



The Power of Distribution

23RD ANNUAL REPORT
2017-18



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

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www.mas.co.in

Visit Company's official website to download the Annual Report.

In our eventful and exciting journey of 23 years, we have reached many milestones...

...each milestone we reached has been the starting point of the next phase and a new beginning.



At ~~MASS~~, our constant and tireless endeavour has been to reach further, aim higher and living up to our own expectations, surpassing them and setting ourselves yet higher targets and goals.

In the fast emerging and burgeoning NBFC space, growth is more or less given for all players. What differentiates long-term and sustainable growth is the quality of growth. And it is precisely this - not just growth per se, but quality growth that is what makes ~~MASS~~ distinct and different.

It is the vision and value systems of ~~MASS~~ underlined by a deep-rooted belief of the founders in the philosophy of trusteeship along with the passion has resulted in steady growth and expansion from ₹ 2 Crores AUM to over ₹ 4000 Crores AUM, from a revenue of ₹ 0.10 Crore to over ₹ 400 Crores and PAT of ₹ 0.02 Crore to over ₹ 100 Crores - validating our strategy and understanding the importance of protection of capital over returns on capital, and quality of growth over quantum of growth.

**As we look ahead
positively into
newer horizons, we
are confident and
committed to reach
new milestones...**

**because we feel we
have just begun...**



From the Desk of Founder, Chairman & MD

With a modest AUM of ₹ 2 Crores in the year 1995-96 to current AUM of more than ₹ 4000 Crores, it has been a journey where our resilience and capabilities were tested time and again.





My Dear Shareholders,

I am delighted to present to you the financial results for the year 2017-18. This has been a landmark year for the very reason that, we are now a strong group of close to 23,000 shareholders from just a few last year. The subscription to the Company's initial public offering was overwhelming to say the least. While it was a very motivating event for the Company, at the same time, it puts more responsibility on the management to pursue the goal of Excellence through Endeavours with more vigour.

The Company's performance as detailed in this report is very robust in tandem with our history of more than two decades: quality growth. In the business of lending, striking the balance between growth and quality is of paramount importance. We at **MAS** are committed to the same, evident from our long track record. With a modest AUM of ₹ 2 Crores in the year 1995-96 to current AUM of more than ₹ 4000 Crores, it has been a journey where our resilience and capabilities were tested time and again. It is worth sharing with all of you that every time our resolve got stronger.

Any company is as good as its human resource and it is no different at **MAS**. The Company has been served by one of the most dedicated and competent core team, along with a strong resource of more than 1,500 personnel responsible to propel the Company towards its mission and vision each day. Learning and unlearning on a daily basis remains the main plank of the human resource development.

The ultimate aim is to serve the customers in the most efficient manner, the key to sustainability and scalability. The opportunity that we get while serving the key customer base mainly in the MSME segment is enormous. It is a huge market characterised by excellent

entrepreneurs across the segment and the size of the business units we deal with. It will not be an exaggeration to mention that, we draw our inspiration from their hard work and resilience despite the fact that they have to face numerous challenges for their survival and growth. We endeavour to work closely with them and become their partner in their journey of growth through our financial advice and lending.

The successful journey so far is quite motivating, but in the same vein every New Year comes with its own set of challenges, which we reckon as opportunities. If you see the cover page of this financial report, it depicts what we at **MAS** believe in...

Every time we reach a milestone, we feel we have just begun...

This enthusiasm to take every challenge as an opportunity has played a vital role in laying the foundation of this Company.

We are committed to our mission of excellence through endeavours and start this new financial year 2018-19 with the same spirit and enthusiasm.

We are aware of the fact that we have miles to go and promises to keep and firmly believe that together we can and we will...

Best wishes,

Kamlesh C. Gandhi

Chairman and Managing Director

From the Desk of Co-Founder and Director-Finance

I am very happy to share with you that we could achieve this throughout our journey irrespective of the size and the macro scenario only because of the impeccable reputation the Company has built for itself in this long journey.





My Dear Shareholders,

I am delighted to share with you my views on the business and capital and liability management in particular. As you are aware, this is an organisation having more than two decades of excellent track record. This is the function of a very hard and dedicated efforts put in by team **MAAS**.

Over the years, we have followed few fundamentals which have helped us to navigate through all the thick and thin over the journey of two decades. They are pursuing quality growth, understanding that return of capital is far more important than just return on capital, raising of capital very judiciously to name a few. We constantly endeavour to generate optimum returns on capital, which I firmly believe is the main expectation of the shareholders and very rightly so.

During the journey, we have attracted many marquee investors and take immense pride in the fact that, the same is true with our thousands of retail shareholders too. Capital raising and debt management is an integral part of the lending business and is responsible for kickstarting a benign cycle of quality growth for, the debt raised at the lowest possible rates helps the Company to lend at the most competitive rates; thus giving the opportunity to choose and pick the borrowers and extend credit where it is due. I am very happy to share with you that we could achieve this throughout our journey irrespective of the size and the macro scenario

only because of the impeccable reputation the Company has built for itself in this long journey.

Due to the Company's capabilities of generating high return on capital, it has mainly grown through internal accruals, evident of the fact that over the journey of 23 years, there has been just 3 primary raise of capital including the IPO. This depicts the sound position of the Company and a very strong enabler for enhancing the shareholders' value.

With current capital raise and listing the Company enters the next stage and with enhanced capabilities for a still efficient capital and liability management which will help the Company realise its mission and vision of excellence through endeavours and maximising shareholders' value.

Best wishes,

Mukesh C. Gandhi

Director - Finance

MAS at a Glance



MAS has been engaged in specialised retail financing services for over two decades. The Company's inception dates back to 1995, when it was registered with the Reserve Bank of India as an NBFC.

With a focus on fulfilling the requirements of lower income and middle-income groups of society, today MAS has a bouquet of retail financing options on offer including loans for Micro Enterprises and Small and Medium Enterprises, Home Loans, Two-Wheeler Loans, Used Car Loans and Commercial Vehicle Loans. The Company has a presence across urban, semi-urban and rural areas, with business offerings in both the formal and informal sectors.

In its quest to provide the most efficient last-mile delivery of credit to the doorstep of the people of India, it has opened several branches. This network of 77 branches in major cities of Gujarat, Maharashtra, Rajasthan, Madhya Pradesh, Tamil Nadu and Karnataka, caters to over 3,300 centres spread across various locations.

Targeting a significant market share of the financial services space, MAS has been putting in place systems and processes that enable the Company to expand its distribution and assess various perspectives of creditability, in the absence of proper and systematic credit documents, including creditworthiness through other channels. It also leverages the distribution network of its partner NBFC-MFIs/NBFCs/HFCs/franchisees, thus tapping the emerging opportunity by extending financial services to underpenetrated regions and the BOP segment.



VISION

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



MISSION

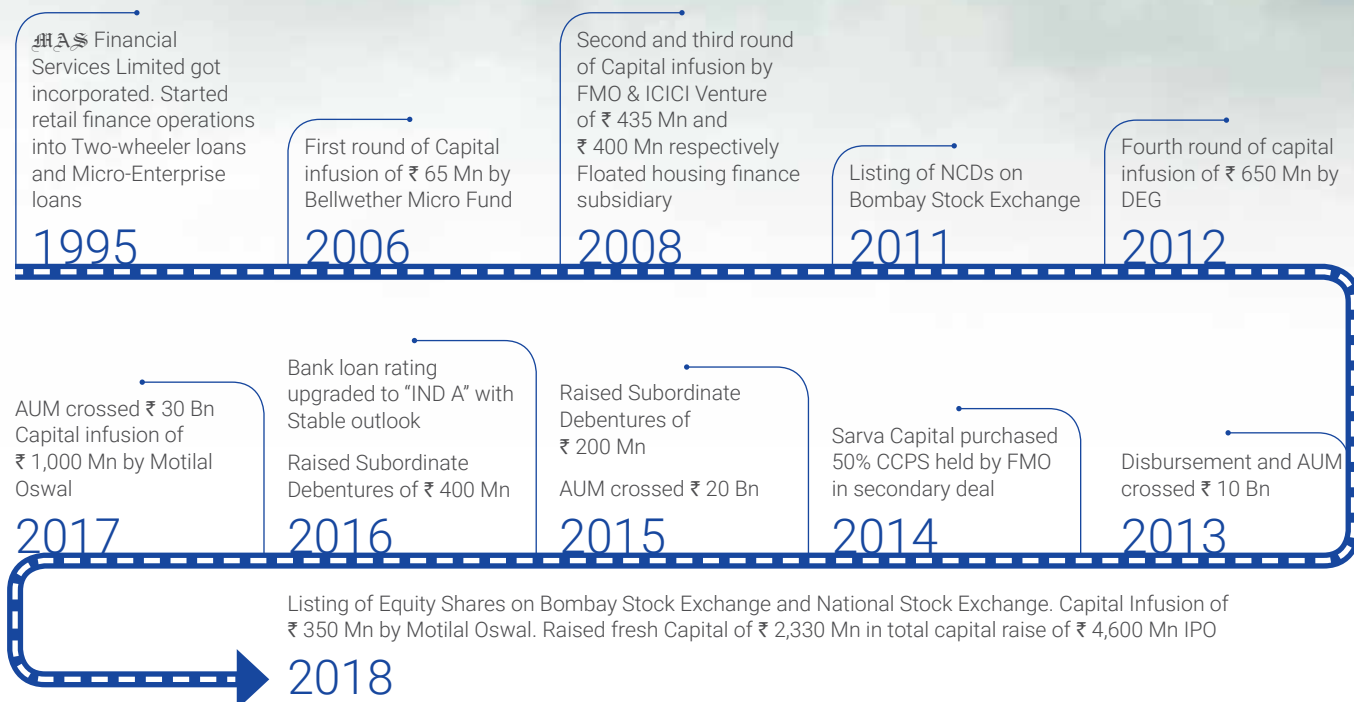
To constantly endeavour, to attain excellence and create a very wide financial distribution network and to be a catalyst; in providing the most efficient financial services which we term as financial inclusion.

BELIEF

“We have miles to go & promises to keep...”
“Together we can and we will”

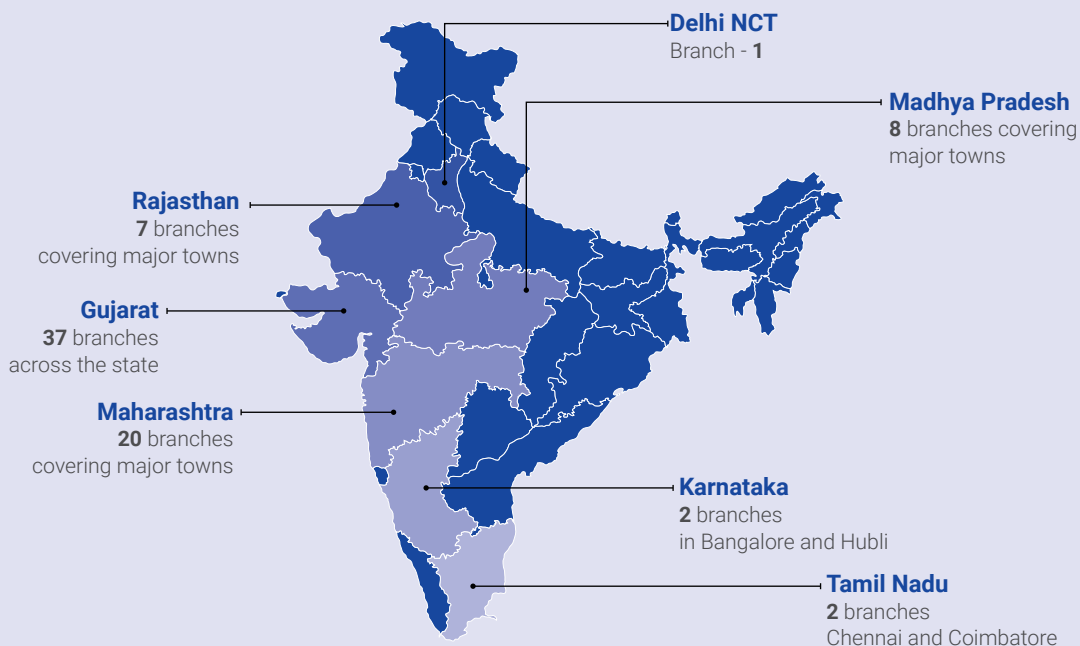


Our Journey so far...



HFS has 77 branches across 6 States and NCT of Delhi

4,50,000+ active customers across 3,300+ locations in Rural, Semi-urban and Urban locations



Key Strengths



Specialised in Retail Lending for the past 23 years – Over the years, HAS has created a diversified portfolio of loan products, a strong retail presence and wide distribution network and a thorough understanding of the MSME sector.



Achieved Consistent Growth – HAS has delivered consistent growth in profitability and returns over the years. Alongside stellar growth in the AUM, the GNPA's and NNPA's have remained negligible.



Human Resource – A very competent and a dedicated core team in charge of the key functions. Most of them with the Company since inception.

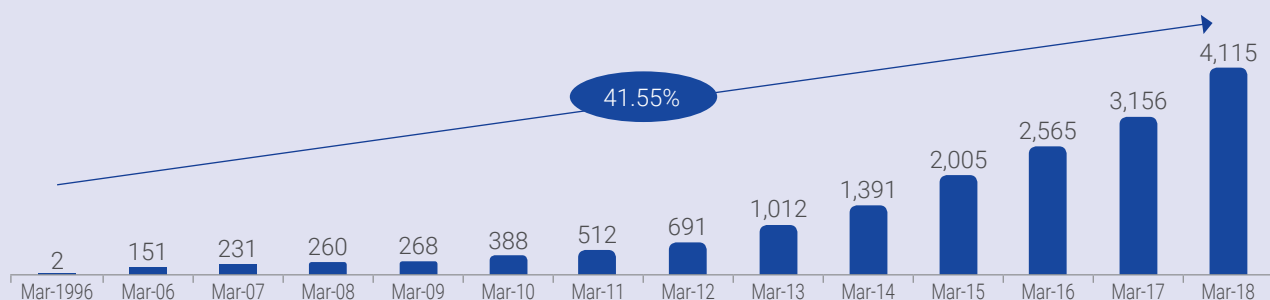


Efficient Liability Management – HAS enjoys an efficient cost of borrowing on various instruments including NCDs, Term Loans, Commercial Paper and Cash credit. Over a third of its AUM is assigned to Banks and Financial Institutions. Enabling capital base to fuel the future growth, getting stronger every year with internal accruals, ensuring robust Tier I and Tier II CRAR.

Progress in Numbers

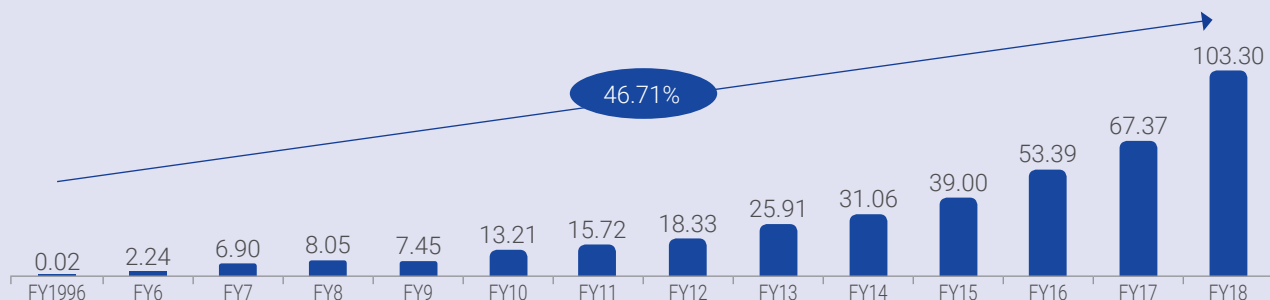
(₹ in Crores)

Assets Under Management (AUM)



(₹ in Crores)

Profit After Tax (PAT)



Other Key Achievements

(₹ in Crores)

	FY2017	FY2018	Growth
Assets Under Management (AUM)	3,156.14	4,114.45	30%
Profit Before Tax (PBT)	103.07	158.05	53%
Profit After Tax (PAT)	67.37	103.37	53%
Gross NPA	1.09%	1.15%	5%
Net NPA	0.95%	0.91%	-4%
Return on AUM (ROAUM)	2.36%	2.84%	21%