



Board Presentation

Quarter ended 30<sup>th</sup> June 2016

# PERFORMANCE ANALYSIS



## SUMMARY FINANCIAL STATEMENT

Amounts In ₹. Crores

Financial Snapshot	Quarter Ended		Y-O-Y	Year ended 31/03/2016
	Jun '15	Jun '16		
<b>Disbursement :</b>				
Hyp Loans	165.7	232.7	40.4%	780.0
Other Loans	30.4	23.5	-22.5%	147.9
<b>Total Disbursements</b>	<b>196.1</b>	<b>256.2</b>	<b>30.7%</b>	<b>927.9</b>
AUM at the end of the period	878.2	1090.3	24.2%	1038.8
Avg. AUM ( Inc. intrest. accrued)	816.3	1051.0	28.7%	882.3
<b>Total Interest and Fee Income</b>	<b>50.7</b>	<b>64.3</b>	<b>26.8%</b>	<b>228.5</b>
Finance Expenses	20.9	25.2	20.9%	87.0
<b>Net Interest Income(NII)</b>	<b>29.8</b>	<b>39.1</b>	<b>31.0%</b>	<b>141.5</b>
Operating Expenses	18.9	25.1	32.6%	88.6
Loan Losses & Provisions	5.3	7.0	32.3%	17.4
Profit Before Tax	5.6	7.0	24.3%	35.5
<b>Profit After Tax</b>	<b>3.8</b>	<b>4.5</b>	<b>19.4%</b>	<b>22.9</b>
<b>Ratios</b>				
Total OPEX to NII	63.4%	64.2%		62.6%
Loan loss to Avg. AUM*	2.6%	2.7%		2.0%
Return of Avg AUM*	1.8%	1.7%		2.6%
<b>Earning Per Share (In ₹)</b>	<b>3.0</b>	<b>3.6</b>		<b>18.3</b>

\* Figures are annualized

# FINANCIAL COMPARISON – QUARTER ENDED Q4 FY 16 V/s Q1 FY 17

Amounts In ₹. Crores

Financial Snapshot	Quarter Ended		Variance	
	Mar '16	Jun '16	Value	%
<b>Disbursement :</b>				
Hyp Loans	234.8	232.7	-2.1	-0.9%
Other Loans	79.9	23.5	-56.4	-70.6%
<b>Total Disbursements</b>	<b>314.7</b>	<b>256.2</b>	<b>-58.5</b>	<b>-18.6%</b>
AUM at the end of the period	1038.8	1090.3	51.5	4.9%
Average AUM ( Inc. int. accrued)	949.6	1051.0	101.4	10.7%
<b>Total Interest and Fee Income</b>	<b>63.4</b>	<b>64.3</b>	<b>0.9</b>	<b>1.3%</b>
Finance Expenses	22.3	25.2	2.9	13.0%
<b>Net Interest Income(NII)</b>	<b>41.1</b>	<b>39.1</b>	<b>-2.0</b>	<b>-5.0%</b>
Operating Expenses	25.5	25.1	- 0.4	- 2.0%
Loan Losses & Provisions	4.6	7.0	2.4	52.3%
Profit Before Tax	11.0	7.0	- 4.0	-36.5%
<b>Profit After Tax</b>	<b>6.8</b>	<b>4.5</b>	<b>-2.3</b>	<b>-34.8%</b>
Ratios				
Total OPEX to NII	62.1%	64.2%		
Loan loss to Avg. AUM *	1.9%	2.7%		
Return of Avg AUM *	2.9%	1.7%		
<b>Earning Per Share (In ₹)</b>	<b>5.5</b>	<b>3.6</b>		

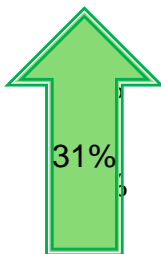
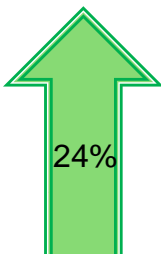
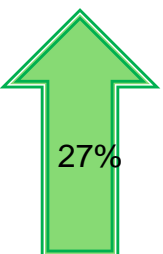
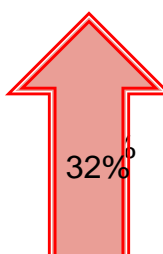

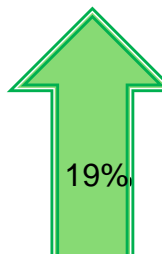
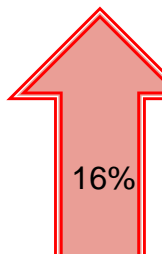
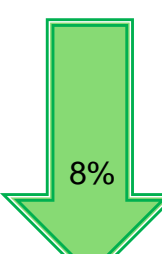

# STATEMENT OF SOURCES AND APPLICATION

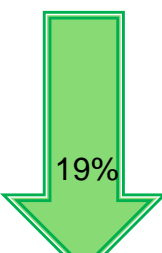
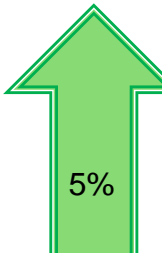
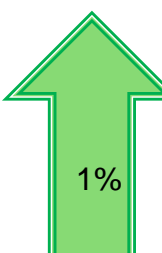
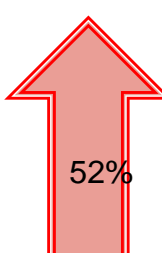
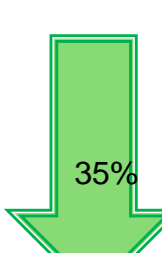
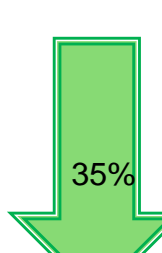
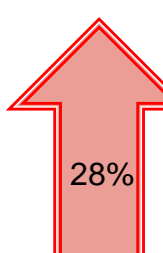
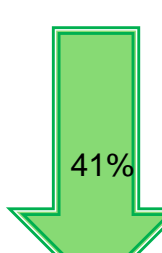
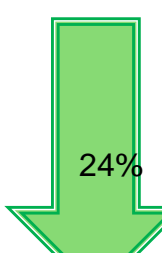
Amounts In ₹. Crores

Sources	As At			Applications	As At		
	30-Jun-15	31-Mar-16	30-Jun-16		30-Jun-15	31-Mar-16	30-Jun-16
Share Capital	12.5	12.5	12.5	Fixed assets	1.9	1.8	1.9
Reserves & Surplus	124.6	135.4	139.9	Investments	17.9	19.4	19.9
Bank Borrowings	597.1	738.3	768.1	Deferred Tax Assets	3.9	4.7	5.9
Debentures	4.6	2.9	2.4	Auto Loan	802.5	919.4	969.1
Sub Debt	4.1	16.3	31.4	Loan Buyout	51.6	32.8	21.4
Public Deposit	121.3	109.6	105.5	Term Loans	0	65.3	75.7
Loan from Directors	9.0	13.6	13.6	Other Loans	12.9	8.0	10.9
Intercompany Loan	1.3	1.4	1.4	Interest Accrued on Loans	11.1	13.2	13.3
Interest Accrued on Loans	8.7	11.7	11.4				
<b>Total Borrowings</b>	<b>746.1</b>	<b>893.8</b>	<b>933.8</b>	<b>Total Loans</b>	<b>878.3</b>	<b>1038.8</b>	<b>1090.3</b>
				Other long term Loans & advances	0.2	0.6	0.4
Other Liabilities	11.7	17.9	21.9	Cash and Cash Equivalents	2.7	2.4	2.1
Provisions	18.3	12.5	17.6	Short Term Loans and Advances	3.3	3.9	3.6
				Other Assets	5.2	0.6	1.5
<b>Total</b>	<b>913.2</b>	<b>1072.1</b>	<b>1125.7</b>	<b>Total</b>	<b>913.2</b>	<b>1072.1</b>	<b>1125.7</b>

- \*Investments includes SLR Investment of ₹ 14.25 crores in Govt. Securities and ₹ 5.68 crores in Bank Deposit as at June'16.

# PERFORMANCE HIGHLIGHTS – Q1 FY '17

	₹ in crores	₹ in crores	₹ in crores	₹ in crores	₹ in crores	In ₹	₹ in crores		
	Disbursements	Loan Book Size	Revenue	Loan Loss Prov	PAT	EPS	NPA	ROA	ROE
Q1 FY 17	256.2	1090.3	64.3	7.0	4.5	3.6	69.4	1.7%	14.0%
									
	31%	24%	27%	32%	19%	19%	16%	8%	26%
Q1 FY 16	196.1	878.2	50.7	5.3	3.8	3.0	59.9	1.8%	11.1%

	₹ in crores	₹ in crores	₹ in crores	₹ in crores	₹ in crores	In ₹	₹ in crores		
	Disbursements	Loan Book Size	Revenue	Loan Loss Prov	PAT	EPS	NPA	ROA	ROE
Q1 FY 17	256.2	1090.3	64.3	7.0	4.5	3.6	69.4	1.7%	14.0%
									
	19%	5%	1%	52%	35%	35%	28%	41%	24%
Q4 FY 16	314.7	1038.8	63.4	4.6	6.9	5.5	54.2	2.9%	18.5%

## STATEWISE DISBURSEMENT (HYP LOANS) - Q 1 FY '16 V/s Q 1 FY '17

Amounts In ₹. Crores

STATE	BRANCH *				DEALER				TOTAL				% of Growth
	Q1 FY '16		Q1 FY '17		Q1 FY '16		Q1 FY '17		Q1 FY '16		Q1 FY '17		
	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	
Andhra Pradesh	163	0.7	252	1.1	4 776	20.8	6 877	31.3	4 939	21.5	7 129	32.4	51%
Goa	8	0.1	5	0.0	116	0.5	73	0.3	124	0.5	78	0.3	-31%
Gujarat	706	2.9	1 142	4.8	342	1.4	789	3.4	1 048	4.3	1 931	8.2	91%
Karnataka	629	2.7	1 262	5.4	7 277	31.2	9 071	39.1	7 906	33.9	10 333	44.5	31%
Kerala	4 287	20.2	5 164	27.1	11 082	52.1	15 209	80.9	15 369	72.3	20 373	107.9	49%
Maharashtra	21	0.1	19	0.1	1 076	4.4	1 386	5.8	1 097	4.5	1 405	5.9	31%
Tamil Nadu	647	2.8	1 406	6.6	5 604	26.0	4 358	20.2	6 251	28.8	5 764	26.8	-7%
North & East	0	0.00	155	0.7	0	0.00	1 398	5.8	0	0	1 553	6.5	++
Total	6 461	29.5	9 405	45.8	30 273	136.3	39 161	186.9	36 734	165.8	48 566	232.7	40%

\* Including MMM Business

## MAIN FACTORS IMPACTING PROFITABILITY - DELINQUENCIES

Amounts In ₹. Crores

Particulars	Q1 FY '16	Q2 FY '16	Q3 FY '16	Q4 FY '16	Q1 FY '17	For FY '16
Unrealized Income	2.9	0.3	0.4	- 0.5	1.3	3.1
Loss on sale + Provision for diminution in value of repossessed assets	1.8	1.5	2.5	3.3	2.8	9.1
NPA write off	0	0	0	3.0	0	3.0
NPA Provision	2.7	1.7	1.7	-2.0	3.6	4.0
<b>Total</b>	<b>7.4</b>	<b>3.5</b>	<b>4.6</b>	<b>3.8</b>	<b>7.7</b>	<b>19.2</b>
Avg AUM	816.3	872.2	921.4	949.6	1051.0	882.3
<b>% of credit cost on Avg AUM (annualized)</b>	<b>3.6%</b>	<b>1.6%</b>	<b>2.0%</b>	<b>1.6%</b>	<b>2.9%</b>	<b>2.2%</b>



# HIT ON ACCOUNT OF CHANGE IN RBI NORMS IN ASSET CLASSIFICATION

Amounts In ₹. Crores

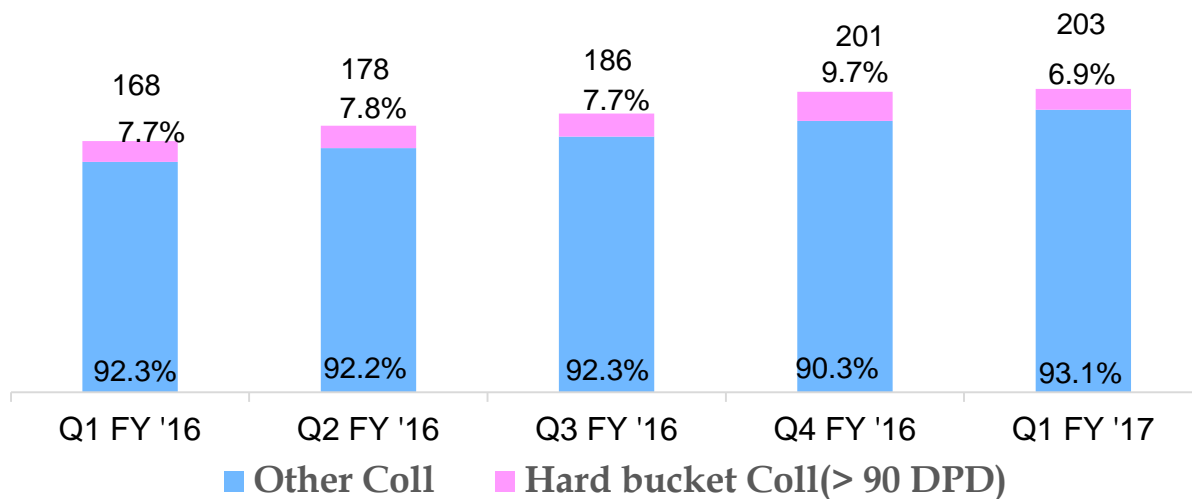
Asset Classification	No of Accounts		Balance Principal		Unrealised Income			Provision		
	5M	4M	5M	4M	5M	4M	Difference	5M	4M	Difference
Standard Asset			1029.1	1021.0	-	-	-	3.1	3.6	0.5
Sub Standard	26 728	27 722	49.1	50.2	5.9	5.4	(0.5)	4.9	5.0	0.1
D1	5 278	7 726	11.1	15.9	2.0	2.7	0.6	4.6	5.5	0.9
D2	583	1 373	1.4	3.1	0.3	0.6	0.4	0.9	2.0	1.1
<b>Total</b>	<b>32 589</b>	<b>36 821</b>	<b>1090.7</b>	<b>1090.2</b>	<b>8.2</b>	<b>8.8</b>	<b>0.5</b>	<b>13.5</b>	<b>16.1</b>	<b>2.6</b>

Summary	
Hit due to unrealized Income	0.5
Hit due to provision	2.6
<b>Total</b>	<b>3.1</b>

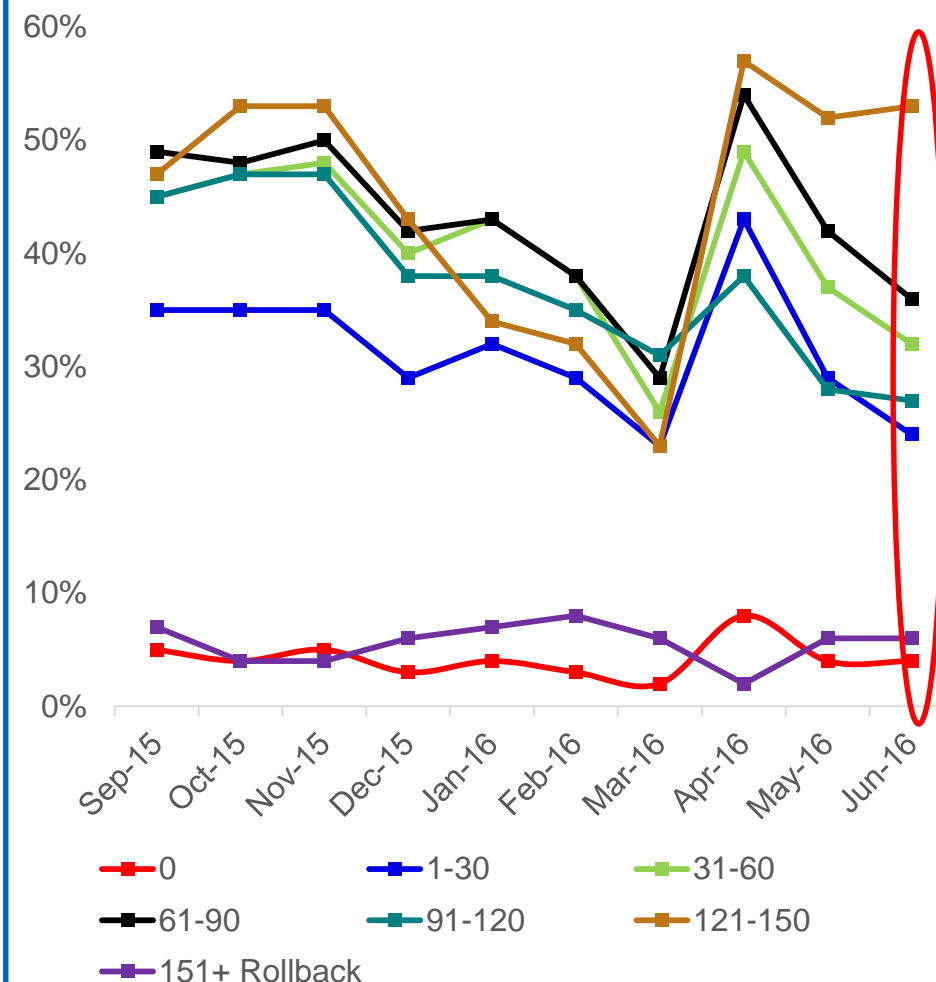
# COLLECTION PERFORMANCE MONITORING (HYP)

Amount In ₹ Crores

## COLLECTION PERFORMANCE



## BUCKETWISE FLOW



Bucket	Bucket wise dues					
	Q4 FY '15	Q1 FY '16	Q2 FY '16	Q3 FY '16	Q4 FY '16	Q1 FY '17
0	76.9%	75.6%	76.2%	76.9%	80.5%	78.5%
1	4.6%	6.6%	6.1%	5.6%	4.7%	6.6%
2 & 3	7.2%	6.9%	6.9%	6.5%	5.7%	6.1%
4 & 5	4.6%	3.9%	4.3%	4.4%	3.9%	3.2%
Above 5	6.7%	7.0%	6.5%	6.5%	5.2%	5.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

## COLLECTION – BUCKET WISE FLOW

Month	Buckets						
	0	1 to 30	31-60	61-90	91-120	121-150	151+ Rollback
Apr'15	9%	50%	56%	56%	64%	69%	6%
May'15	5%	36%	48%	46%	52%	54%	6%
Jun'15	4%	28%	33%	35%	50%	51%	8%
Jul'15	4%	32%	36%	40%	41%	44%	6%
Aug'15	5%	39%	45%	50%	49%	51%	5%
Sep'15	5%	35%	45%	49%	45%	47%	7%
Oct'15	4%	35%	47%	48%	47%	53%	4%
Nov'15	5%	35%	48%	50%	47%	53%	4%
Dec'15	3%	29%	40%	42%	38%	43%	6%
Jan'16	4%	32%	43%	43%	38%	34%	7%
Feb'16	3%	29%	38%	38%	35%	32%	8%
Mar'16	2%	23%	26%	29%	31%	23%	6%
Apr'16	8%	43%	49%	54%	38%	57%	2%
May'16	4%	29%	37%	42%	28%	52%	6%
Jun'16	4%	24%	32%	36%	27%	53%	6%

## **Linked the employee incentive schemes to bucket resolution and increased focus on roll backs to lower bucket; resulted in...**

- Reducing the flow of cases to higher buckets and reducing the 30+ stock
- Increasing the quarterly collections up from Rs 168 crs to Rs 203 crs between Q1 FY 16 and Q1 FY 17
- Increasing the cash collection consistently in both soft and hard buckets
- Reducing the over all 30+ & 90+ delinquency
- Introduced demand performance as qualifier for incentives to ensure improved focus on demand cases.

## **Aggressive focus on >90 and NPA accounts including asset surrender in higher buckets helped improve...**

- Cash collection from NPA accounts shown consistent increase.
- By reducing NPA both in terms of absolute amount and percentage.
- Higher repossession in harder buckets.

## **Changed incentives schemes and pay out structure to agencies...**

- Aligned the agency pay out structure inline with new NPA norms , higher pay outs for higher roll backs
- Inducted more agencies to reduce dependency and to bring competition among agencies

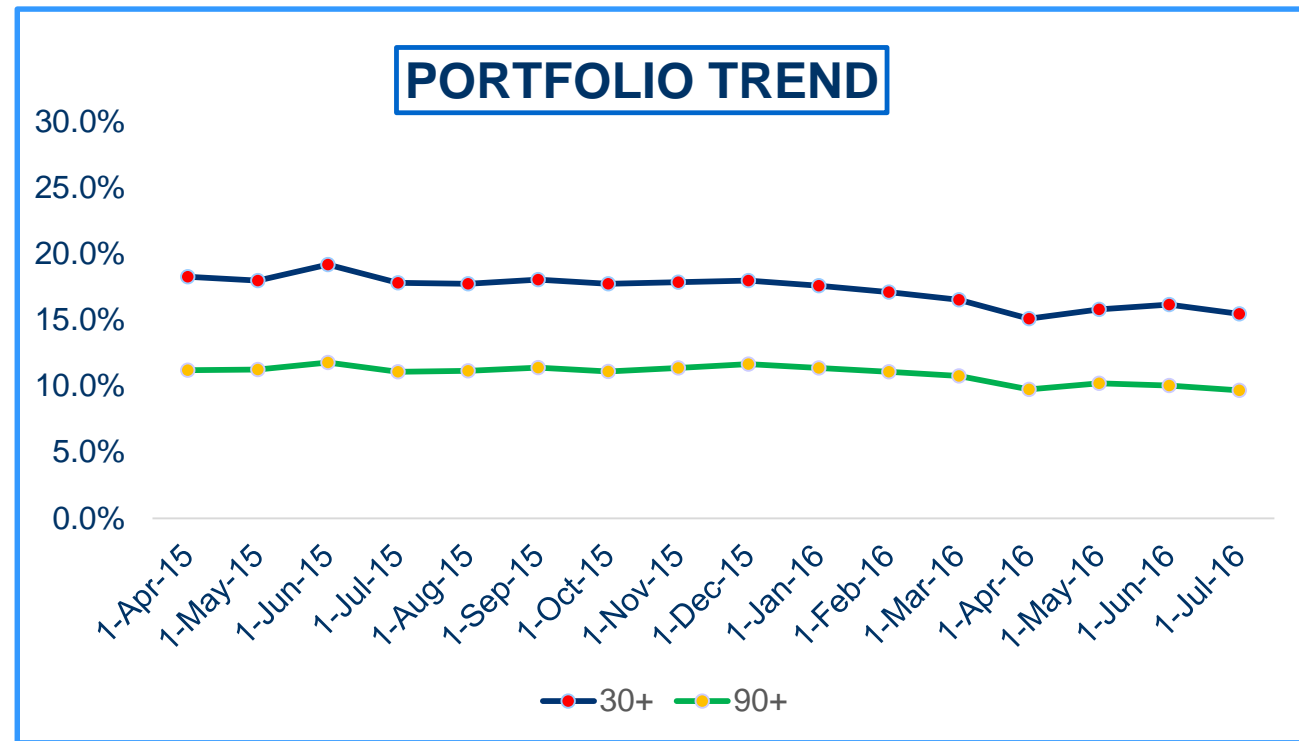
## Changes made during the quarter.....

- **Appointed Exclusive agency managers to ensure more focus on agencies .**
- **Allocation directly proportional to the previous months agency performance to ensure the performing agencies are rewarded.**
- **Reduced the Cape(case allocated per executive) to ensure maximum reach and better focus.**
- **We currently have 90 collection agencies spread at Tamilnadu ,Kerala and Karnataka covering 44% of our delinquent portfolio.**

Row Labels	Count of Agency Name
ANDRA PRADESH	1
KARNATAKA	16
KERALA	47
TAMILNADU	26
Grand Total	90

## PORTFOLIO TREND

Month	AUM	30+	90+	30+%	90+%
Apr'15	783.34	143.05	87.76	18.26%	11.20%
May'15	787.46	141.58	88.65	17.98%	11.26%
Jun'15	795.00	152.53	93.73	19.19%	11.79%
Jul'15	802.49	142.79	88.84	17.79%	11.07%
Aug'15	802.31	142.31	89.45	17.74%	11.15%
Sep'15	812.86	146.72	92.62	18.05%	11.39%
Oct'15	841.17	149.20	93.30	17.74%	11.09%
Nov'15	848.15	151.34	96.34	17.84%	11.36%
Dec'15	859.96	154.52	100.32	17.97%	11.67%
Jan'16	863.17	151.70	98.10	17.57%	11.37%
Feb'16	878.75	150.22	97.32	17.09%	11.07%
Mar'16	899.48	148.58	96.78	16.52%	10.76%
Apr'16	919.40	138.86	89.70	15.10%	9.76%
May'16	937.50	148.17	95.68	15.80%	10.21%
Jun'16	952.68	154.00	95.54	16.16%	10.03%
July '16	970.72	149.96	94.00	15.45%	9.68%
Growth	23.92%	4.83%	7.11%		



Problem Areas	Actions taken
<ul style="list-style-type: none"> <li>• <b>Thanjavoor, Thiruvaroor, Nagapattinam and the coastal belt of Tamilnadu is having Maximum NPAs .</b></li> </ul>	<ul style="list-style-type: none"> <li>• Appointed 3 ACMS and 1 RM to put special focus in Tamilnadu costal area, recruited more agencies to ensure competition and spread.</li> <li>• Tightened the credit norms and reduced the LTV, resulted in reducing the Q1-16 funding by 7% Vs Q1- 15</li> </ul>
<ul style="list-style-type: none"> <li>• <b>North Karnataka and Tumkur is contributing majority of the NPAs from Karnataka.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Divided Karnataka in two 2 and appointed exclusive RM's and 3 ACMs to handle north Karnataka ,Tumkur and Bangalore.</li> <li>• Appointed new agencies and reduced the CAPE (cases allocated per executive) for in house team.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Ananathapur, Cudappah and Chittoor districts account for maximum NPAs in AP &amp; Telangana.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Finalised agencies for Andhra and Telangana to increase the spread and reduce the dependency on direct executives.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Accounts sourced in Q4 of every financial year is having highest contribution in NPAs.</b></li> </ul>	<ul style="list-style-type: none"> <li>• CSE incentive schemes linked to documentation.</li> <li>• Exclusive non starter tracking and working with sales team to ensure 100% collection from non starter accounts</li> <li>• Early actions (Including legal and repossession) for such accounts to ensure fresh non starters are not moving to NPA's</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Higher delinquency and NPAs from Bajaj, TVS and Mahindra vehicles sourced and lower realisation of sales proceeds from such accounts due to low resale value.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Reduced the sales focus in such segment's and improved the share of business from Hero &amp; Honda</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Lower collection from Harder (540+ ) buckets.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Exclusive agencies for harder buckets collection and aggressive settlements and repossession in 540+ dpd cases.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Lower roll backs from OD accounts.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Additional incentives and focus in Bucket 1+ cases for roll backs.</li> <li>• Started allocating bucket cases ,where single emi is collected, to tele callers for balance due follow up.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Higher flow of cases to demand bucket accounting for increased bucket stock and manpower.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Introduced incentive scheme to promote NACH so that the flow of cases to demand may reduce.</li> </ul>

## NPA MOVEMENT ( HYP LOAN) – Q1 FY '17

Amounts In ₹. Crores

Particulars	Two Wheeler		Three Wheeler		Total	
	HP Nos	Principal	HP Nos	Principal	HP Nos	Principal
<b>Balance as on 31.03.2016</b>	<b>26 072</b>	<b>46.6</b>	<b>1 498</b>	<b>7.4</b>	<b>27 570</b>	<b>54.0</b>
Slipped to NPA due to new NPA policy	6 908	13.3	570	2.6	7 478	15.9
<b>NPA Amount 4M as on 01.04.2016</b>	<b>32 980</b>	<b>59.9</b>	<b>2 068</b>	<b>10.0</b>	<b>35 048</b>	<b>69.9</b>
Add: Slipped to NPA (Apr to Jun16)	7 028	12.3	147	0.4	7 175	12.6
<b>Sub total</b>	<b>40 008</b>	<b>72.1</b>	<b>2 215</b>	<b>10.4</b>	<b>42 223</b>	<b>82.5</b>
Less: Moved out from NPA (Apr to Jun 16)	4 034	5.4	330	1.1	4 364	6.5
Repossessed Asset sold (Apr to Jun 16)	952	3.1	85	0.6	1 038	3.7
Amount collected from NPA Accounts but not moved out		2.5		0.6		3.1
<b>Balance as on 30.06.2016</b>	<b>35 022</b>	<b>61.1</b>	<b>1 799</b>	<b>8.1</b>	<b>36 821</b>	<b>69.2</b>



## NPA MOVEMENT (HYPO LOAN) – ACROSS 5 QUARTERS

Amounts In ₹. Crores

Particulars	Q1 FY '16	Q2 FY '16	Q3 FY '16	Q4 FY '16	Q1 FY '17
<b>Opening Balance</b>	<b>32.5</b>	<b>59.7</b>	<b>59.9</b>	<b>62.1</b>	<b>54.1</b>
Addition due to NPA Policy change	21.4	-	-	-	15.9
Slippage During the Quarter	16.8	11.9	13.6	9.6	12.6
<b>Sub Total</b>	<b>70.7</b>	<b>71.6</b>	<b>73.5</b>	<b>71.7</b>	<b>82.6</b>
Less: NPA Moved Out	6.1	7.0	5.6	6.8	6.5
Less: Repossessed assets sold	3.0	2.4	3.7	5.5	3.8
Less: Writeoff	-	-	-	3.0	-
Less: Amount collected but Account not out of NPA	1.9	2.4	2.1	2.3	3.1
<b>Closing Balance (5M)</b>	<b>59.7</b>	<b>59.9</b>	<b>62.1</b>	<b>54.1</b>	<b>69.2</b>

NPA in FY '16 based on 5 M norm and in FY '17 on 4 M norm

# ANALYSIS- LAST 5 QUARTERS



## SPREAD ANALYSIS

Amounts In ₹ Crores

Analysis on Average loan book size	Q1 FY '16		Q2 FY '16		Q3 FY '16		Q4 FY '16		Q1 FY '17	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Avg Loan Book Size (in lakhs)</b>	<b>816.3</b>		<b>859.3</b>		<b>921.4</b>		<b>949.6</b>		<b>1051.0</b>	
Revenue from operations	49.8	24.4%	56.0	26.1%	57.4	24.9%	63.0	26.5%	63.8	24.3%
Direct exp.	24.4	12.0%	26.2	12.2%	26.6	11.6%	27.7	11.7%	31.1	11.8%
<b>Gross Spread</b>	<b>25.4</b>	<b>12.5%</b>	<b>29.8</b>	<b>13.9%</b>	<b>30.8</b>	<b>13.4%</b>	<b>35.1</b>	<b>14.8%</b>	<b>32.7</b>	<b>12.4%</b>
Personnel Expenses	11.0	5.4%	11.3	5.3%	11.4	4.9%	13.0	5.5%	12.5	4.8%
OPEX (incl. depreciation etc...)	4.4	2.2%	6.2	2.9%	6.3	2.7%	7.0	3.0%	6.7	2.5%
<b>Total Expenses</b>	<b>15.4</b>	<b>7.5%</b>	<b>17.5</b>	<b>8.1%</b>	<b>17.7</b>	<b>7.7%</b>	<b>20.0</b>	<b>8.4%</b>	<b>19.2</b>	<b>7.3%</b>
Pre Provision Profits	10.1	4.9%	12.3	5.7%	13.1	5.7%	15.1	6.4%	13.5	5.1%
Loan Loss and provisions	5.3	2.6%	3.3	1.5%	4.3	1.8%	4.6	1.9%	7.0	2.7%
<b>Net Spread</b>	<b>4.8</b>	<b>2.3%</b>	<b>9.0</b>	<b>4.2%</b>	<b>8.8</b>	<b>3.8%</b>	<b>10.5</b>	<b>4.4%</b>	<b>6.5</b>	<b>2.5%</b>

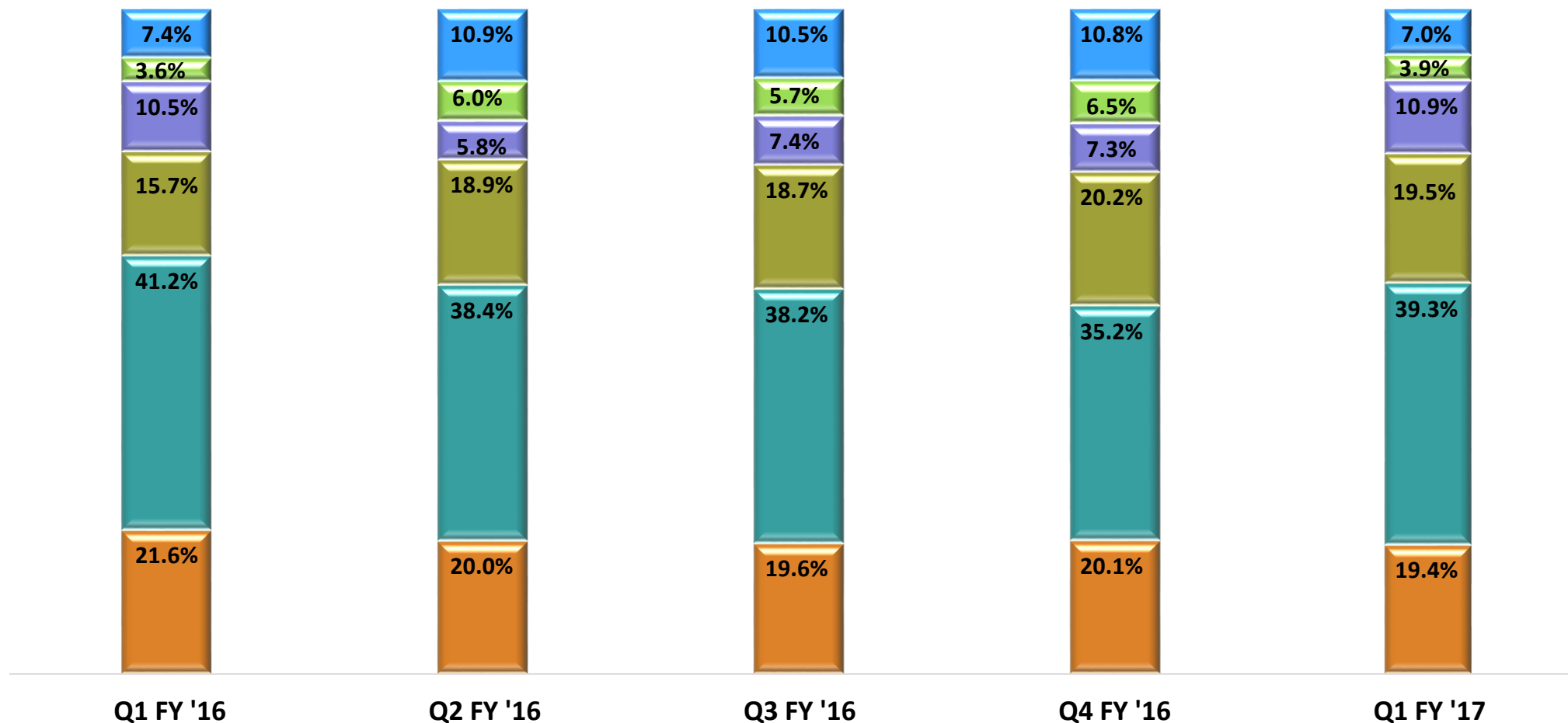
\* Excluding Income from SLR investments

## ANALYSIS OF COST & YIELD (LAST 5 QUARTERS)

SL.No.	Description of Loan	EFFECTIVE RATE				
		Q1 FY '16	Q2 FY '16	Q3 FY '16	Q4 FY '16	Q1 FY '17
1	Hypothecation	24.3%	26.1%	25.4%	27.3%	25.3%
2	Loan Buyout	16.0%	16.0%	15.9%	15.8%	15.7%
3	Term Loan			16.0%	15.8%	15.7%
4	DPN	19.7%	19.6%	18.8%	19.8%	21.1%
5	SLR Deposit	8.9%	8.2%	8.5%	9.2%	8.8%
6	SLR Investment in Govt Sec.	8.1%	7.9%	7.9%	7.8%	8.0%
	<b>Yield</b>	<b>23.6%</b>	<b>25.0%</b>	<b>24.5%</b>	<b>26.2%</b>	<b>24.0%</b>
1	Secured Debenture	11.3%	12.4%	12.9%	12.7%	12.9%
2	Sub Debt	12.3%	12.3%	11.9%	11.9%	11.8%
3	Fixed Deposit	10.1%	10.2%	10.2%	9.8%	9.9%
4	Loan From Directors	12.0%	12.0%	12.0%	12.0%	12.0%
5	Inter corporate Deposit	9.0%	9.0%	9.0%	9.0%	9.0%
6	Bank Borrowings	12.0%	11.6%	11.2%	11.0%	11.1%
	<b>Cost</b>	<b>11.7%</b>	<b>11.4%</b>	<b>11.2%</b>	<b>10.9%</b>	<b>11.0%</b>
	<b>Interest Spread</b>	<b>12.0%</b>	<b>13.7%</b>	<b>13.3%</b>	<b>15.4%</b>	<b>13.1%</b>

## MCSL Q-O-Q ANALYSIS- AS A PERCENTAGE OF REVENUE

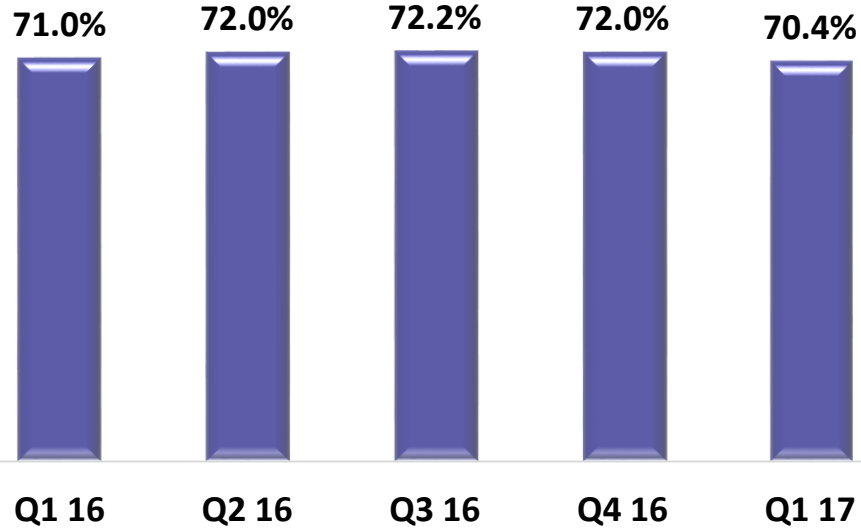
■ Employee Benefit Expense      ■ Finance Cost      ■ Other expenses (Incl Dep.)  
■ Loan Loss Provisions      ■ Tax Expenses      ■ Profit



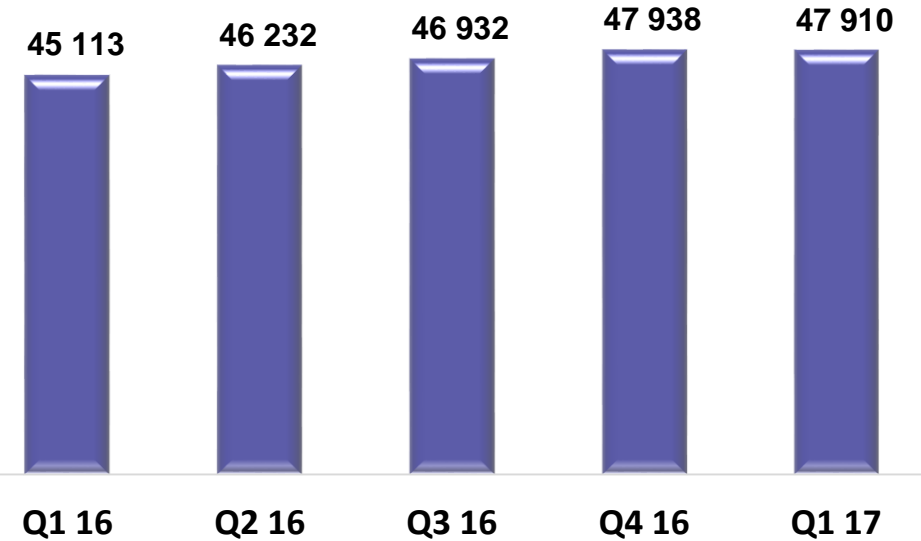
# FINANCIAL PERFORMANCE TRENDS



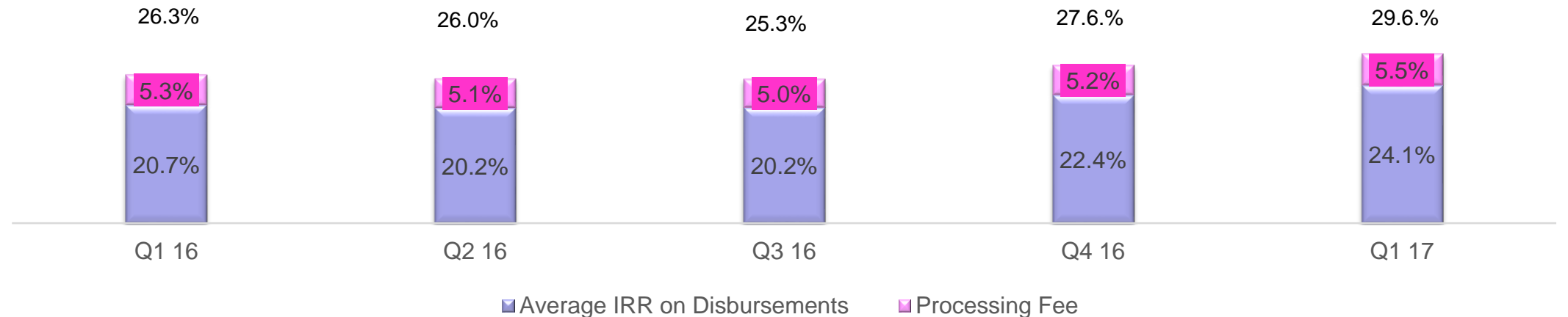
### Average LTV



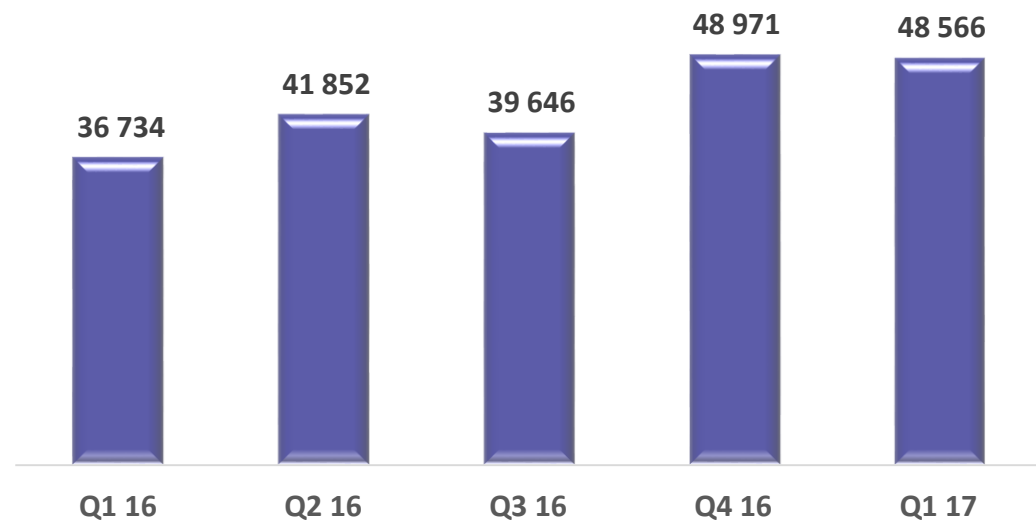
### Average Ticket Size(In ₹)



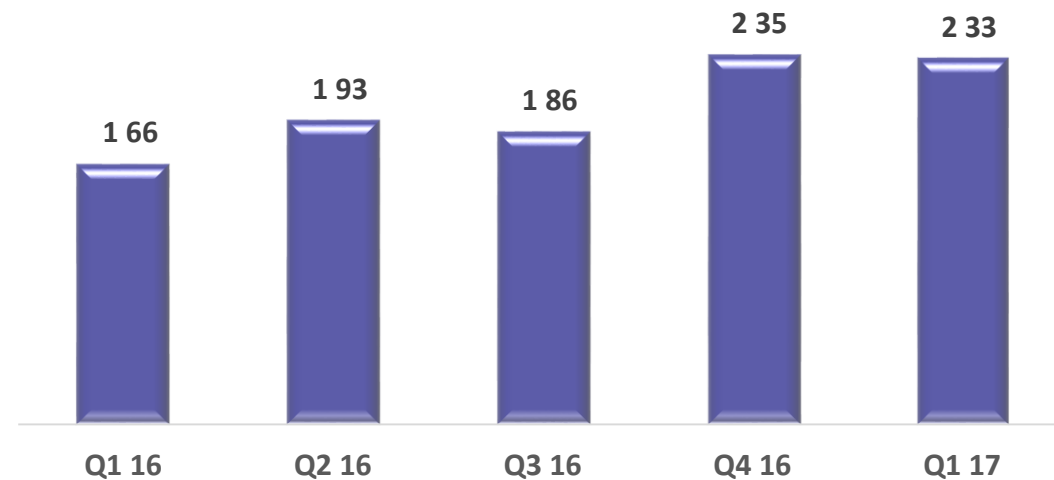
### Average IRR & Processing fee on disbursements



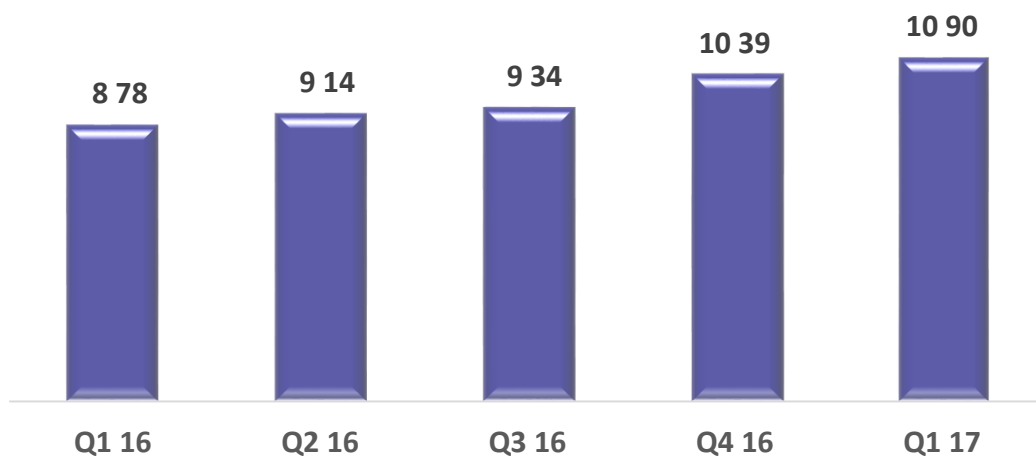
### No. of Loan Disbursed (Hypo Loan)



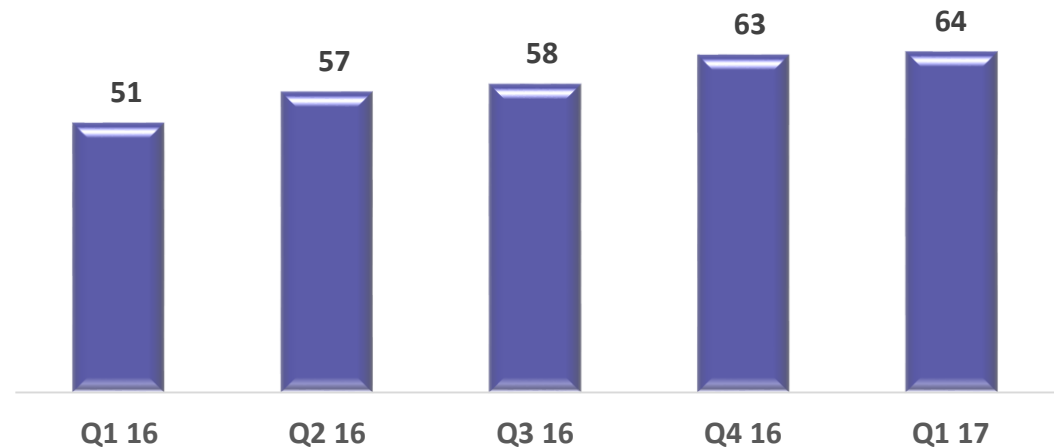
### Disbursement (Hypo Loan) (₹ In Crores)



### Loan Book Size- All Loans (₹ In Crores)

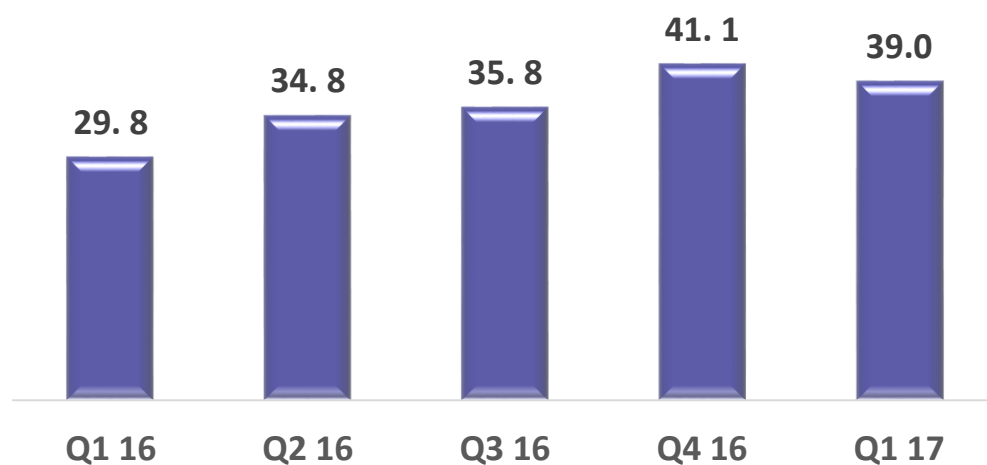


### Revenue (₹ In Crores)

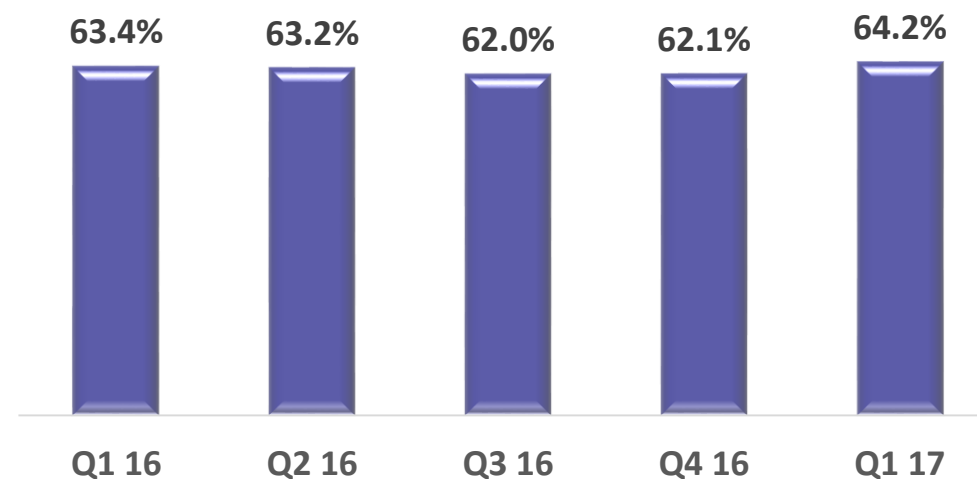




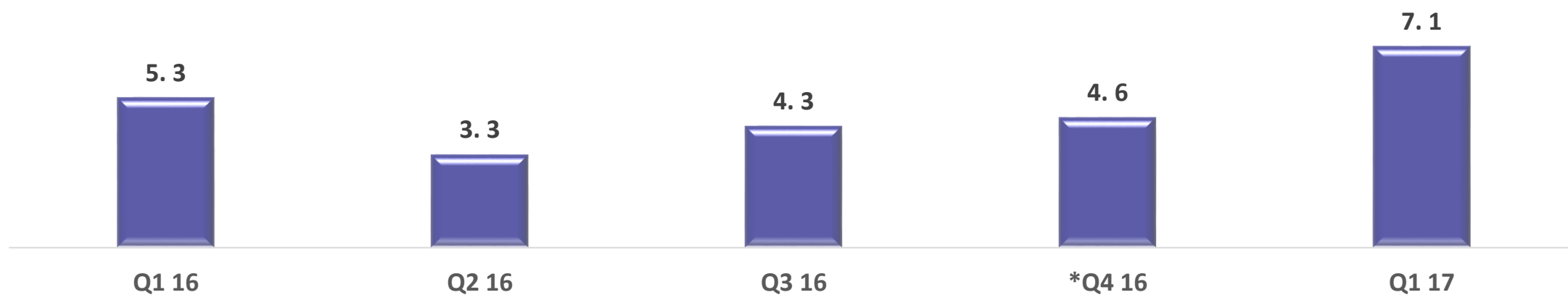
### NII (₹ In Crores)



### OPEX as a % of NII

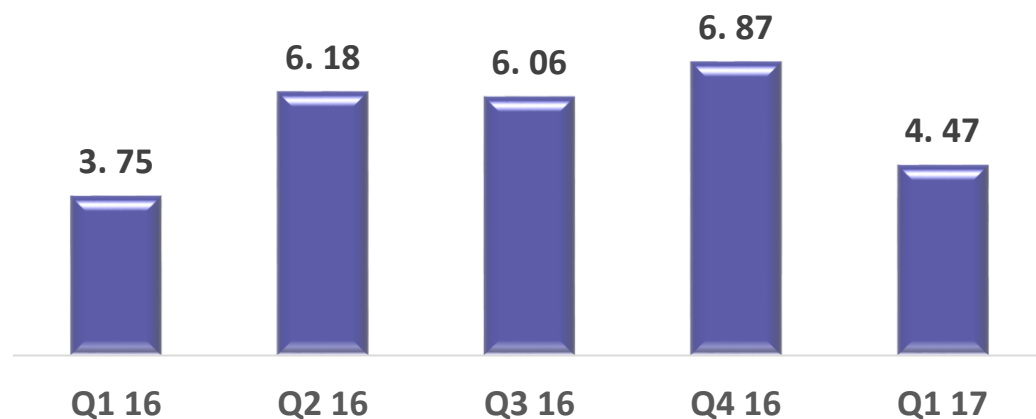


### Loan Loss Provision and write offs (₹ In Crores)

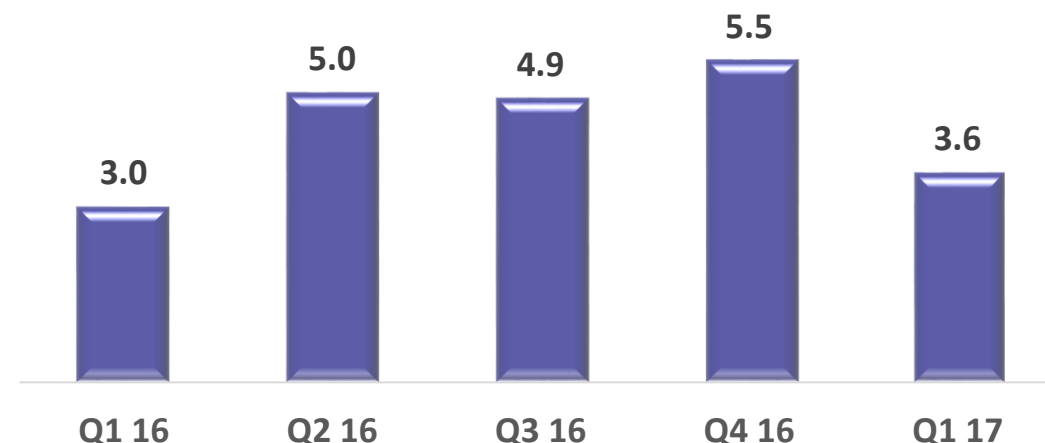


\* Includes ₹ 3.04 crores being NPA written off

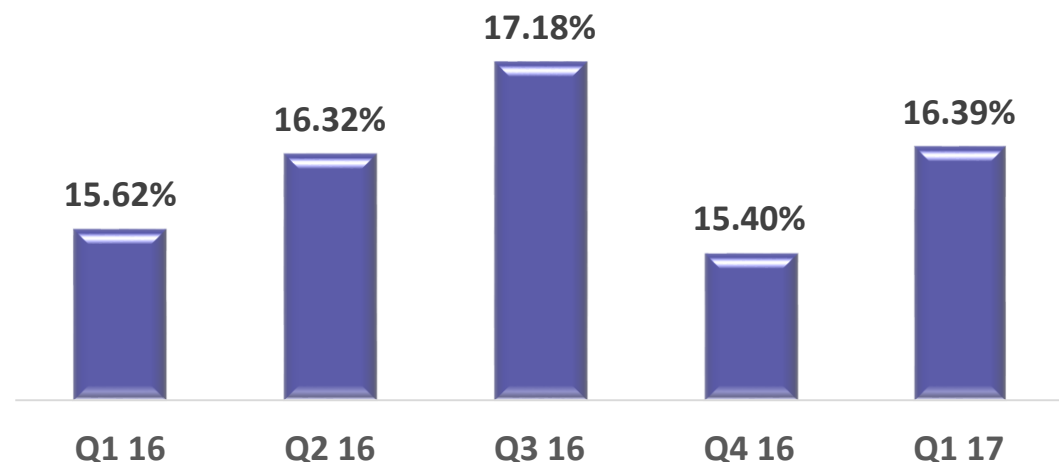
### PAT (₹ In Crores)



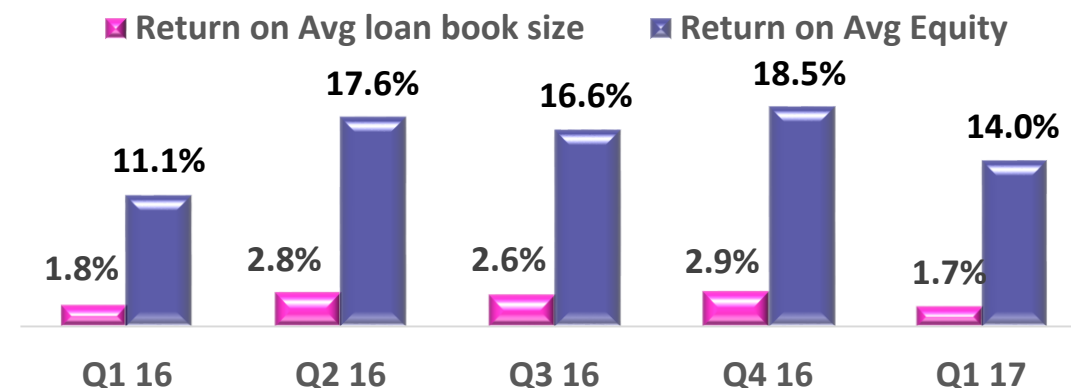
### Earning Per Share (In ₹)



### Capital Adequacy Ratio



### Return on Avg Loan Book & Return on Avg Equity

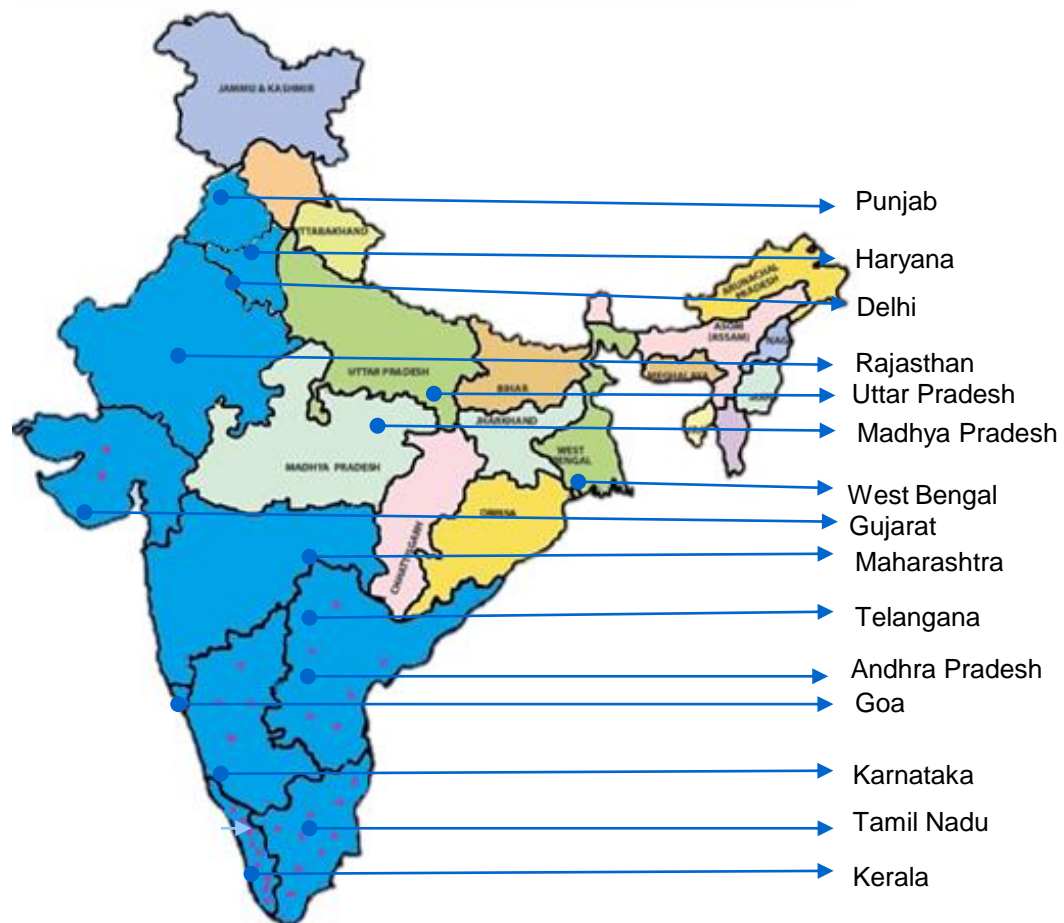


# ASSET ANALYSIS



# MCSL GEOGRAPHIC OVERVIEW- HYP

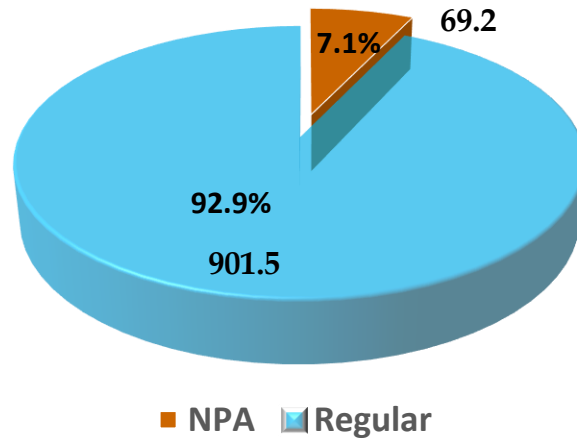
Amounts In ₹ Crores



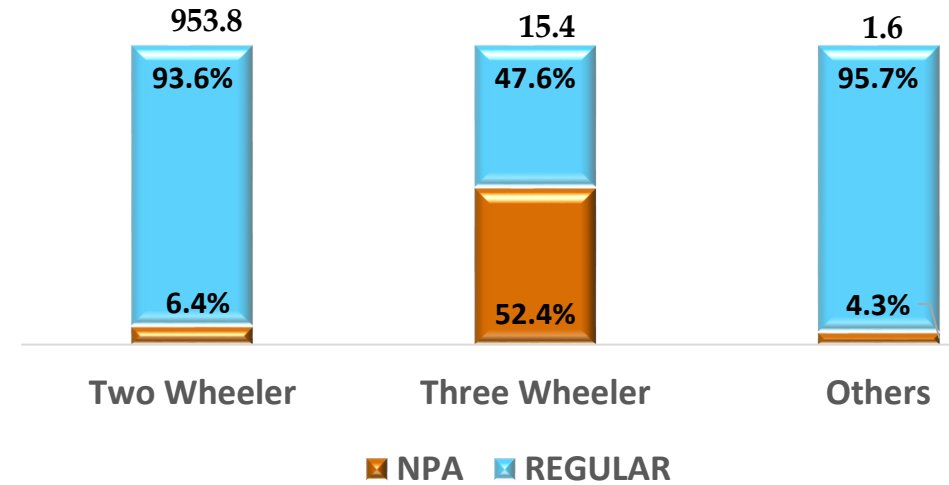
Name of state	No: of hubs	Active clients	Portfolio		
			Regular	NPA	% of NPA
South India		3 27 334	842. 3	64. 0	7.06%
Andhra Pradesh	5	26 083	67.8	5.6	7.68%
Karnataka	4	72 652	163.9	14.1	7.89%
Kerala	*9	1 67 703	471.4	22.9	4.64%
Tamil Nadu	9	46 994	106.0	18.8	15.05%
Telangana	2	13 902	33.3	2.6	7.32%
Western India		22 255	51.1	5.2	9.24%
Goa		788	1.7	0.01	0.49%
Gujarat	2	10 439	24.2	2.7	10.09%
Maharashtra		11 028	25.2	2.5	8.95%
North India		2 222	8.2	-	0.00%
DEL/HRN/PNJ/RJN/ WB/UP/MP		2 222	8.2	-	0.00%
TOTAL	31	3 51 811	901. 5	69. 2	7.1%

\*Includes HO

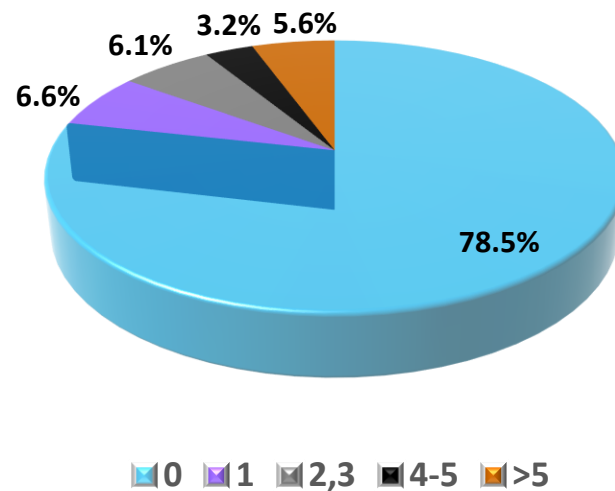
Break Up of HYP Loan (Values In ₹. rores, %)



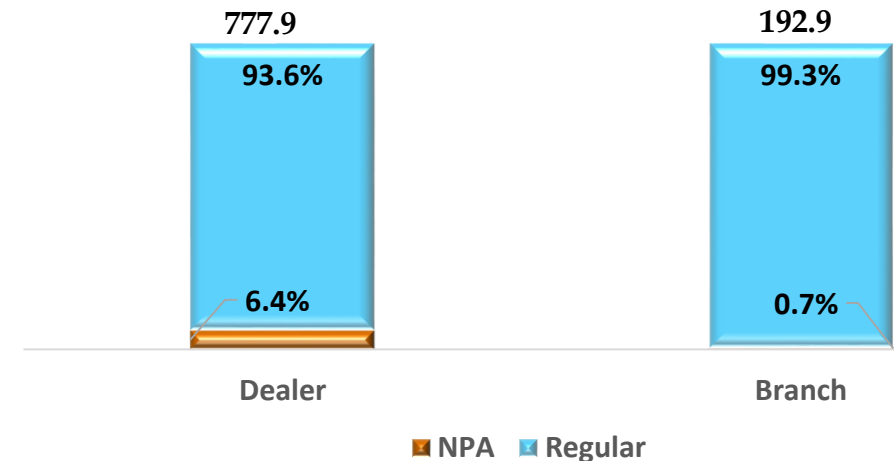
Segment-Wise Analysis(Values In ₹ Crores, %)



Bucket-Wise Analysis (Based on Value)



Source-Wise Analysis(Values In ₹ Crores, %)



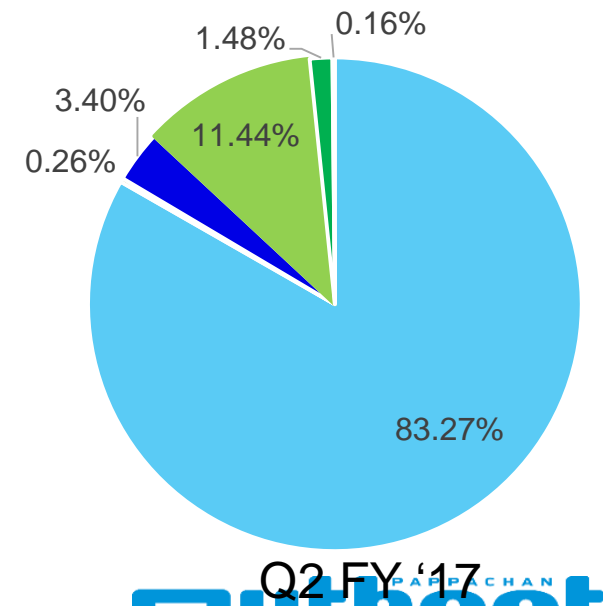
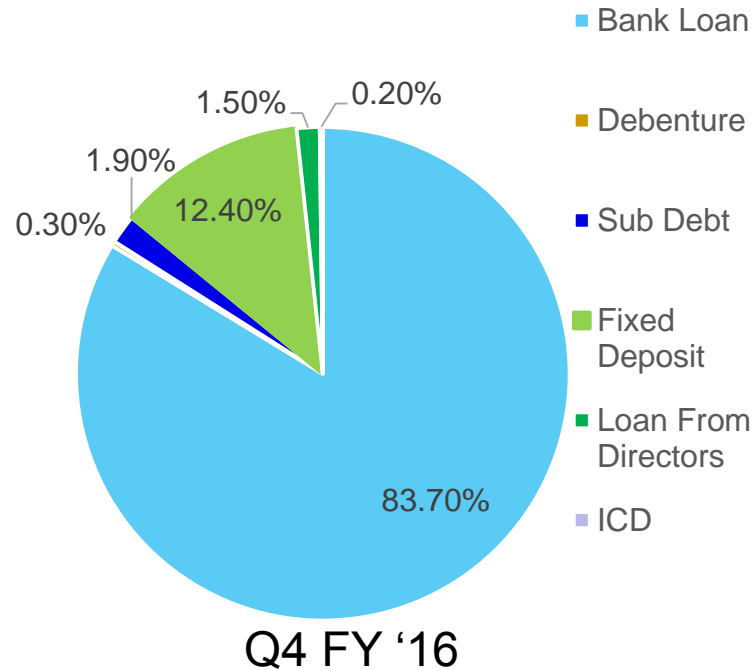
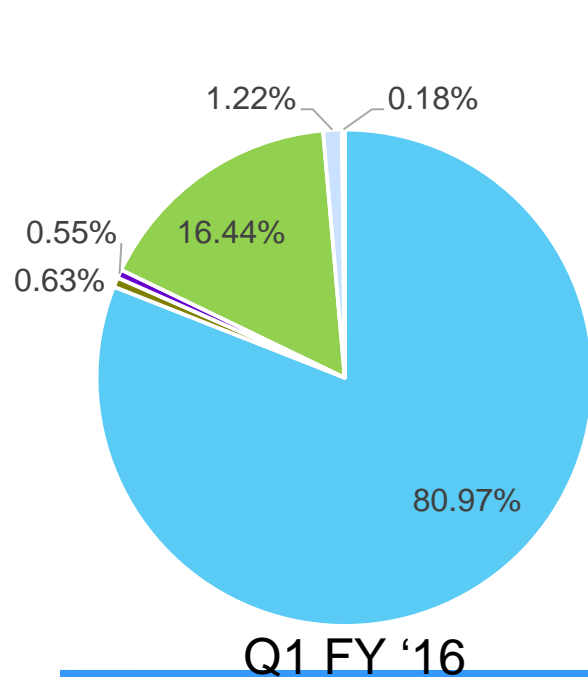
# LIABILITY ANALYSIS



## BORROWING PROFILE

Amounts In ₹ Crores

Particulars	Q1 FY '16		Q4 FY '16		Q1 FY '17	
	Amount	Cost	Amount	Cost	Amount	Cost
Bank Loan	597.1	12.0%	738.3	11.0%	768.1	11.1%
Debenture	4.6	11.3%	2.9	12.7%	2.4	12.9%
Sub Debt	4.1	12.3%	16.3	11.9%	31.4	11.8%
Public Deposit	121.3	10.1%	109.6	9.8%	105.5	9.9%
Loan From Directors	9.0	12.0%	13.6	12.0%	13.6	12.0%
ICD	1.3	9.0%	1.4	9.0%	1.4	9.0%
<b>Total</b>	<b>737.4</b>	<b>11.7%</b>	<b>882.1</b>	<b>10.9%</b>	<b>922.5</b>	<b>11.0%</b>



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# MANAGEMENT DISCUSSION & ANALYSIS

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- **The strong momentum of the last quarter of the last Financial year continued in the current year; a disbursement of Rs 232 crs for HYP Loans and Rs 23 crs of Other loans;**
- 'Ladies Only' **scheme** disbursement - Rs 23 crs in Q1 FY17 and Rs 275 crs since Q3 FY 15 i.e. since launch; one of the schemes with least delinquency with > 90 dpd being 1.6% of the total outstanding amount of Rs 155 crores.
- The Company moved from a 5 month for recognizing NPA to a 4 month norm; NPA going up from Rs 54.17 crs to Rs. 69.37 crs .
- 2W NPA went up from 26,072 nos (Rs.46.56 crs Crs) to 35,022 nos (Rs. 61.10 Crs) and 3W increased from 1497 nos (Rs. 7.47 Crs) to 1,799 nos (Rs.8.13 crs);
- Flow to the next buckets which had reduced over the last one year till March 16 saw a spurt in April 16 which was then arrested in May and June 16 . **The next quarter will see better control over the same.**
- Collection in the harder buckets also reduced from ₹ 19.46 crs to ₹ 13.91 crs; which the company hopes to correct in the 2<sup>nd</sup> and 3<sup>rd</sup> quarter.
- 30+ grew by 5.5% and 90+ by 8% only against the overall AUM for HYP Loan growth of 23% in the last 15 months.
- Strong action on arbitration front – 20,000 files given to legal firms for filing petitions, about 19,000 notices sent and about 12,000 petitions filed , 2,700 awards passed and about 250 executions petition filed. Expect collection in many of the cases written off. (post the initiation of arbitration Rs 18 crs collected in about 7900 accounts)

## MANAGEMENT DISCUSSION & ANALYSIS

- Was able to source Rs 15 crores as subordinated debt from M/s IFMR Capital, a large NBFC as a result of which CAR went up to 16.39% as on 30<sup>th</sup> June 2016 .
- Monthly staff attrition reduced substantially to 2.78% in Q1 FY '17 v/s full year attrition at 3.05% in the previous year and 3.31 % in the year before that. Taking necessary steps to control the attrition.
- In spite of high competition, dealer incentives have remained under control at 1.59% for the whole year; interest and finance charges on an overall basis was slightly higher at 10.97% v/s 10.89% in Q4 FY '16 but down from 12.15% in Dec '14.
- Emphasis on reduction in the finance cost has helped with expenses going up by ONLY 21% v/s an Average Loan book increase of 29% compared to the corresponding quarter of the previous year.
- Looking at sources of funds beyond the traditional ones of banks and public deposits; will help cut cost and improve profile. Looking at raising funds through subordinate debt , NCD, Commercial Paper and Securitisation.
- New software/s in advanced stages of implementation. The business software (Kastle) has 3 modules - Loan Origination(LOS), Loan Management( LMS) and Loan Collection( LCS); LOS and Loan Management implementation completed ; LCS currently under testing ; LCS is getting delayed but should go live latest by August 16. For financial accounting Orion is being implemented. Complete up to the financials and notes to accounts ; a couple of modules pending for completion ; will be fully implemented by end of Q2 FY '17.

## MANAGEMENT DISCUSSION & ANALYSIS... GOING FORWARD

- The disbursement has been in line with the budget and hope is for a even better 2<sup>nd</sup> quarter;
- Geographical expansion -Network expansion -Increased dealer penetration being looked at in States already present (mainly Honda); targeting manufacturers beyond Hero and Honda;
- Business sourced from MFL branches increased 55% at Rs 46 crs for Q1 FY '17; emphasis on grow it further in the coming years as well; Due to high disbursement in the Dealer segment as well, the MFL share reduced from 21.2% to 19.8%
- Looking at growth in the loan book and profitability- through funding for high end bikes, new/used cars, business/SME / corporate/personal loans
- New processes- online repayment, online auto loans, outsourced manpower/ operations, digital marketing, appointment of marketing agents etc., emphasis on ECS/NACH mode of collection, being looked at for growth and profitability
- **Are bullish about the current year and hopeful of achieving the budget in terms of disbursement , Loan book and profitability. Looking at support from all the stakeholders**



THANK YOU