



The Power of Distribution

MAS FINANCIAL SERVICES LIMITED

MFSL/SEC/EQ/2022/08

February 02, 2022

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 and nine months ended on December 31, 2021

Please find enclosed herewith Investor Presentation for the quarter and nine months ended on December 31, 2021.

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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The Power of Distribution

INVESTOR PRESENTATION – Q3 FY22



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

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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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25 Years of Endeavours

57,421 Mn.
AUM

6
States and NCR
of Delhi

114
Branches

4,100
Customer locations

6,50,000+
Active loan accounts

Diversified Product Portfolio



Micro-Enterprise Loans
(MEL)



SME Loans

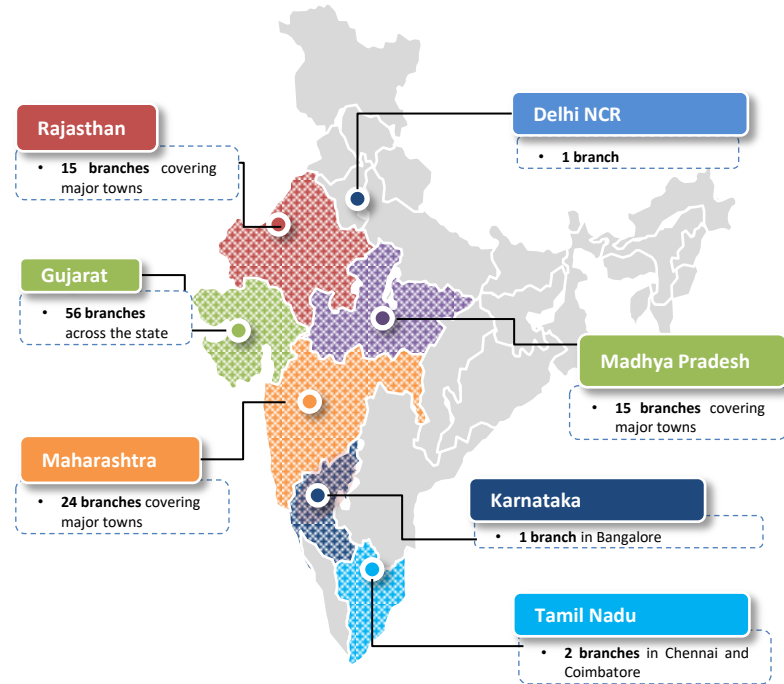


2-Wheeler Loans



Commercial Vehicle Loans

Strong Retail Presence & Distribution Network



Sourcing Intermediaries:



321



312



148 NBFCs

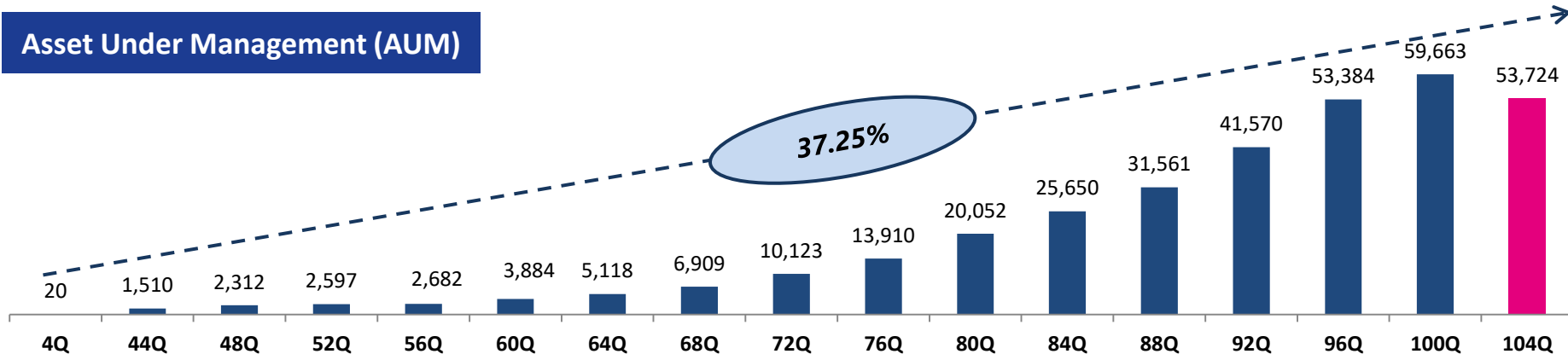
GROWTH

Belief & Philosophy

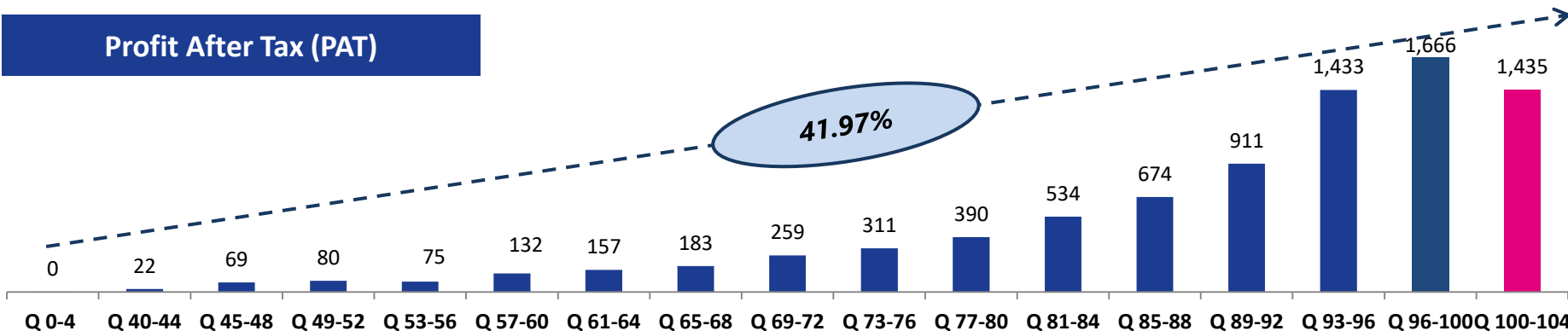
**CONSISTENTLY AND
STEADILY
IS THE FASTEST WAY TO
REACH WHERE YOU WANT TO**

Journey of 104 Quarters

Asset Under Management (AUM)



Profit After Tax (PAT)



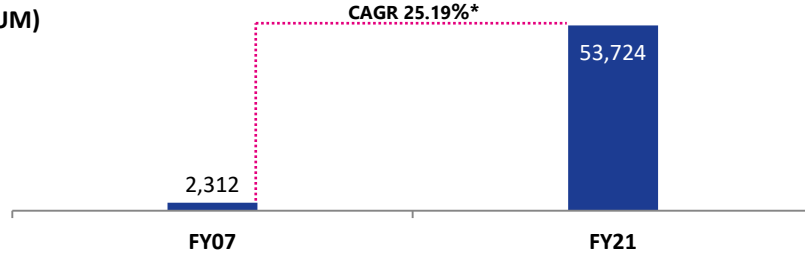
(In INR Mn.)

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

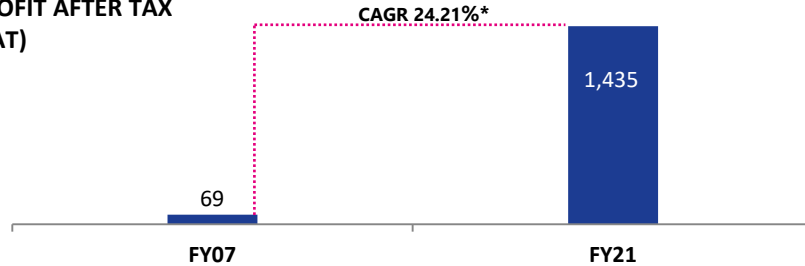
Growing consistently and steadily-

Our growth journey of LAST 14 YEARS SINCE OUR FIRST CAPITAL RAISE...

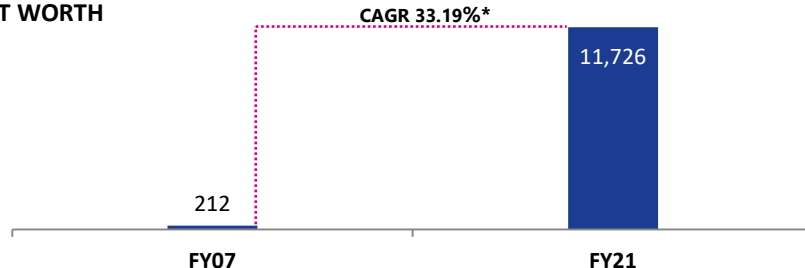
ASSETS UNDER MANAGEMENT (AUM)



PROFIT AFTER TAX (PAT)



NET WORTH



(In INR Mn)
Figures up to March 17 is as per I-GAAP and from thereon it is IND-AS

* Consistent performance despite multiple headwinds

- Despite various micro and macro headwinds including demonetisation, GST, NBFC liquidity crisis, and COVID, **HAS** has displayed resilience and has delivered robust and sustainable growth
- Track record of high-quality portfolio with Net Stage 3 Assets below 2.00% over the period
- Maintained healthy return on assets and equity of around:
 - ROA: Range -2.75% - 3.00%
 - ROE: Range - 15.00% - 18.00%

Growth journey was fuelled predominantly from internal accruals

Going forward...

To continue consistent and steady growth momentum in the range of 20%-25%, resulting in a very strong compounding growth as demonstrated over the years

Leveraging technology across spectrum

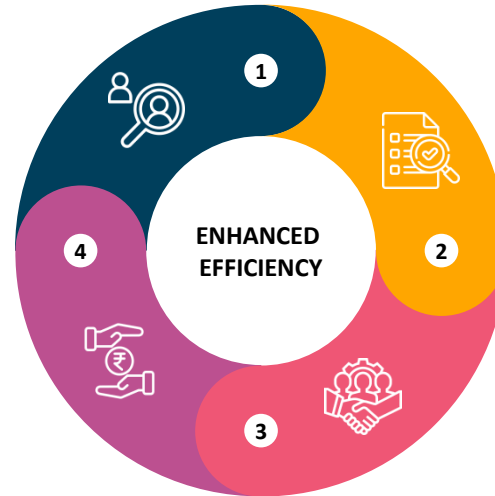
1. Origination

- Centralized Onboarding System to capture new leads data digitally
- Captured Leads authenticated via mobile OTP
- Efficient & seamless Application Management (*Applicant, Co-Applicant & Guarantor*)
- Customized Document Upload with pre-defined check list & input validation
- Preliminary eligibility check (*positive/negative*) for further credit underwriting

2. Decisioning

Assess Credit worthiness through pre-set Business Rules Engine (BRE) & APIs plugins

- eKYC – Enables paperless verification of customer's Identity, Address, DOB etc. (*PAN/Aadhar/ DL / EC*)
- Credit Bureau Check – Integrated API services to check customer past behavior, fraud detection/prevention, & trigger bureau score
- Seamless process to fetch Corporate data such as financials, charges, shareholding, associates, litigation/defaults etc. (*Corpository Platform*)
- Income Analyzer Tool – Customer Bank Statement / GSTR are automatically assessed to ensure current income and obligations



3. Operations

- Remote Digital Signatures – eSign permits paperless documentation wherein loan agreement is shared digitally with customer for review and e-signing (*eSign / eStamp APIs*)
- C-KYC management system for fast and accurate compliance
- Customer Engagement – Regular and timely updates to customers via WhatsApp, SMS & Email Services APIs

4. Disbursement & Collection

- 100% Cashless / E-disbursement of loan amount
- eNACH permits paperless repayment setup
- Easy e-repayment facility via Paytm, BillDesk, and BharatPe for convenient and timely EMI payment

ENHANCING DISTRIBUTION STRENGTH

Co-lending Partnership



FinTech Collaboration



Enablers for Navigating through current unprecedented challenges

SUCCESSFUL TRACK RECORD

- Successfully withstood multiple headwinds over the years.
- Proven track record of more than 25 years with AUM CAGR of 37.25% and PAT CAGR of 41.97%.

HIGHLY CAPITALISED

- Highly capitalised for future growth. Sufficient capital to continue the growth momentum.
- Capital Adequacy of 27.41% ,Tier I Capital Adequacy of 23.84% & Tier II Capital Adequacy of 3.57%

STRONG PROVISION BUFFER & PORTFOLIO QUALITY

- Consistent track record of high-quality portfolio with Net Stage 3 Assets of 1.76% as on 31st Dec 2021.
- High Covid-19 related provisioning buffer of INR 442.64 Mn. which is 0.95% of the on book Assets.

ROBUST LIQUIDITY POSITION

- Cash and cash equivalent of around INR 10,000 Mn. as on 31st Dec 2021.
- Sufficient liquidity to cover opex and debt liabilities for at least next 12 months.
- Positive across all cumulative ALM buckets.

ASSETS AND PORTFOLIO QUALITY

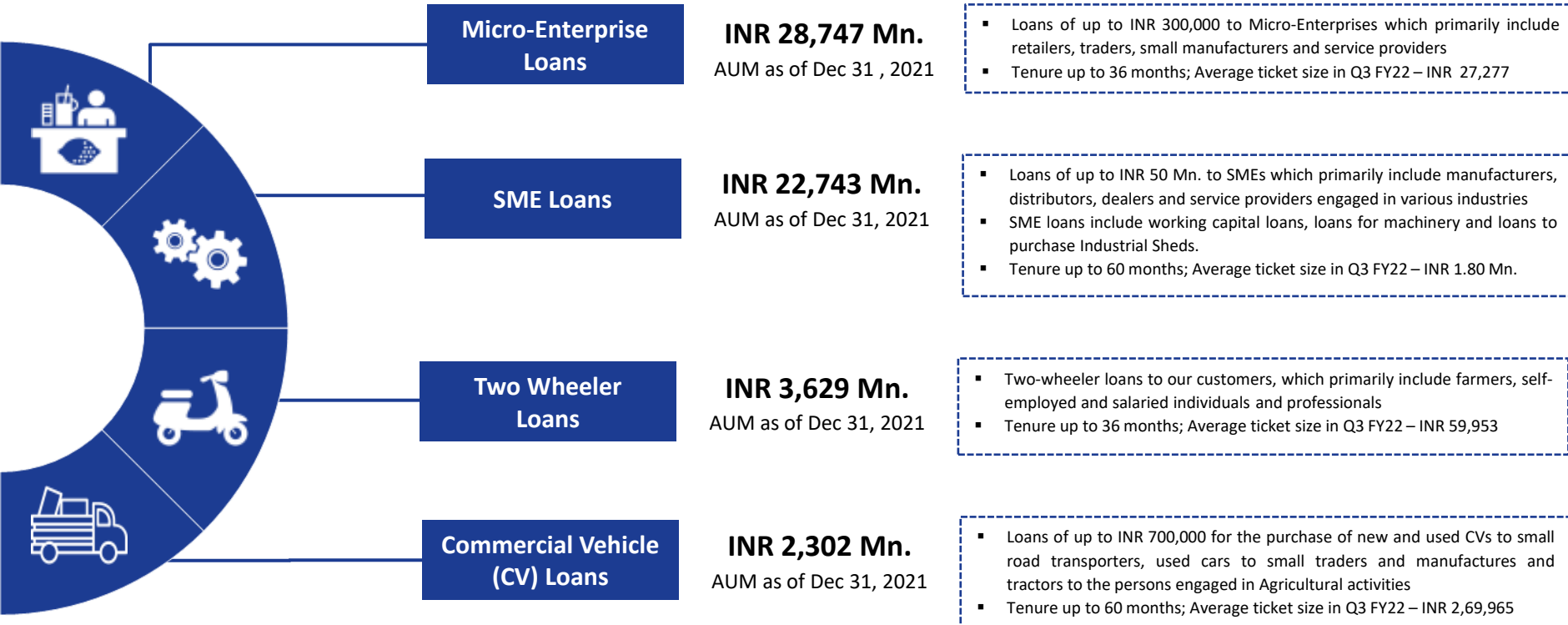
- The AUM stood at INR 57,421 Mn. a growth of 13.60% over the corresponding period. However, the two quarters are not comparable due to the pandemic impact. The Gross Stage 3 Assets is 2.35% and Net Stage 3 Assets is 1.76% of AUM as on 31st Dec 2021.
- The Company is in process of constantly assessing the present evolving situation, in order to make necessary amendments in the credit policy. In line of our dictum of extending credit where it is due and adopting a cautious approach the disbursement was INR 15,987 Mn. in the Dec quarter.
- The Company total special COVID provision as on 31st Dec 2021 stands at INR 442.64 Mn. which is 0.95% of the on book assets of INR 46,543 Mn.
- The collection efficiency for the Dec quarter was around 97.50%.
- The Company's restructured book outstanding as on 31st December 2021 was INR 272.47 Mn. which is 0.47% of the AUM.

CAPITAL AND LIQUIDITY MANAGEMENT

- Company's Capital adequacy remained strong at 27.41% with Tier I Capital of 23.84% and Tier II Capital of 3.57%. The Company has adequate capital and financial resources to fuel its future growth.
- As on 31st Dec 2021, the company had liquidity buffer of around INR 10,000 Mn. and unutilized Cash Credit facility of around INR 7,000 Mn. In addition the company has sanction on hand to the tune of INR 9,000 Mn. in the form of Term loan, Direct assignment and Co-lending.
- Company also assessed its structural liquidity for the period ended 31st Dec 2021 and based on the assessment there is no negative impact on liquidity 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.

Diversified product offerings presenting significant growth opportunities

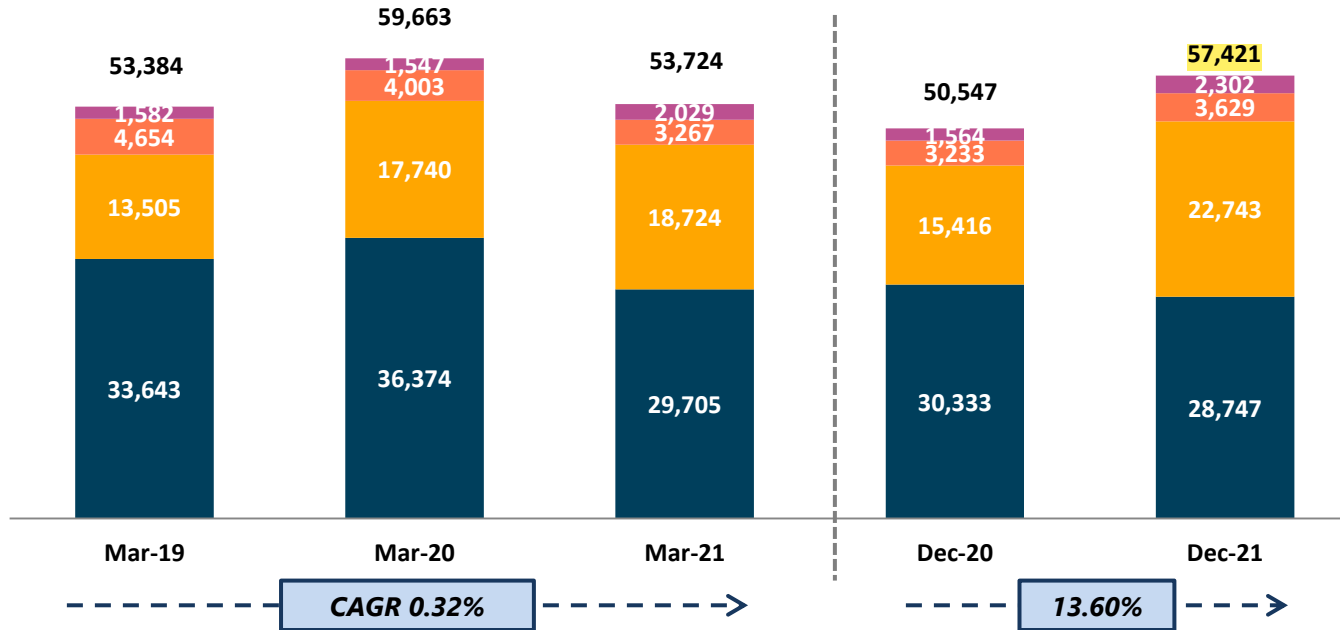
HSBC focuses on serving the underserved credit needs of mid and low income group segments



AUM by Product Category

AUM by Product Category (INR Mn.)

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



Segment Performance Dec -21 vs Dec-20

▼ 5.23%

Micro-Enterprise loans (MEL)

▲ 47.53%

SME loans

▲ 12.24%

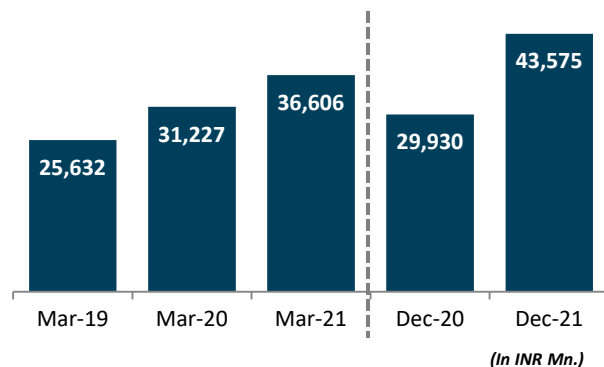
2-Wheeler loans

▲ 47.16%

Commercial Vehicle loans

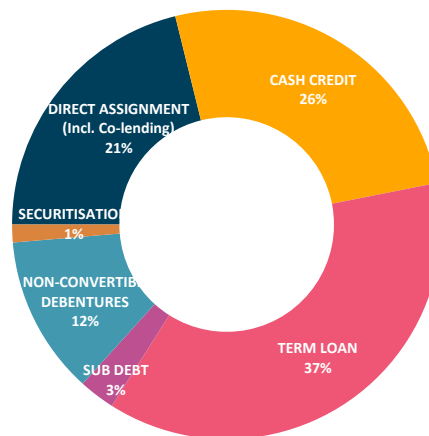
Adopting a cautious approach towards fresh disbursement during the COVID pandemic period from Dec-19 onwards, in line with our dictum of extending credit where it is due and high collection efficiency.

BORROWING

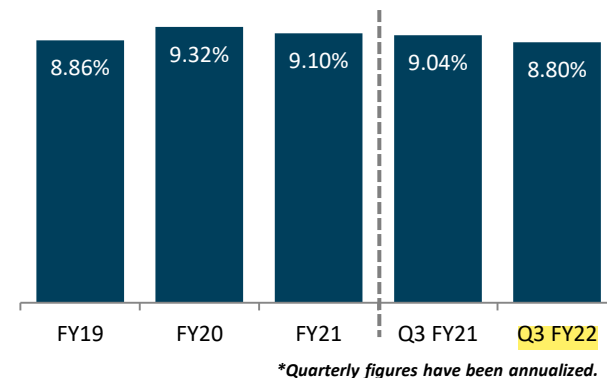


SOURCES OF FUND

as on 31st Dec 2021



COST OF BORROWING (COB)*



- The composition of our liability mix ensures healthy ALM and well diverse resource mix.
- The Company withstood the litmus test very successfully during this most challenging period.
 - A testimony to its very efficient liability management.
- **Capital adequacy ratio**, as on 31st Dec 2021 is **27.41%** against regulatory norms of 15%. **Tier I capital is 23.84%** as against requirement of 10%. **Tier II capital is just 3.57%** which will increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen ALM.
- Issued Subordinate-Debt (Tier II Capital) of INR 1000 Mn. during the quarter to further strengthen the Capital Structure.
- **Around 75% 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 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 INR 5,000 Mn.
- The **total Cash credit limit** available to the company is **INR 19.30 Bn.** spread across 15 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 **3.41 times** and going forward plan is to maintain the leverage at optimum level.

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% - 25% 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.

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/Co-Lending demand thereby enabling the company to de-risk and maintain the off book portfolio.

OPERATIONAL EXCELLENCE

- ✓ Learning and Unlearning is a constant endeavor at HFS and will strive to improve the efficiency in all the areas of operation.

FINANCIAL REVIEW

Key Highlights – Q3 FY22

ASSET UNDER MANAGEMENT (AUM)

INR **57,421** Mn.

 **13.60%**
(Dec - 20: INR 50,547 Mn.)

PROFIT AFTER TAX (PAT)

INR **401** Mn.

 **10.84%**
(Q3 FY21: INR 362 Mn.)

NET INTEREST INCOME (NII)

INR **887** Mn.

 **13.44%**
(Q3 FY21: INR 782 Mn.)

COST OF BORROWING* (COB)

8.80%

 **24bps**
(Q3 FY21: 9.04%)

OPERATING EXPENSE RATIO (OER) *

1.99%

 **86bps[^]**
(Q3 FY21: 1.13%)

CAPITALIZATION



TOTAL CRAR: 27.41%

TIER I CRAR : 23.84%

TIER II CRAR : 3.57%

ASSIGNED TO BANKS/FIS



18.94%
of AUM

RETURN ON AVG. NET
WORTH*

14.08%

RETURN ON AVG.
BALANCE SHEET ASSETS*

2.81%

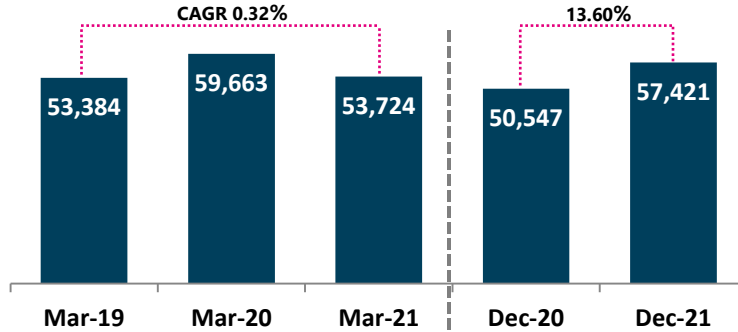
RETURN ON AVG. AUM*

2.86%

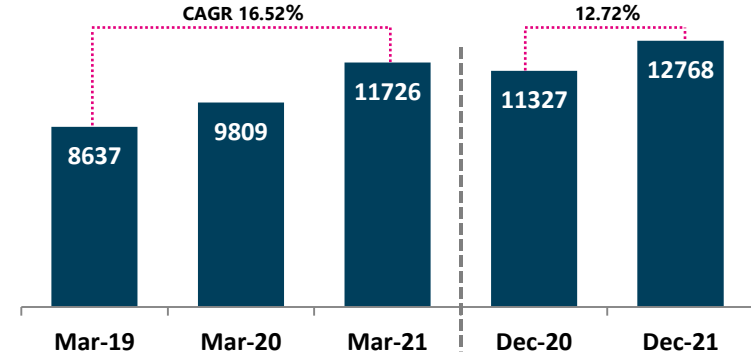
[^] Due to expense incurred on strengthening and expansion of branches, centers, employees and partnership including Fintech. Also, due to Normalization of business.

Financial Performance – Q3 FY22

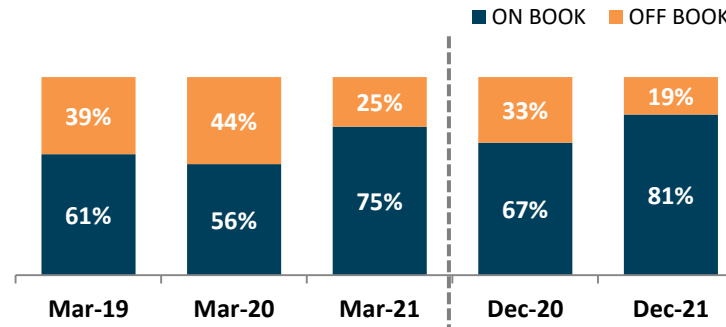
ASSETS UNDER MANAGEMENT (AUM)



NET WORTH



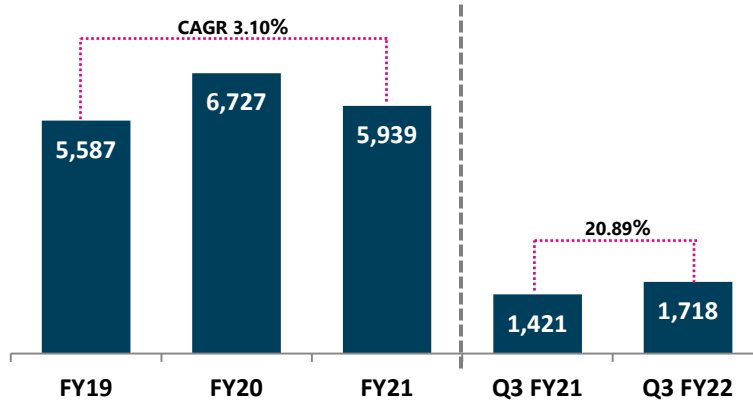
ON & OFF BOOK AUM



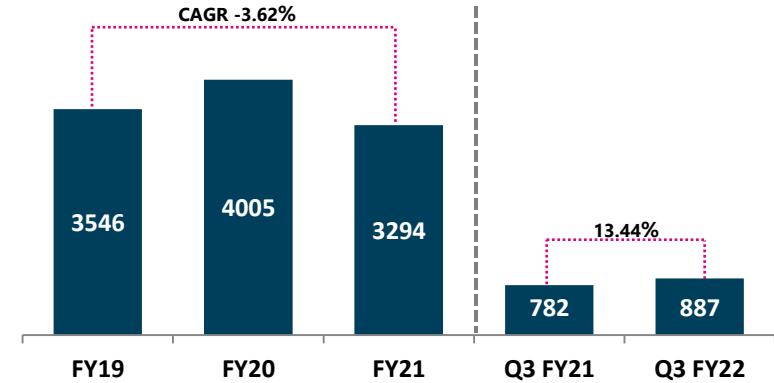
(In INR Mn.)

Financial Performance – Q3 FY22

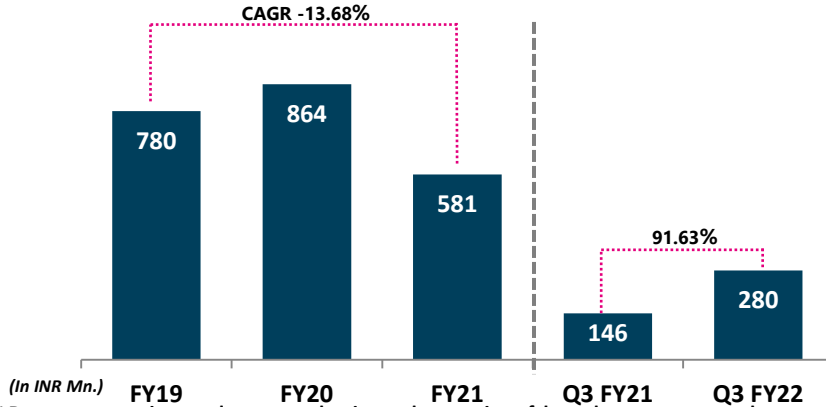
REVENUE



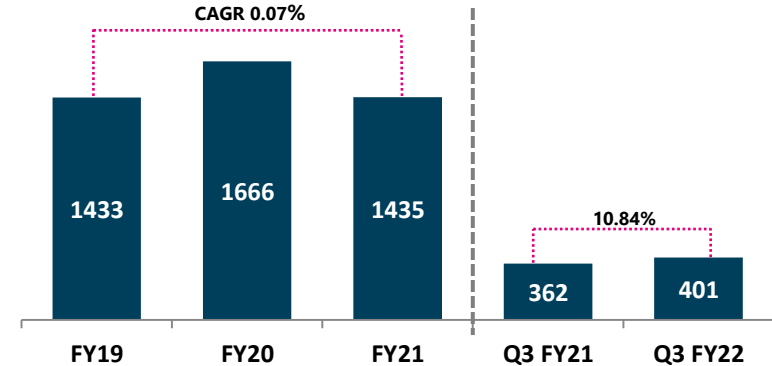
NET INTEREST INCOME (NII)



OPERATING EXPENSE#



PROFIT AFTER TAX (PAT)

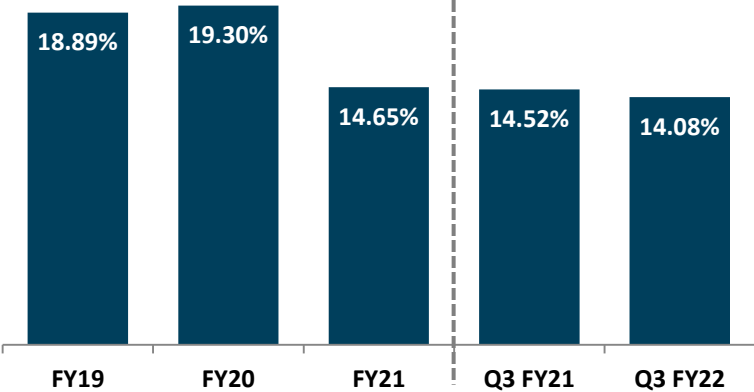


FY 20 and FY 21 was severely affected by COVID pandemic

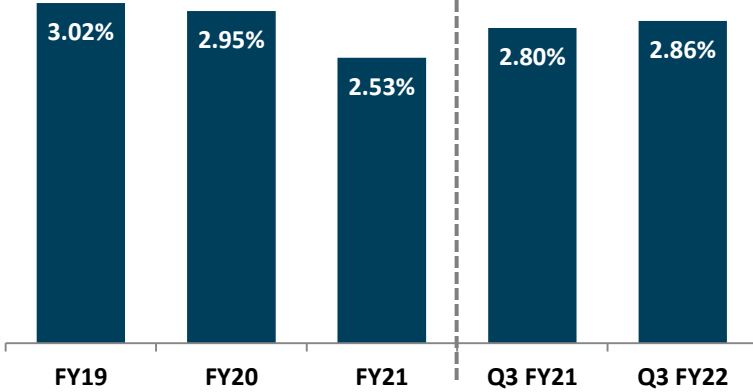
Financial Performance – Q3 FY22



RETURN ON AVG. NET WORTH (RONW)**



RETURN ON AVG. AUM (ROAUM)*



** Network considered without OCI

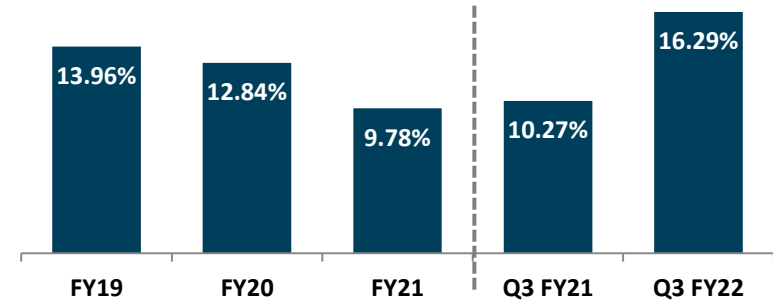
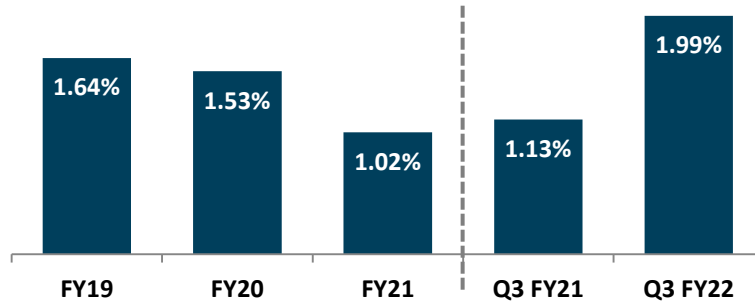
* Quarterly figures have been annualized.

Financial Performance – Q3 FY22

Optimized cost structure

OPERATING EXPENSE RATIO (OE RATIO)*^

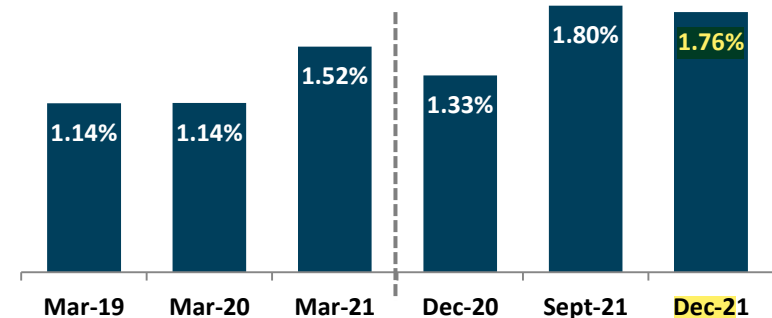
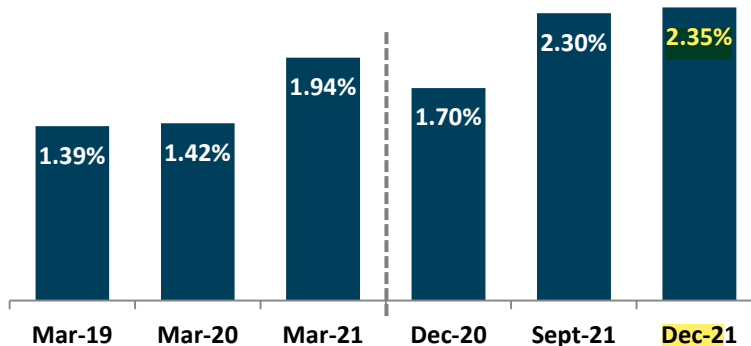
OPERATING EXPENSE AS % OF INCOME^



Efficiently maintaining the quality of assets

GROSS STAGE 3 ASSETS #

NET STAGE 3 ASSETS #



Lag effect of COVID 2nd Wave and in line with RBI circular dated November 12,2021

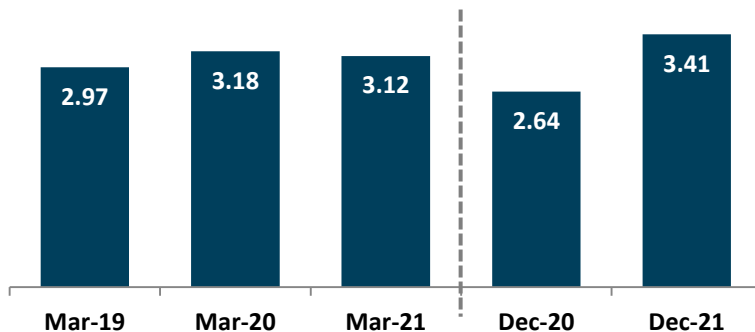
^ Due to expense incurred on strengthening and expansion of branches, centers, employees and partnership including Fintech. Also, due to Normalization of business.

*Quarterly figures have been annualized.

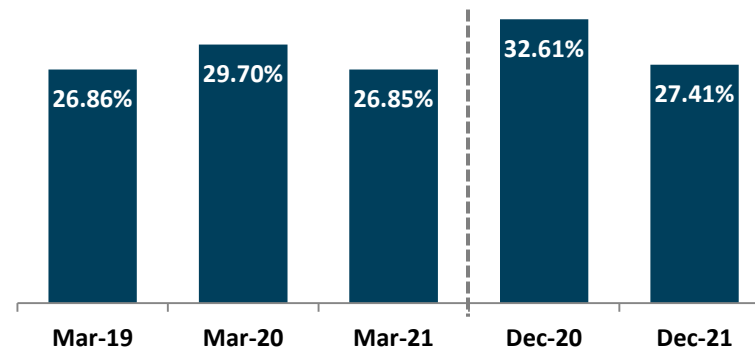
Financial Performance – Q3 FY22

Strongly Capitalized

DEBT – EQUITY RATIO (DER)

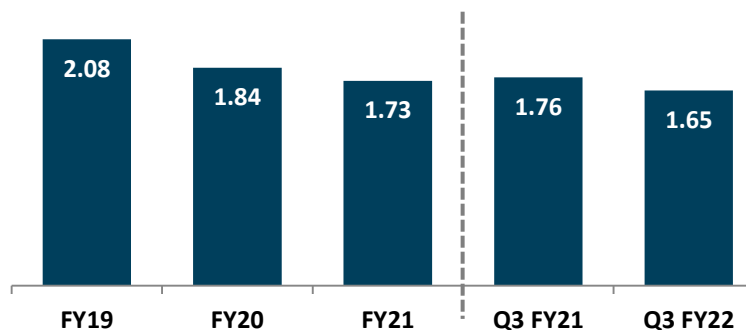


CAPITAL ADEQUACY RATIO *(CAR)



INTEREST COVERAGE RATIO (ICR)

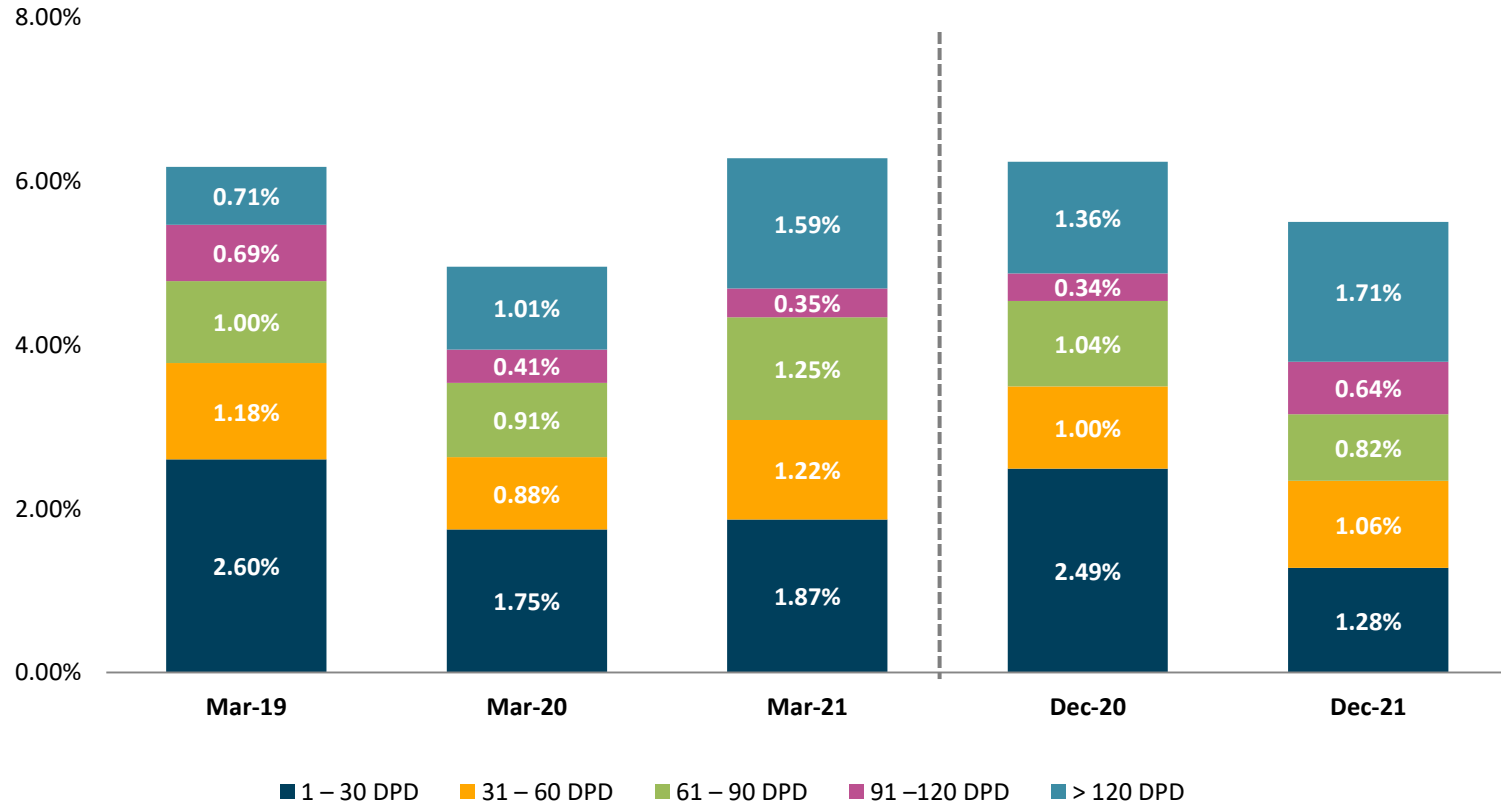
Healthy Coverage



* In December-20 CAR was higher due to higher percentage of Direct assigned portfolio @ 33%.

Asset Under Management - Credit Quality

ASSET UNDER MANAGEMENT- DPD



Credit Quality

Particulars	Dec-21 (As per RBI Guideline dated 12 November)		Dec-21 (As per earlier rule)		Dec-20	
	AUM	Provision	AUM	Provision	AUM	Provision
Stage 1	44679.57	146.65	44681.59	146.71	32630.13	153.20
Stage 2	857.86	96.85	933.68	105.72	593.60	65.37
Stage 3	1005.28	338.41	927.44	317.78	587.98	188.96
TOTAL ON BOOK	46542.72	581.91	46542.72	570.20	33811.71	407.52
Assigned Portfolio	10878.06	N/A	10878.06	N/A	16734.93	N/A
TOTAL AUM	57420.77		57420.77		50546.64	

(In INR Mn.)

Particulars	Dec-21 (As per RBI Guideline dated 12 November)	Dec-21 (As per earlier rule)	Dec-20
Gross Stage 1 And Stage 2 Assets As % Of On Book Assets	97.84%	98.01%	98.26%
Stage 1 & Stage 2 Assets (Standard Assets) Provisioning	0.53%	0.55%	0.66%
Gross Stage 3 Assets As % Of On Book Assets	2.16%	1.99%	1.74%
Stage 3 Assets Provisioning	33.66%	34.26%	32.14%
Net Stage 3 Assets As % Of On Book Assets	1.43%	1.31%	1.18%
Gross Stage 3 As % Of AUM	2.35%	2.18%	1.70%
Net Stage 3 As % Of AUM	1.76%	1.63%	1.33%

Note: (1) Stage 3 (>90 DPD Assets) on Assigned portfolio is INR 342.00 Mn. on 31st Dec 2021 and INR 272.17 Mn. on 31st Dec 2020 which has been taken into consideration while calculating Stage 3 As % Of AUM. Stage 3 (>90 DPD Assets) on Assigned portfolio is INR 326.40 Mn. on 31st Dec 2021 as per earlier rule.

(2) The company special COVID provisioning as on 31st Dec 2021 is INR 442.64 Mn. (Not netted off with gross assets in various stages) with which total provision amounts to around INR 1024.55 Mn.

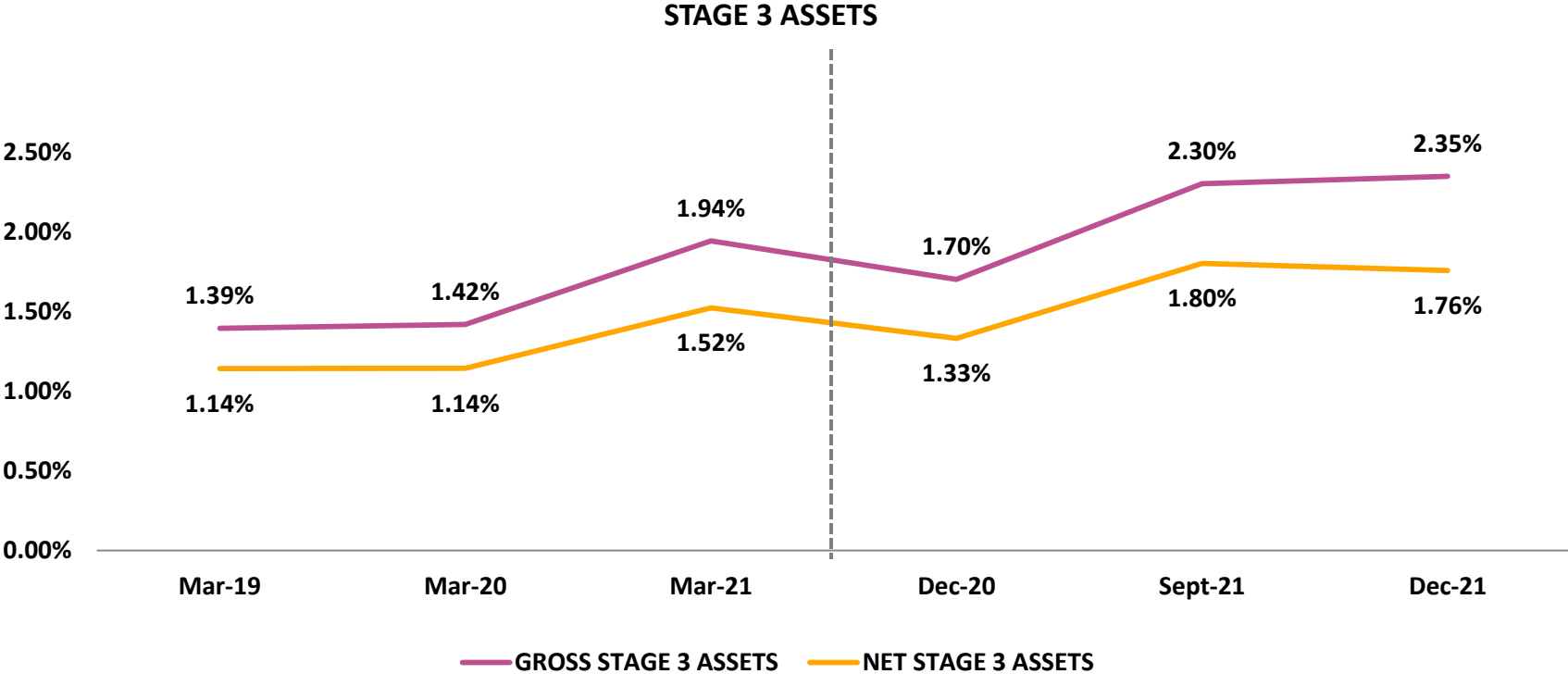
(3) The Company's restructured book outstanding as on 31st December 2021 was INR 272.47 Mn. which is 0.47% of the AUM.

(4) Pursuant to the RBI circular dated 12 November 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications", the Company has complied with the said circular.

Constantly maintaining quality portfolio



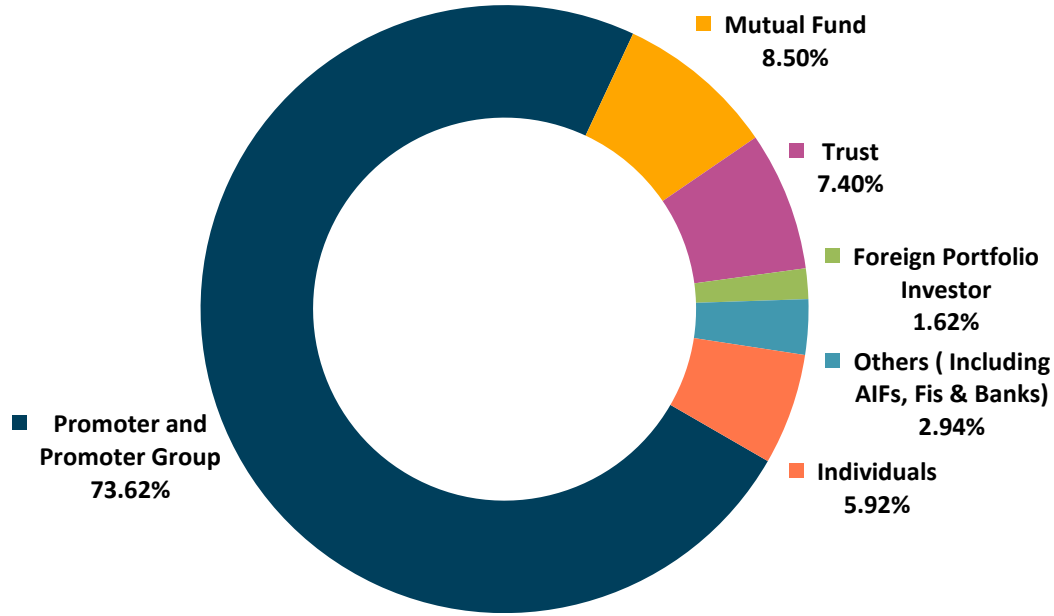
Catalyst in growth of Entrepreneurs, not creating just borrowers



Lag effect of COVID 2nd Wave and in line with RBI circular dated November 12,2021

Reputed Marquee FIIs and DIIs shareholders base

Shareholding as on 31st Dec 2021



Marquee Non Promoter Shareholders

MOTILAL PRIVATE EQUITY

AXIS MUTUAL FUND

IDFC MUTUAL FUND

TATA AIA LIFE INSURANCE

MOTILAL OSWAL MUTUAL FUND

ASK INVESTMENT MANAGERS PRIVATE LIMITED

SCHRODER INTERNATIONAL SELECTION FUND INDIAN OPPORTUNITIES

INDIA EMERGING OPPORTUNITIES FUND LIMITED

DIMENSIONAL FUND ADVISORS

UNISUPER LIMITED AS TRUSTEE FOR UNISUPER

Financial Statement: FY19 – 9M FY2021-22



PROFIT & LOSS STATEMENT					
INR Mn.	FY 2019	FY 2020	FY 2021	9M FY 2021-22	
Total Revenue	5587	6727	5939	4770	
Expenses	3387	4446	4010	3221	
Finance Costs	2041	2722	2645	2290	
Operating Expense	780	864	581	628	
Provisions and Loan Losses	565	859	784	303	
Profit Before Tax	2201	2282	1929	1549	
Profit After Tax	1433	1666	1435	1153	
Other comprehensive income	-66	47	75	-57	
Total comprehensive income	1367	1713	1510	1096	

BALANCE SHEET STATEMENT					
INR Mn.	Mar-19	Mar-20	Mar-21	Dec-21	
ASSETS					
Financial assets	36435	44906	50847	57403	
Loans	31807	33485	38051	42577	
other financial assets	4628	11422	12795	14826	
Non-financial assets	763	811	929	980	
Total assets	37197	45718	51776	58383	
LIABILITIES					
Financial liabilities	27494	34946	39339	45066	
Debt securities (including Subordinate Debt)	598	599	3740	7501	
Borrowings (other than debt securities)	19598	25202	29198	32865	
Other Financial Liabilities	7297	9145	6401	4700	
Non-financial liabilities	1067	963	711	549	
Total liabilities	28561	35909	40050	45615	
EQUITY					
Equity share capital	547	547	547	547	
Other equity	8090	9262	11179	12221	
Total equity	8637	9809	11726	12768	
Total liabilities and equity	37197	45718	51776	58383	



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

Subsidiary

MAAS is targeting affordable housing finance segment through its subsidiary

- MAAS Rural Housing & Mortgage Finance Limited (“MAAS 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 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 69 branches and have sourcing arrangements with 35 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 300 months for residential and 144 months for commercial
- Average Ticket size in Q3 FY22– **INR 9,03,778**
- AUM as of 31st Dec 2021– **INR 3,069 Mn.**

ASSETS AND PORTFOLIO QUALITY

- The AUM stood at INR 3,069 Mn. a growth of 10.67% over the corresponding period. However, the two quarters are not comparable due to the pandemic impact. The Gross Stage 3 Assets is 0.69% and Net Stage 3 Assets is 0.49% of AUM as on 31st Dec 2021.
- The Company is in process of constantly assessing the present evolving situation, in order to make necessary amendments in the credit policy. In line of our dictum of extending credit where it is due and adopting a cautious approach, the disbursement was INR 246.45 Mn. in Dec quarter.
- The total special COVID provision as on 31st Dec 2021 stands at INR 29.95 Mn. which is around 1.15% of the on book assets of INR 2,594.86 Mn.
- The collection efficiency for the Dec quarter was around 97%.
- The Company's restructured book outstanding as on 31st December 2021 was INR 26.08 Mn. which is 0.85% of the AUM.

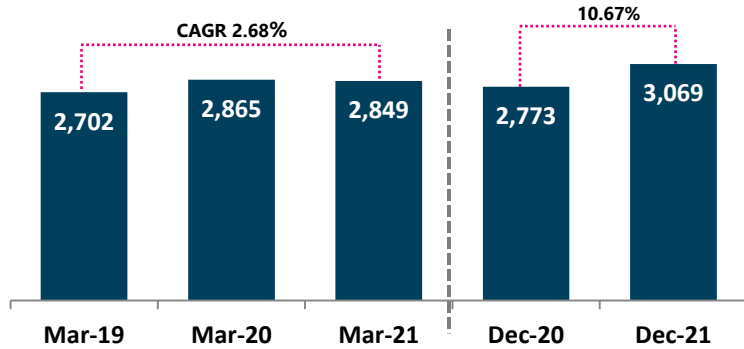
CAPITAL AND LIQUIDITY MANAGEMENT

- Company's Capital adequacy remained strong at 50.98% with Tier I Capital of 36.16% and Tier II Capital of 14.82%. The Company has adequate capital and financial resources to grow its business operations.
- As on 31st Dec 2021, the company had liquidity buffer of around INR 367 Mn. and unutilized Cash Credit facility of INR 210 Mn.
- Company also assessed its structural liquidity for the period ended 31st Dec 2021 and based on the assessment there is no negative impact on liquidity 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.

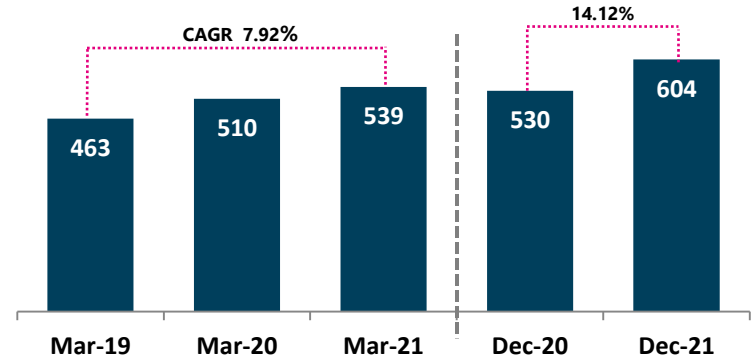
Financial Performance – Q3 FY22



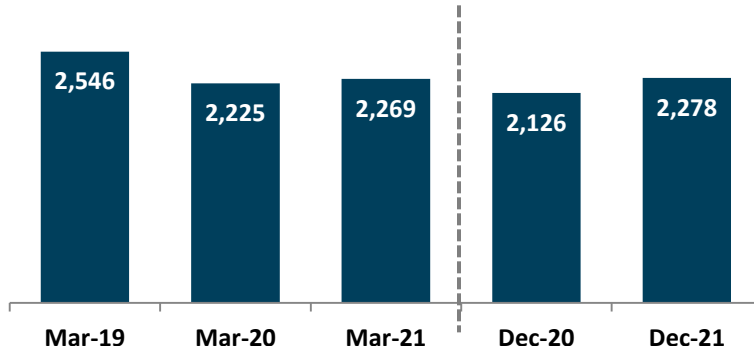
ASSETS UNDER MANAGEMENT (AUM)



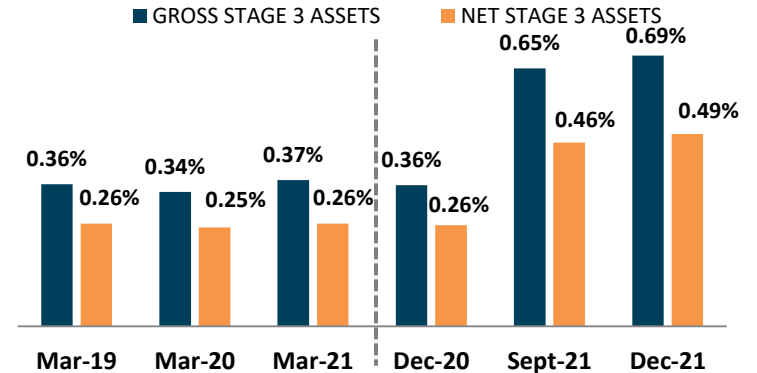
NET WORTH



BORROWING



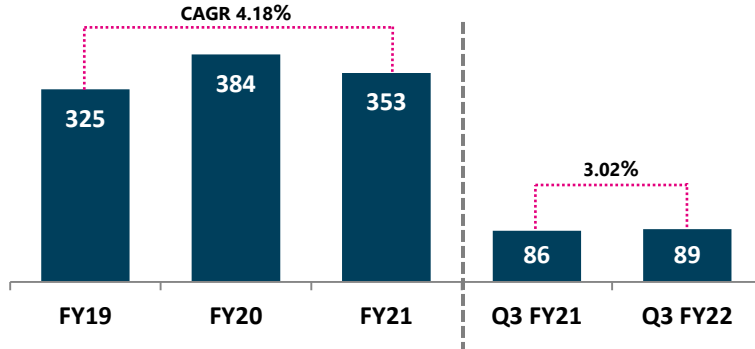
GROSS STAGE 3 ASSETS & NET STAGE 3 ASSETS#



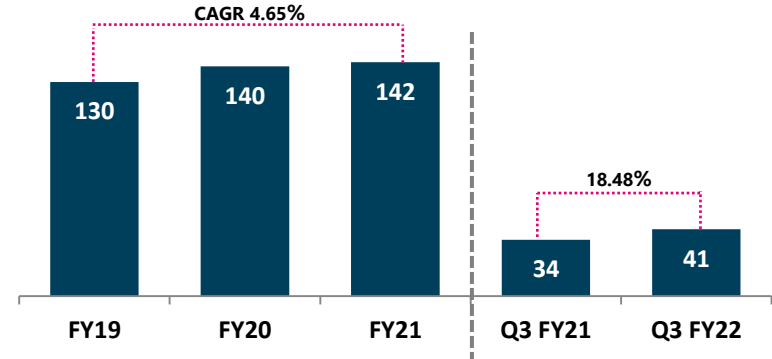
Financial Performance – Q3 FY22



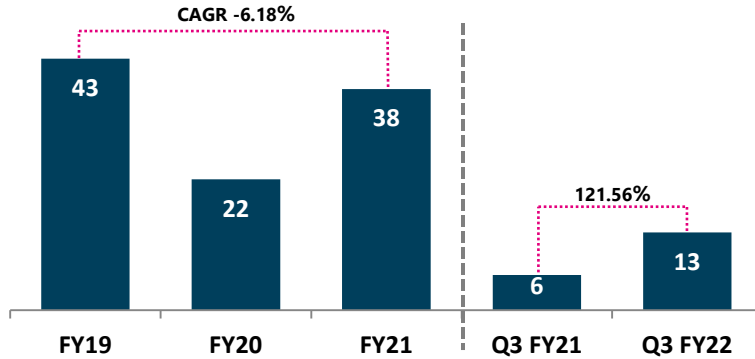
REVENUE



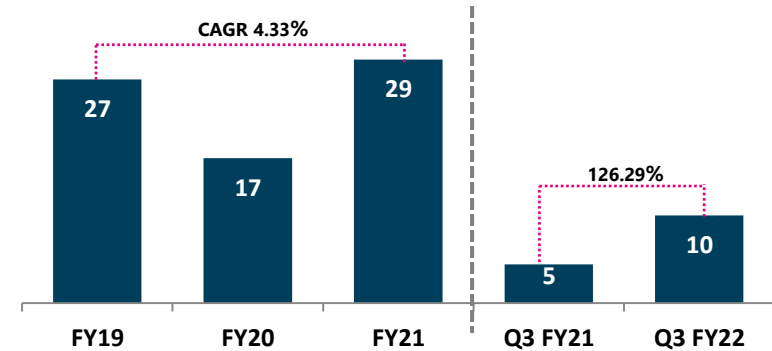
NET INTEREST INCOME (NII)



PROFIT BEFORE TAX (PBT)



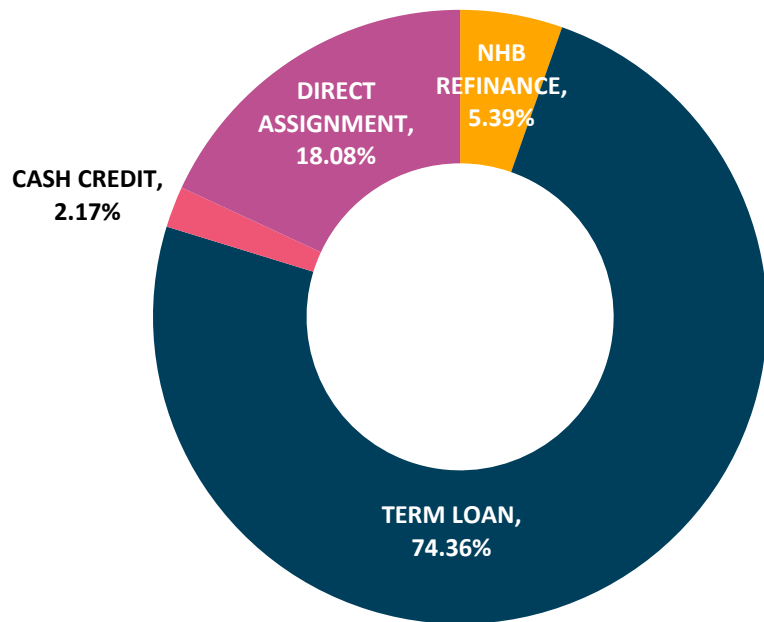
PROFIT AFTER TAX (PAT)



(In INR Mn.)

Sources of Fund

as on 31st Dec 2021



- The composition of our liability mix ensures healthy ALM and well diverse resource mix.
- The Company continues to demonstrate its capability of efficient liability management.
- **Capital adequacy ratio**, as on 31st Dec 2021 is **50.98%** against regulatory norms of 12%. **Tier I capital is 36.16%**. **Tier II capital is just 14.82%** 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 portfolio qualifies as priority sector lending for banks as on lending to HFCs.** We keep on raising term loans from banks both priority sector and Non priority sector lending with a average maturity of 5 -7 years.
- We keep on availing **refinance from NHB which is currently 5.39% 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 **INR 270 Mn..** The company utilizes the fund as per the requirement , 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	Dec-21		Dec-20	
	AUM	Provision	AUM	Provision
Stage 1	2,360.93	3.32	2,366.92	2.31
Stage 2	213.51	11.30	177.27	9.50
Stage 3	20.42	6.08	9.37	2.81
TOTAL ON BOOK	2,594.86	20.70	2,553.56	14.61
Assigned Portfolio	474.34	N/A	219.66	N/A
TOTAL AUM	3,069.21		2,773.22	

Particulars	Dec-21	Dec-20
Stage 1 And Stage 2 Assets As % Of On Book Assets	99.21%	99.63%
Stage 1 And Stage 2 Assets (Standard Assets) Provisioning	0.57%	0.46%
Stage 3 As % Of On Book Assets	0.79%	0.37%
Stage 3 Assets Provisioning	29.79%	29.95%
Net Stage 3 As % Of On Book Assets	0.55%	0.26%
Stage 3 As % Of AUM	0.69%	0.36%
Net Stage 3 As % Of AUM	0.49%	0.26%

Note: (1) Stage 3 (>90 DPD Assets) on Assigned portfolio is INR 0.61 Mn. on 31st Dec 2021, and INR 0.54 Mn. on 31st Dec 2020 which has been taken into consideration while calculating Stage 3 As % Of AUM.

(2) The company special COVID provisioning as on 31st Dec 2021 is INR 29.95 Mn. (Not netted off with gross assets in various stages) with which total provision amounts to around INR 50.65 Mn.

(3) The Company's restructured book outstanding as on 31st December 2021 was INR 26.08 Mn. which is 0.85% of the AUM.

(4) The stage 3 classification norms followed by the Company was in compliance with the the RBI circular dated 12 November 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications".

UNDERSTANDING **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

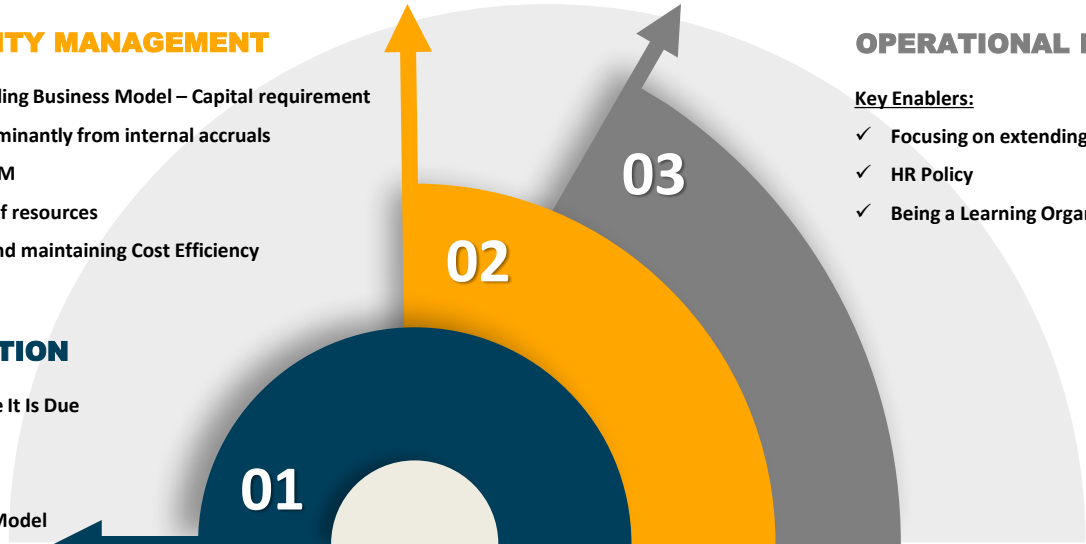
ASSET CREATION

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

OPERATIONAL EXCELLENCE

Key Enablers:

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



Unique and Robust Distribution Network Through NBFC Partners (1/3)



AIM & OUR UNDERSTANDING

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

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

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 (2/3)

IMPACT

HAS

- 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

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

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 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 :

- a) Providing Liability Solution
- b) Product Development & Strengthening their system and Operations
- c) Capital Advisory

The learning curve is further strengthened:

CREDIT ASSESSMENT

Continuous strengthening of due diligence and audit process - both pre and post disbursement.

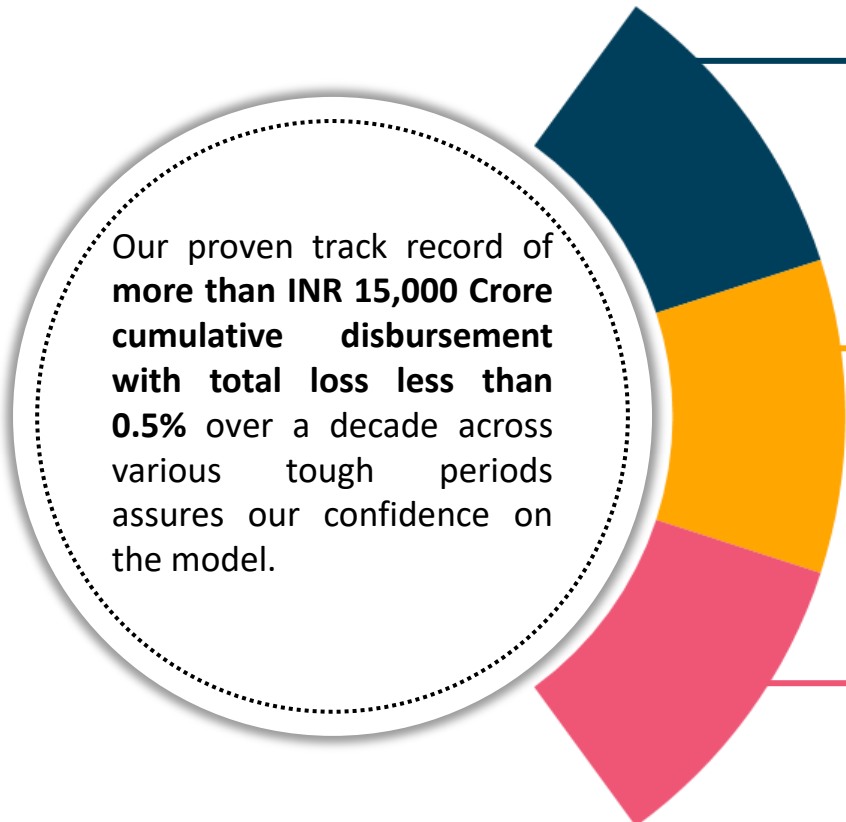
Further strengthening the field due diligence.

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.



Our proven track record of **more than INR 15,000 Crore cumulative disbursement with total loss less than 0.5%** over a decade across various tough periods assures our confidence on the model.

Robust and Comprehensive Credit Assessment & 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

EXPERIENCED PROMOTER



Mr. Kamlesh Chimanlal Gandhi
Chairman & MD

- **Mr. Kamlesh Chimanlal Gandhi**, aged 55 years, is the Founder, Chairman and Managing Director of **HAS** 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 **HAS**.
- 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.
- He is Co-Chairman of the Finance Industry Development Council.



Late Mr. Mukesh Chimanlal Gandhi

- **Late Mr. Mukesh Chimanlal Gandhi**, was a Co-founder, whole-time Director - Finance **HAS** Financial Services Limited. He was associated with the Company from May 25, 1995 till Jan 19, 2021.
- He was designated as the Director (Finance) and Chief Financial Officer of the Company on March 20, 2015. He held bachelor's and Master's degrees in commerce from Gujarat University
- He had over 30 years of experience in the financial services sector, with the Company
- He was also the chairman of the Gujarat Finance Company Association and a director of the Finance Industry Development Council.
- He played an important role in bringing the company to its present level from a humble beginning in the year 1995, based on very strong fundamentals. He was filled with positivity, enthusiasm, zeal, kindness and pragmatism The Company has immensely benefitted from his vision and vigilance.
- Team **HAS** remain committed to it's vision of excellence through endeavours.

EMINENT DIRECTORS



Mrs. Darshana Saumil Pandya
Executive Director & CEO

- **Darshana Saumil Pandya**, aged 48 years, is an executive Director and Chief Executive Officer of **HAAS** 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 25 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.

CORE TEAM

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

EXECUTION TEAM

Consisting of **more than 1700 employees** who works along with the core team towards accomplishing the company's Mission and Vision.

Major events and milestones

1995

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

2006

- Received first round of capital infusion of **INR 65 Mn.** from Bellwether Micro Fund

2008

- Acquired second and third round of capital infusion worth **INR 435 Mn. and INR 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 **INR 650 Mn.** from DEG

2013

- Disbursement and **AUM crossed INR 10 Bn.**

2014

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

2015

- Raised Subordinate Debentures of **INR 200 Mn.**
- AUM crossed INR 20 Bn.**

2016

- Bank loan rating was upgraded to **'IND A' with 'Stable outlook'**
- Raised subordinate debentures of **INR 400 Mn.**

2017

- AUM crossed INR 30 Bn.**
- Motilal Oswal infused **capital of INR 1,000 Mn.**

2018

- Listing of Equity Shares on BSE & NSE**
- Received capital infusion of **INR 350 Mn. from MOSL**
- Raised fresh capital of **INR 2,330 Mn. via IPO**

2019

- AUM crossed INR 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**
- AUM crossed INR 60 Bn. on a consolidated basis**

2021

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



The Power of Distribution

REGISTERED OFFICE

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