



IPO OFFERING

MAS Financial Services Ltd



About Company

Recommendation: Subscribe for Long term

Mas Financial Services Ltd (“Mas”) is a Gujarat-headquartered Non-Banking Financial Company with more than two decades of business operations. Mas operates in 5 business verticals viz Micro-Enterprise Loans; SME Loans; Two-Wheeler Loans; Commercial Vehicle Loans (Includes new and used commercial vehicle loans, used car loans and tractor loans); Housing Loans. As of June 30, 2017 Mas Financial had more than 500,000 active loan accounts, across more than 3,165 Customer Locations in 6 States and the NCT of Delhi, served through their 121 branches. The company promoters have significant operational experience in the financial services sector in India, and their shareholders include Development Finance Institutions including FMO and DEG and Private Equity Investors including Sarva Capital.

Price Band	: Rs. 456 to Rs. 459 per share
Bid Lot size	: 32 Shares
Issue opens	: October 6th 2017, Friday
Issue Closes	: October 10th 2017, Tuesday
Min App Amount	: Rs 14,688/- at upper band
Retail & Employee Discount	: Rs.45/-per share

Msearch View:

We believe Mas IPO provided scope of growth as well as a favourable investment opportunity in Financial Services for long term investors. At Rs. 459, Mas will have a market cap of Rs. 2508 Crore with AUM of Rs. 3451 Crore (June 30, 2017). On valuation perse at higher price band Mas trades at 4x P/BV multiples post issue which seems reasonably priced when compared to listed NBFC peers which are trading around Median range of 5x times while on P/E ratio Mas is asking 22x on FY18 EPS at the upper end which is lower to the industry average of 41x. Considering diversified product offerings and leveraging network and customer base to develop the Housing Finance business acts as key factor of growth. Hence we recommend investors to subscribe to the issue for long term basis as well as listing gain.

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