. MD of Sundaram Finance, Chairman Emeritus of FIDC



Mr. U.S. Paliwal

Secretary General, CCA and CEO of the Association of Small Finance Banks of India, Former RBI Executive Director, nominee on 3 PSU Banks' Boards

Robust Risk Management

Portfolio & Asset Quality

- AAS has well diversified products portfolio and wide geographical presence (through direct presence & NBFC partners) ensuring robust business framework and minimising risk.
- The Company will continue to expand in existing as well newer geographies gradually in which the growth of direct distribution will be higher.
- The Company will continue to focus on quality of the portfolio in terms of net stage 3 assets and target it to maintain below ~2%.



Policies

- AAS has comprehensive policies framework for all the critical functions which serves as a guiding principles for efficient risk management.
- The Company has implemented various policies such as Credit, HR, Investment, IT, Liability Management, and Corporate Governance.
- The Company will strengthen its policies and control framework to monitor and manage the risks arising from business operations, compliances and regulations.



Process

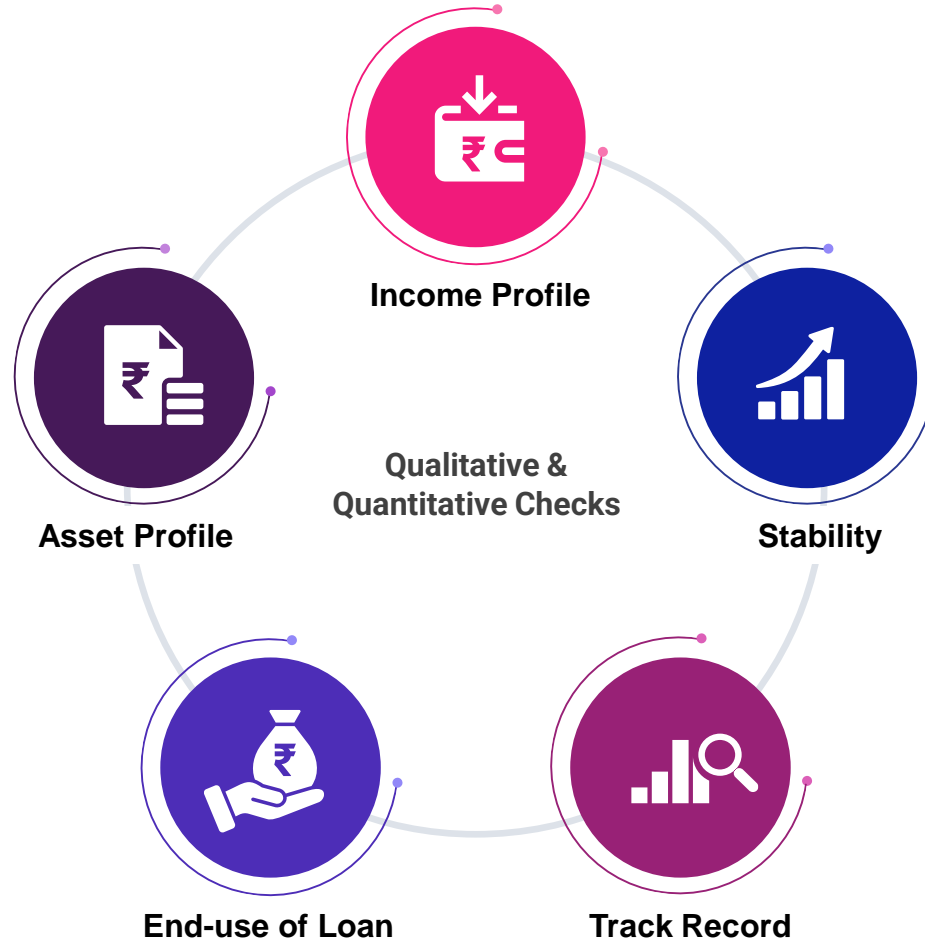
- AAS endeavours to have processes to follow the laid down core policies.
- The Company will continue to focus on remaining a process & purpose driven organisation.



Robust Credit Assessment

MASS aims to give credit where it is due with the dictum of adherence and adaptability

Comprehensive Credit Assessment



Credit Assessment Process Overview by Product

- A** Business loans require assessment of business viability, cash flow, and profitability
- B** Salaried loans disbursed to individuals with approved company employment
- C** For Asset backed loans, mortgage/hypothecation with insurance
- D** Guarantor/ co applicants requirements basis applicants

Unique and Robust Distribution Network Through NBFC Partners

Aim & Our Understanding

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

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

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

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

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

Impact

HAAS

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

Borrowers

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

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

Eco-System

Catalyst in Efficient last mile delivery of credit

Track Record

- Started with 1 NBFC in 2008, currently having relationship with more than 150 such NBFCs having virtual presence Pan India.
- Have grown at a CAGR of around 30% 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 :
 - Providing Liability Solution
 - Product Development & Strengthening their system and Operations
 - Capital Advisory

Sharpening the Learning Curve

Our proven track record of more than ₹22,000 cr cumulative disbursement through NBFC partners with total loss less than 0.50% over a decade across various tough periods assures our confidence on the distribution model.

Our Learning Curve is Further Strengthened by

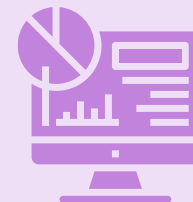
Credit Assessment

Continuous strengthening of due diligence and audit process both pre and post disbursement. Further strengthening the field due diligence.



Constant Monitoring

Close indulgence with partner NBFCS both on the system as well as credit part. Additional diligence of financial accounting with necessary deep diving also to be the part of monitoring to preempt any irregularities.



Evaluation Matrix

Further strengthening the evaluation and the exposure matrix for all the NBFCs partners





Way Forward

Key Growth Strategies for Consistent Growth – Entering the next phase of growth after crossing an important milestone of ₹ 100 Bn in AUM

Aim to grow AUM by 20% to 25% over the medium to long-term

Focus towards direct lending

Share of business from direct distribution will increase while NBFC partnerships business will continue. Direct distribution should contribute 70%-75% of total AUM over medium to long-term



Growth Drivers

Housing, SME and Wheels portfolio to be key growth drivers and their share in AUM will increase gradually which should result into more asset backed lending



Digitalisation

Digitalised operating process from origination till disbursement; partnered with 25+ APIs to source authentic data. Plans to integrate AI & BRE for better data analysis



Sustained Profitability

Targeting ROA in the range of 2.75% to 3.00% and ROE in the range of 16% to 18%



Strong Risk Management

AAAS has diversified products and geographical presence. The Company will continue to focus on priority of quality of assets, profitability and growth



Enablers for Consistent Growth

Successful Track Record

- Successfully withstood multiple headwinds over the years
- Proven track record of more than 25 years with AUM CAGR of 36.12% and PAT CAGR of 40.07%.



Highly Capitalised

- Highly capitalised for future growth. Sufficient capital to continue the growth momentum
- Total Capital Adequacy of 24.47% with Tier I Capital Adequacy of 20.59% & Tier II Capital Adequacy of 3.88% as on 31st December 2023



Robust Liability Management

- Cash & bank balances of ~ ₹8,455 Mn. as on 31st December 2023
- Sufficient liquidity to cover opex and debt liabilities for at least next 12 months
- Positive across all cumulative ALM buckets



Diversified Products

- **AA** offers diversified products to cater to the varied needs of the customers
- Products include Micro Enterprise Loans, SME Loans, Two-Wheeler Loans, Commercial Vehicle Loans, and Salaried Personal Loans



Strong Distribution Network

- **AA** has strong distribution network with 181 direct branches serving to more than 11,450+ customer locations
- The Company has Pan India presence through its partnership with 167 NBFCs



Strong Portfolio Quality

- Consistent track record of high-quality portfolio with Net Stage 3 Assets of 1.48% as on 31st December 2023
- Additionally, the Company carry management & macroeconomic overlay which is 0.25% of the on-book Assets

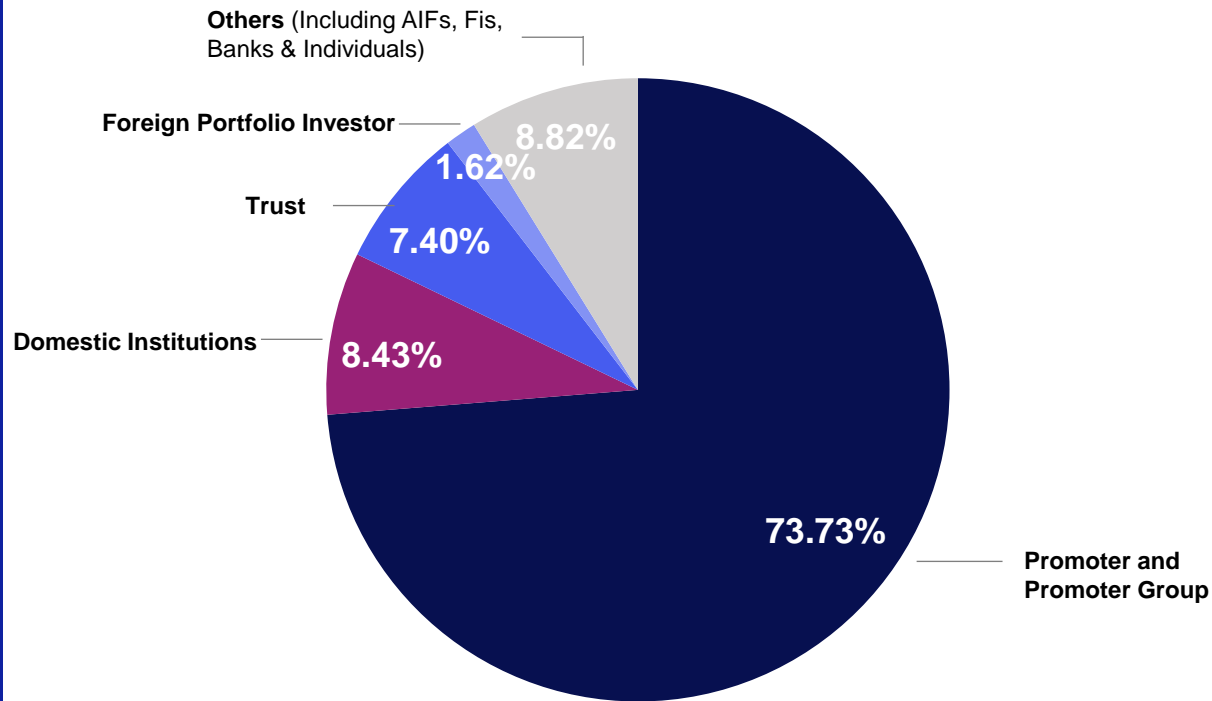




Shareholding Profile

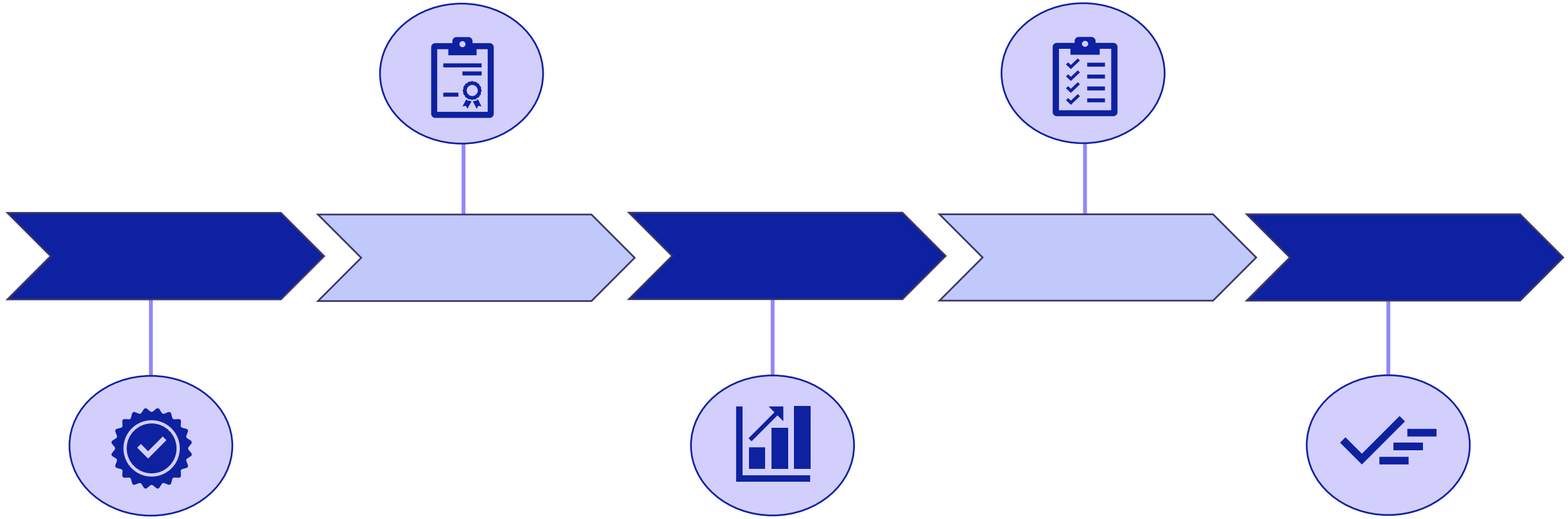
Marquee FIIs and DIIs Shareholders

Shareholding as on 31st December 2023 (%)



Marquee Investors





Events & Milestones

Major Events & Milestones

Note: As per Calendar Year

1995

- ✓ On incorporation, commenced retail finance operations with *Two-wheeler and Micro-Enterprise loans*

2006

- ✓ Received first round of capital infusion of ₹ 65 Mn. from Bellwether Micro Fund

2008

- ✓ Acquired 2nd & 3rd round of capital infusion worth ₹ 435 Mn. and ₹ 400 Mn. from FMO and ICICI Venture, respectively
- ✓ Floated the housing finance subsidiary

2011

- ✓ Listing of NCDs on Bombay Stock Exchange

2012

- ✓ Received the fourth round of capital infusion of ₹ 650 Mn. from DEG

2013

- ✓ Disbursement and AUM crossed ₹ 10 Bn.

2014

- ✓ Sarva Capital purchased 50% CCPS held by FMO in secondary deal

2015

- ✓ Raised Subordinate Debentures of ₹ 200 Mn.
- ✓ AUM crossed ₹ 20 Bn

2016

- ✓ Bank loan rating was upgraded to 'IND A' with 'Stable outlook'
- ✓ Raised subordinate debentures of ₹ 400 Mn

2017

- ✓ Motilal Oswal infused capital of ₹ 1,350 Mn.
- ✓ Raised fresh capital of ₹ 2,330 Mn. via IPO
- ✓ Listing of Equity Shares on BSE & NSE

2019

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

2020

- ✓ Completed 25th Year of Endeavours

2021

- ✓ Inclusive Finance India Award 2020 – NBFC lending to Micro and Small Enterprises
- ✓ Raised ₹ 650 Mn. via market-linked NCDs (MLD)

2022

- ✓ ASSOCHAM 8th MSMEs Excellence Awards March 2022 – Best MSME Lending of the Year
- ✓ New subsidiary: MASFİN Insurance Broking Private Limited

2023

- ✓ Great Place To Work Certified (Jan 2023 - Jan 2024)
- ✓ Net Profit for the FY23 crossed Rs 2 Bn.
- ✓ Consolidated AUM crossed ₹ 100 Bn

2024

- ✓ Great Place To Work Certified (Jan 2024 - Jan 2025)



MAS Financial Services Limited

Registered Office

6, Ground Floor, Narayan Chambers,
Ashram Road, Ahmedabad-380009
www.mas.co.in

Investor Contact

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Chief Financial Officer
079-41106682
ankit_jain@mas.co.in

Mr. Meet Chande

Investor Relations Manager
079-41106551
meet_chande@mas.co.in

Best Wishes