August 04, 2022

MAS Financial Services Limited: Rating withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Subordinated debt	60.00	-	[ICRA]A (Positive); withdrawn
Total	**60.00**	**-**	

**Instrument details are provided in Annexure-I*

Rationale

ICRA is withdrawing the rating for subordinated debt programme of the entity as the same has been repaid on maturity by the company and there is no amount outstanding against the same. The rating has been withdrawn in accordance with ICRA's policy on the withdrawal of credit ratings. ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key rating drivers, Liquidity position, Rating sensitivities, Key financial indicators have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: **Click here**

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Rating Methodology for Non-banking Finance Companies ICRA's policy on withdrawal of credit rating
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on the consolidated financial statements of MFSL

About the company

MAS Financial Services Limited (MFSL; formerly known as Marketing & Allied Services) is a non-deposit accepting NBFC, set up in 1988 by Mr. Kamlesh Gandhi and Mr. Mukesh Gandhi. While the company initially provided consumer durable financing, it currently provides corporate loans to NBFC-MFIs and other NBFCs engaged in retail finance, small ticket business loans, small commercial vehicle loans, two-wheeler loans and machinery finance. The company is predominantly present in Gujarat, Rajasthan and Maharashtra. As on December 31, 2021, it had a presence in six states and the Delhi National Capital Region (Delhi/NCR) through 114 branches.

MAS Rural Housing and Mortgage Finance Limited (MRHMFL), a subsidiary of MFSL, is an HFC registered with National Housing Bank (NHB). It caters to the middle and lower income groups through home loan products and loans for the purchase or construction of commercial properties. The company offers only home loans to the salaried and self-employed segments with an average ticket size of Rs. 8 lakh. Apart from home loans, it gives loans for the purchase of shops as well as project funding for affordable housing projects. Although it uses the infrastructure of the parent at the branch level, a dedicated sourcing and credit team has been set up for the same.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2023)					Chronology of Rating History for the Past 3 Years		
		Type	Amount (Rs. crore)	Amount outstanding (Rs. crore)	Date & Rating in FY2023		Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020
					Aug-04-2022	Apr-28-2022	Apr-30-2021	-	Mar-27-2020
1	Subordinated Debt	Long Term	60.00	-	[ICRA]A (Positive); withdrawn	[ICRA]A (Positive)	[ICRA]A (Stable)	-	[ICRA]A (Stable)
2	Long-term Bank Facilities Programme	Long Term	-	-	-	-	-	-	[ICRA]A (Stable); withdrawn

Complexity level of the rated instruments

Instrument	Complexity Indicator
Subordinated debt	Not applicable; as instrument has redeemed

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: www.icra.in

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
INE348L08033	**Subordinated debt**	Jun 22, 2015	14.00%	Jun 22, 2022	40.00	[ICRA]A (Positive); withdrawn
INE348L08025	**Subordinated debt**	Mar 18, 2015	13.50%	Sep 18, 2021	20.00	[ICRA]A (Positive); withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Company Name	LTHL Ownership	Consolidation Approach
MAS Financial Services Limited	100.00% (rated entity)	Full Consolidation
MAS Rural Housing and Mortgage Finance Limited	100%	Full consolidation

Source: Company

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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