

# Board Presentation dated 17<sup>th</sup> July 2018

## Quarter ended 30<sup>th</sup> June 2018



**BLUE SOCH.**  
**HELPING MILLIONS SHAPE**  
**THEIR TOMORROW.**



1

**Performance  
Analysis**

2

**Sales and  
Collection  
Analysis**

3

**Asset Analysis**

4

**Liability  
Analysis**

5

**Analysis  
5 Quarters**

6

**Management  
Discussion &  
Analysis**

Additional borrowings  
₹436.6 Cr.

New Customers –  
85,036

AUM – ₹ 2367 Cr;  
Disb – ₹ 485.5 Cr

No of States / UT  
currently operating in  
– 18

# SNAPSHOT

Quarter ended 30 June 2018

Live Customers –  
614,403

Own book  
GNPA – ₹101.9 Cr.  
NNPA – ₹63.0 Cr.

Securitization in 2W  
done in Q1FY19-  
₹255 Cr.

CRAR – 21.8%;  
D/E ratio: 3.6

Financial Statement Metrics	Quarterly Trend			₹. In Crores	
	Q1 FY 19	Q4 FY 18	Q-o-Q	Q1 FY 18	Y-o-Y
Disbursement :					
Hyp Loans	448.4	482.1	-7%	340.6	32%
Other Loans	37.1	112.6	-67%	31.2	19%
<b>Total Disbursements</b>	<b>485.5</b>	<b>594.7</b>	<b>-18%</b>	<b>371.8</b>	<b>31%</b>
AUM at the end of the period*	1912.6	1916.0	0%	1313.7	46%
Average AUM **	1959.4	1743.6	12%	1272.7	54%
Total Interest and Fee Income	124.2	118.8	5%	79.5	56%
Finance Expenses	37.3	32.4	16%	28.1	33%
<b>Net Interest Income(NII)</b>	<b>86.9</b>	<b>86.4</b>	<b>1%</b>	<b>51.4</b>	<b>69%</b>
Operating Expenses	43.3	42.9	1%	32.8	32%
Loan Losses & Provisions	***11.8	***10.6	11%	9.2	29%
<b>Profit Before Tax</b>	<b>31.8</b>	<b>32.9</b>	<b>-3%</b>	<b>9.4</b>	<b>238%</b>
Profit After Tax	20.6	21.5	-4%	6.1	238%

Total Opex to NII

Loan Loss Prov. To Avg AUM

Return on Avg. AUM

Earnings per Share

Q1 FY 19

Q4 FY 18

Q1 FY 18

49.9%

49.7%

63.9%

\*\*\*\*2.4%

\*\*\*\*2.4%

2.9%

4.2%

4.9%

1.9%

12.5

13.1

4.4

\* Total AUM including managed portfolio of ₹ 453.7 crores - ₹ 2 367.0 crs ( Q-o-Q-6 % up) (Y-o-Y- 52% up)

\*\* Avg AUM including managed Portfolio for Qtr is ₹ 2 256.3 crores (Q-o-Q- 12% up) (Y-o-Y 50% up).

\*\*\* includes additional provision made ₹ 3.5 crores in Q1 FY 19 (₹ 4 crores in Q4 FY 18) which resulted in increased PCR of 38% against 35% in Q4 FY 18

\*\*\*\* Loan loss prov to avg AUM excluding addtnl Prov is 1.7% for Q1 FY 19

## STATEMENT OF SOURCES AND APPLICATION OF FUNDS


₹. In Crores

Sources	As At			Applications	As At		
	30-Jun-17	31-Mar-18	30-Jun-18		30-Jun-17	31-Mar-18	30-Jun-18
Share Capital	13.7	16.4	16.4	Fixed assets	2.8	2.5	2.3
Reserves & Surplus	170.4	377.5	398.1	Investments*	31.3	31.5	82.9
Bank Borrowings	919.7	1149.1	1277.5	Deferred Tax Assets	8.6	11.3	13.4
Debentures	1.0	0.1	0.1	Other Long term Loans & adv.	0.4	1.1	1.1
Sub Debt	50.6	60.5	60.7				
Public Deposit	99.6	82.3	75.1	Hypothecation Loan **	1111.7	1617.8	1615.7
Commercial Paper	0.0	145.2	48.1	Loan Buyout	3.9	0.6	0.4
Loan from Directors	17.4	5.8	5.8	Term Loans	176.0	252.6	252.0
Inter corporate loan	1.6	1.5	1.5	Other Loans	6.1	14.3	16.9
Interest. Accrued on Loans	12.5	14.3	13.6	Interest Accrued on Loans	16.1	30.7	27.6
<b>Total Borrowings</b>	<b>1102.4</b>	<b>1458.8</b>	<b>1482.3</b>	<b>Total Loans</b>	<b>1313.8</b>	<b>1916.0</b>	<b>1912.6</b>
Securitization Dues Payable	31.7	44.2	41.7	Cash and Cash Equivalents	1.8	3.2	6.2
Trade Payable	15.1	15.6	20.4	Short Term Loans and Adv.	4.3	2.9	5.5
Other Liabilities	38.9	21.5	41.2	Other Assets	38.1	9.3	29.4
Provisions	28.9	43.8	53.3				
<b>Total</b>	<b>1401.1</b>	<b>1977.8</b>	<b>2053.4</b>	<b>Total</b>	<b>1401.1</b>	<b>1977.8</b>	<b>2053.4</b>


\* Includes Cash Collateral Deposit -₹ 19.9 Crs, SLR Deposit-₹ 4.27 Crs SLR Investments- ₹ 14.3 Crores & Others - ₹ 44.4 Crores as on 30.06.18

\*\* Hyp Loan is Net of Off Book AUM (June 17: ₹ 244.9 crs, March 18 : ₹ 322.0 crs, June 18 : ₹ 453.7 crs)



**Disbursement**

Q4 FY 18 : ₹ 594.7 Cr		18%
Q1 FY 19 : ₹ 485.5 Cr		
Q1 FY 18 : ₹ 371.8 Cr		31%
Q1 FY 19 : ₹ 485.5 Cr		

**Borrowing Cost**

Q4 FY 18 : 9.3%		0%
Q1 FY 19 : 9.3%		
Q1 FY 18 : 10.1%		8%
Q1 FY 19 : 9.3%		



**NPA**

Q4 FY 18 : ₹ 87.9 Cr		16%
Q1 FY 19 : ₹ 101.9 Cr		
Q1 FY 18 : ₹ 96.9 Cr		5%
Q1 FY 19 : ₹ 101.9 Cr		



**Gross AUM**

Q4 FY 18 : ₹ 2238.0 Cr		6%
Q1 FY 19 : ₹ 2367.0 Cr		
Q1 FY 18 : ₹ 1558.7 Cr		52%
Q1 FY 19 : ₹ 2367.0 Cr		



**Opex to NII**

Q4 FY 18 : 49.7%		1%
Q1 FY 19 : 49.9%		
Q1 FY 18 : 63.9%		22%
Q1 FY 19 : 49.9%		

**PAT**

Q4 FY 18 : ₹ 21.5 Cr		4%
Q1 FY 19 : ₹ 20.6 Cr		
Q1 FY 18 : ₹ 6.1 Cr		238%
Q1 FY 19 : ₹ 20.6 Cr		



**Revenue**

Q4 FY 18 : ₹ 118.8 Cr		5%
Q1 FY 19 : ₹ 124.2 Cr		
Q1 FY 18 : ₹ 79.5 Cr		56%
Q1 FY 19 : ₹ 124.2 Cr		

**Loan Losses & Provision**

Q4 FY 18 : ₹ 10.6 Cr		11%
Q1 FY 19 : ₹ 11.8 Cr		
Q1 FY 18 : ₹ 9.2 Cr		28%
Q1 FY 19 : ₹ 11.8 Cr (Excl. Addtnl Prov. ₹8.3Cr , 10% lower Y-o-Y)		

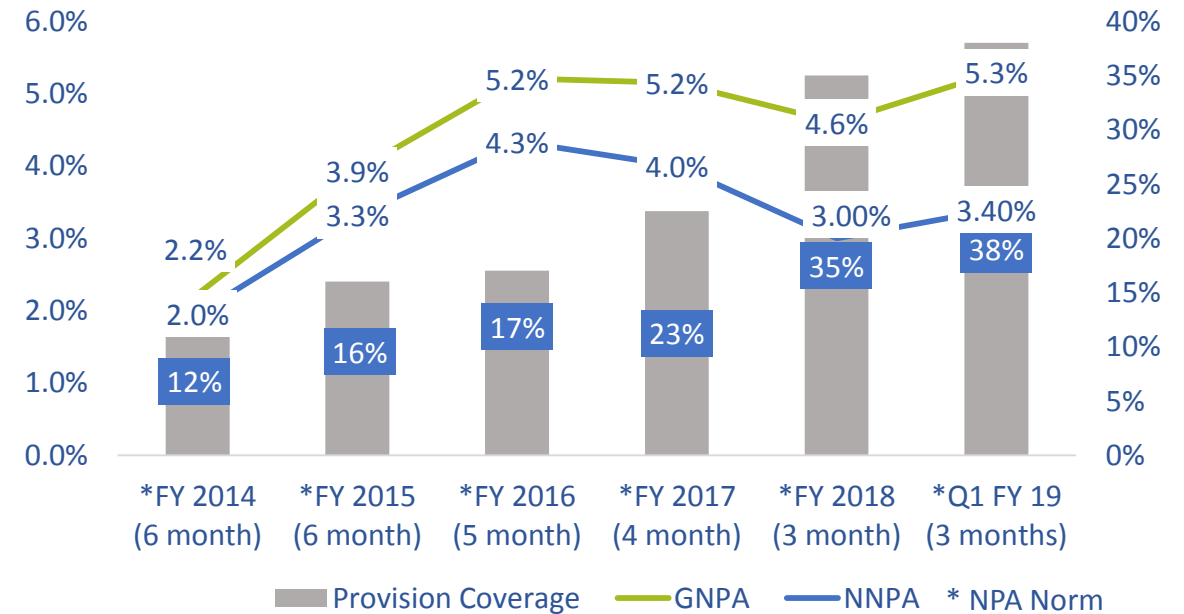
**ROA**

Q4 FY 18 : 4.9%		14%
Q1 FY 19 : 4.2%		
Q1 FY 18 : 1.9%		121%
Q1 FY 19 : 4.2%		

## ASSET QUALITY AND PROVISION COVERAGE

	₹. In Crores		
	As on 30.06.2017	As on 31.03.2018	As on 30.06.2018
<b>Own Book Portfolio</b>	<b>1313.8</b>	<b>1916.0</b>	<b>1912.6</b>
<b>GNPA</b>	<b>7.1%</b>	<b>4.6%</b>	<b>5.3%</b>
<b>NNPA</b>	<b>5.8%</b>	<b>3.0%</b>	<b>3.4%</b>
<b>Provision</b>	<b>22.2</b>	<b>30.9</b>	<b>38.9*</b>
<b>Coverage Ratio</b>	<b>23.0%</b>	<b>35.0%</b>	<b>38.0%</b>

\* Includes additional provision of ₹ 7.5 crores

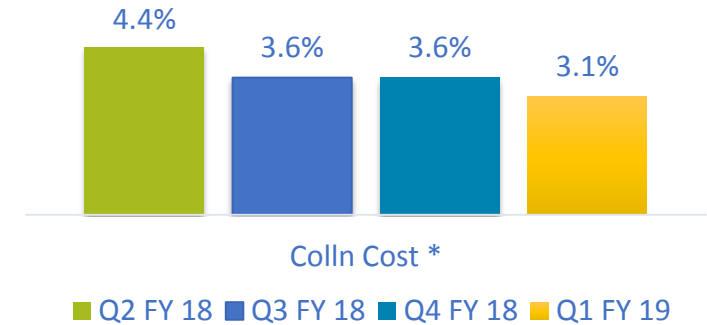


## OTHER EXPENSES - SPLIT

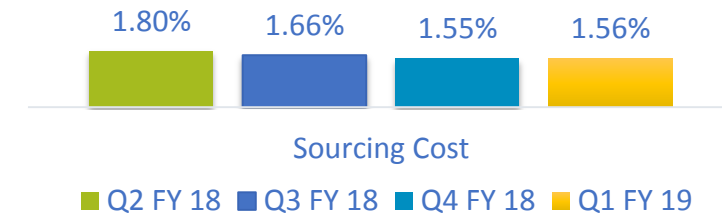
₹. In Crores

	Q1 FY 19	Q4 FY 18	Q-o-Q	Q1 FY 18	Y-o-Y
<b>Collection Charges:</b>	<b>11.8</b>	<b>12.3</b>	<b>-3.7%</b>	<b>7.8</b>	<b>51.1%</b>
Collection Charges-MFL	1.3	1.3	-0.9%	1.2	6.4%
Collection Charges-MMM	0.0	0.0	-9.0%	0.0	-66.6%
Collection Agency Payout	9.5	10.4	-7.0%	6.5	49.6%
ECS/ NACH/E-auction	0.6	0.5	13.7%	0.2	188.7%
Tele calling	0.2	0.1	34.3%	-	100.0%
Collection Agents	0.2	0.0	499.0%	-	100.0%
<b>Business Sourcing Incentive:</b>	<b>7.0</b>	<b>7.3</b>	<b>-3.2%</b>	<b>5.8</b>	<b>22.2%</b>
Dealer Incentive	4.6	4.4	3.6%	3.8	19.5%
Business Sourcing Incentive- MML	0.0	0.0	-92.5%	0.0	-87.2%
Business Sourcing Incentive – MFL	1.6	2.0	-20.5%	1.2	34.2%
Business sourcing expense- Marketing	0.8	0.9	1.8%	0.8	17.6%
<b>Investigation and Professional Charges</b>	<b>1.0</b>	<b>1.0</b>	<b>-5.7%</b>	<b>1.0</b>	<b>-4.8%</b>
FI Charges – Autoloan	0.2	0.2	-3.9%	0.1	53.9%
Professional Charges	0.6	0.6	6.0%	0.5	24.9%
Legal Charges	0.2	0.2	-40.4%	0.4	-66.4%
Rent	1.0	1.0	-0.4%	0.9	7.8%
Back Office Processing	0.6	0.6	-100.0%	0.5	-100.0%
Other Expenses	4.0	2.3	103.0%	1.9	138.3%
	<b>25.4</b>	<b>24.4</b>		<b>17.9</b>	

## Collection Cost as % of Collection



## Sourcing Cost as % of Disbursement



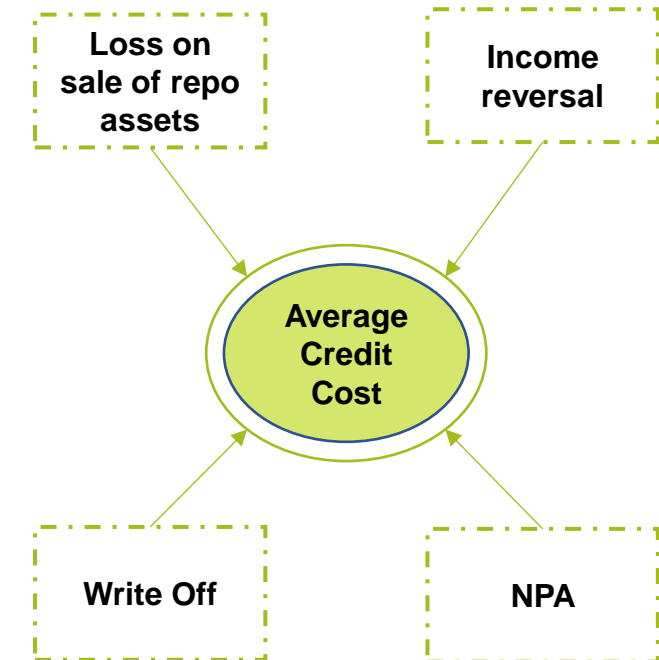
\* Considering Incentive to Collection staff ( Q2 FY 18: ₹ 0.6 Crores, Q3 FY 18: ₹ 0.6 Crores,Q4 FY 18: 0.7 Crores,Q1FY19:0.5 Crores) but excluding collection staff salary



## MAIN FACTORS IMPACTING PROFITABILITY - DELINQUENCIES

₹. In Crores

Particulars	For FY 17	For FY 18	Q1 FY 18	Q2 FY 18	Q3 FY 18	Q4 FY 18	Q1 FY 19
Unrealized Income reversed	2.3	1.7	2.0	0.1	0.0	-0.4	1.5
Loss on sale + Provision for diminution in value of repo. assets	11.9	14.2	2.6	4.4	3.4	3.8	3.8
NPA write off	1.8	1.6	0	0	0	1.6	0
NPA Provision	7.6	10.3	5.6	1.9	2.6	0.2	4.4
Addl NPA Provision		4.0				4.0	3.5
<b>Total</b>	<b>23.6</b>	<b>31.8</b>	<b>10.2</b>	<b>6.4</b>	<b>5.9</b>	<b>9.3</b>	<b>13.2</b>
Avg AUM*	1046.0	1479.6	1272.7	1360.2	1579.7	1743.6	1959.4
% of Credit cost on Avg AUM (annualized)	2.2%	2.1%	3.2%	1.9%	1.5%	2.1%	**2.7%






\*Average AUM is excluding managed portfolio;

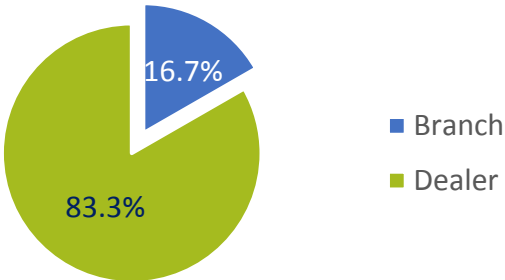
\*\* Excluding additional Provision- Credit Cost is 2.0%

ZONEWISE DISBURSEMENT (HYP LOANS) – Q- o -Q

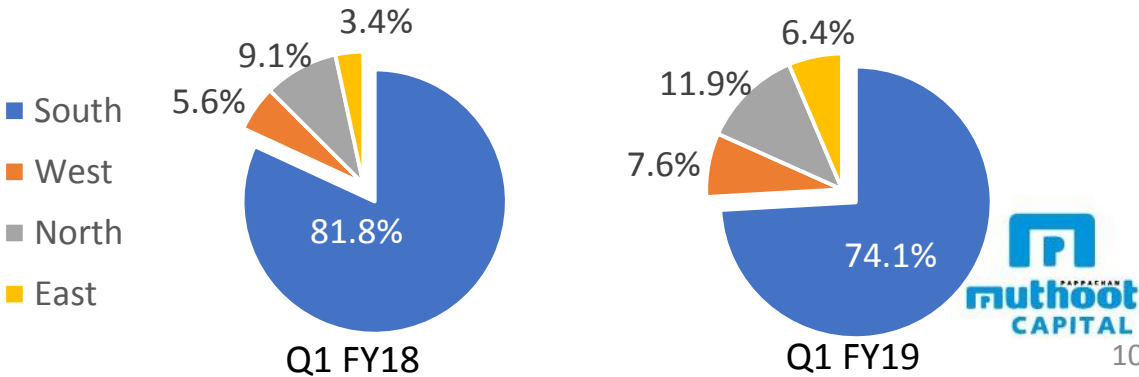
₹. In Crores

Zone	BRANCH  35%				DEALER  31%				TOTAL  32%				Growth %	Overall Share	
	Q1 FY ' 19		Q1 FY '18		Q1 FY ' 19		Q1 FY '18		Q1 FY ' 19		Q1 FY '18			Q1 FY '19 Q1 FY '18	
	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value			
South	11 730	64.3	9 038	49.7	49 105	268.1	44 599	229.0	60 835	332.4	53 637	278.7	19.3%	74.1%	81.8%
West	1 457	6.6	958	4.3	5 562	27.7	3 294	14.9	7 019	34.3	4 252	19.2	78.2%	7.6%	5.6%
North	673	3.1	301	1.3	10 637	50.2	6 740	29.7	11 310	53.4	7 041	31.0	72.2%	11.9%	9.1%
East	201	1.0	68	0.3	5 671	27.4	2 396	11.3	5 872	28.4	2 464	11.6	144.1%	6.4%	3.4%
Overall	14 061	74.9	10 365	55.7	70 975	373.4	57 029	284.9	85 036	448.4	67 394	340.5	31.7%	100.0%	100.0%

Share of Branch and Dealer of zone-wise disbursement

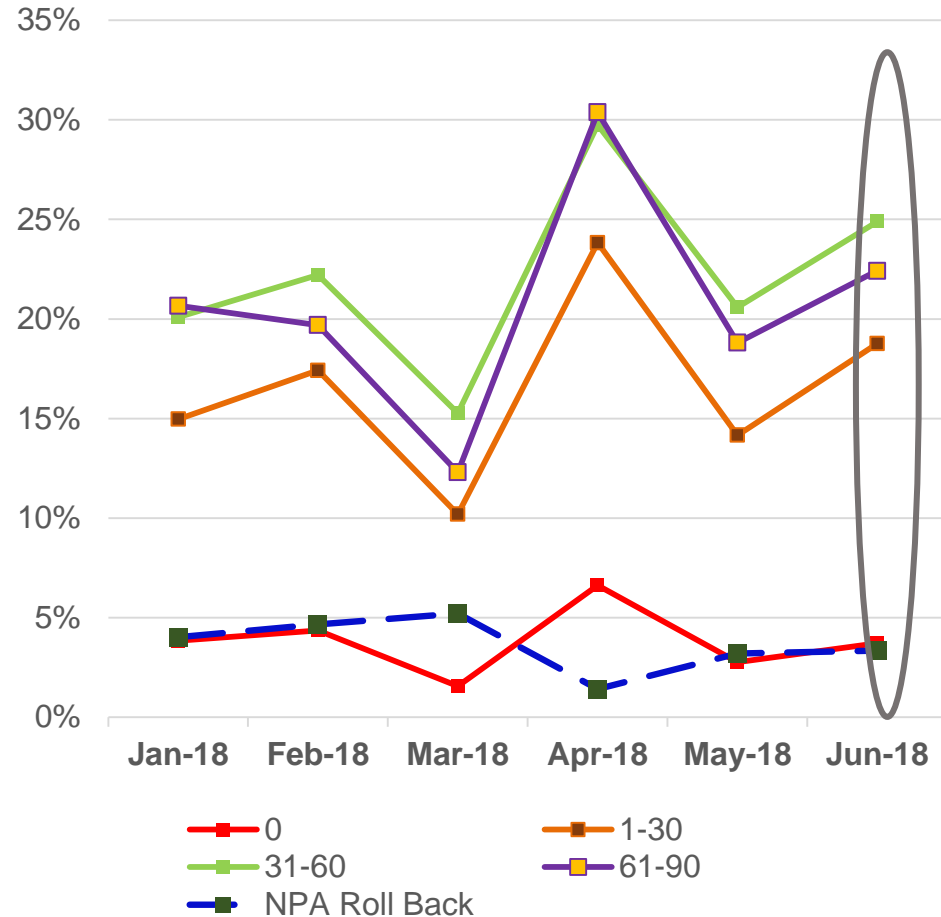


Overall Share – Q1 FY 18 Vs Q1 FY 19



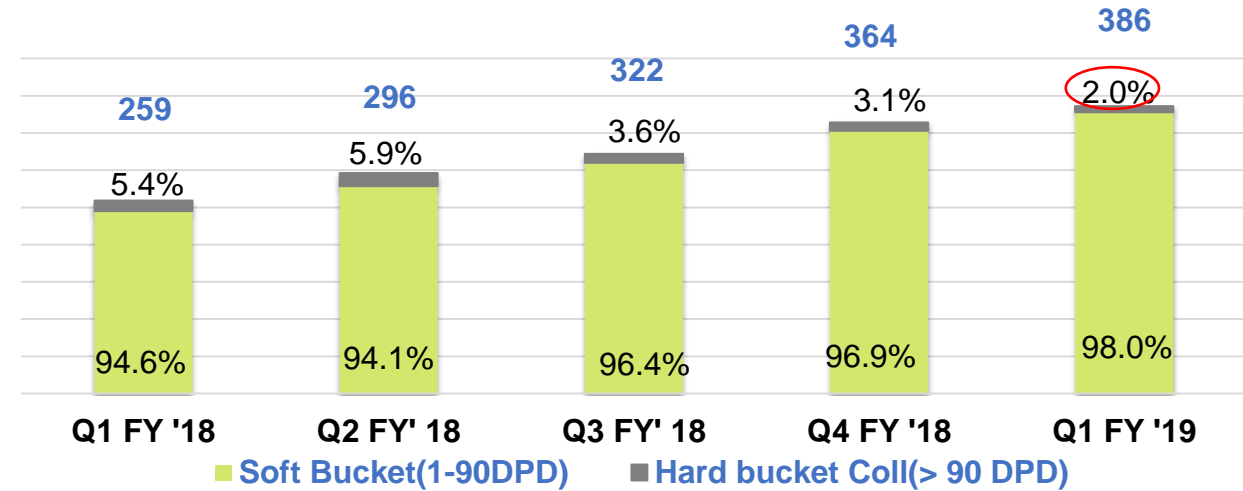
## COLLECTION PERFORMANCE MONITORING (HYP)

### Bucket-wise Flow



### Collection Performance

₹. In Crores



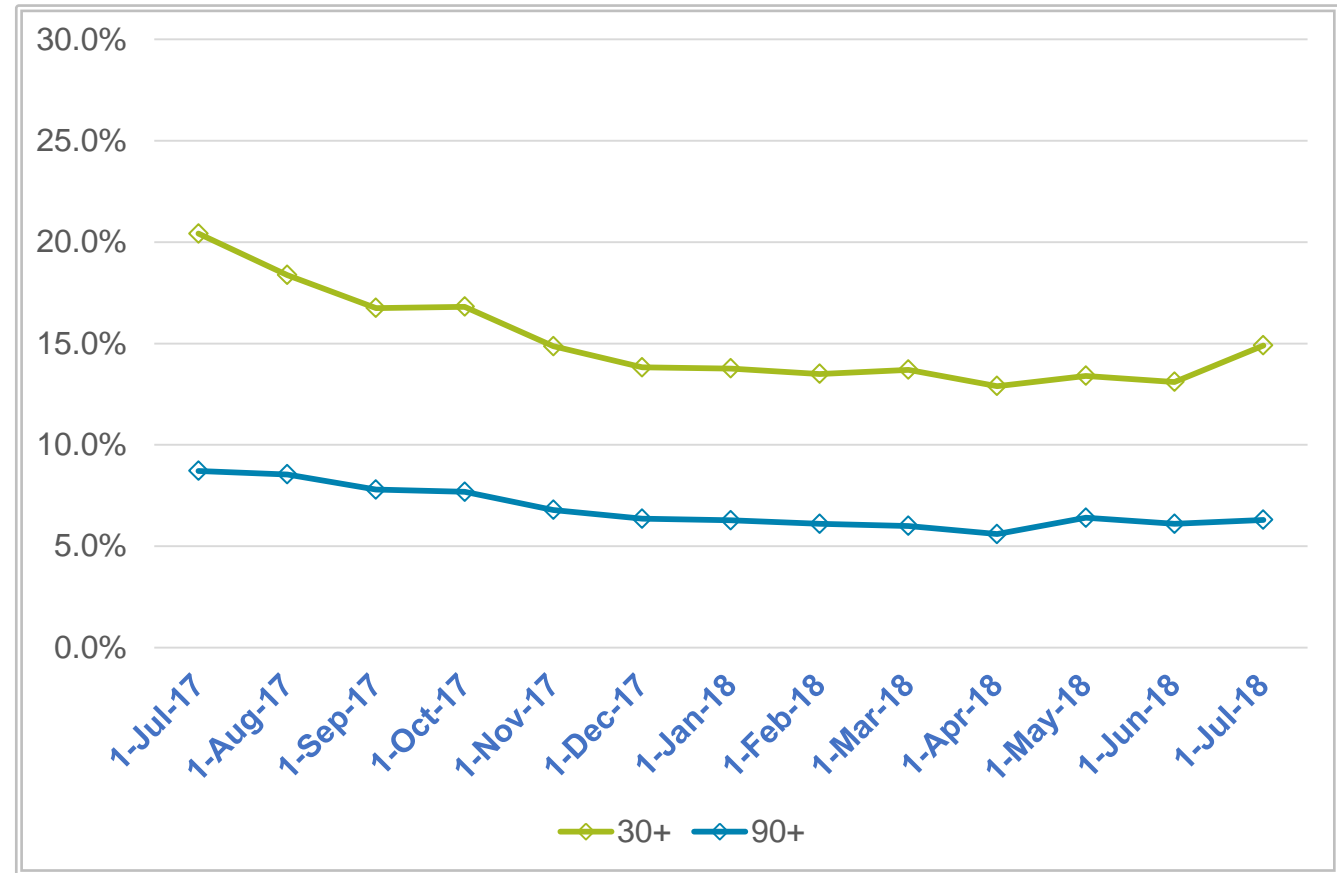
₹. In Crores

	Q1 FY 18	Q2 FY 18	Q3 FY 18	Q4 FY 18	Q1 FY 19
Soft Bucket (1-90)	245.2	278.6	310.2	353.1	378.1
Hard Bucket (>90)	13.9	17.5	11.7	11.2	7.8
<b>Total</b>	<b>259.1</b>	<b>296.1</b>	<b>321.9</b>	<b>364.3</b>	<b>385.9</b>

## PORTFOLIO TREND – HYPOTHECATION LOANS

₹. In Crores

Month	Own book AUM	30+	90+	30+%	90+%
01-Jul-17	1 112.0	227.1	96.9	20.4%	8.7%
01-Aug-17	1 171.6	215.3	100.1	18.4%	8.5%
01-Sep-17	1 234.4	206.8	96.2	16.8%	7.8%
01-Oct-17	1 227.9	206.4	94.3	16.8%	7.7%
01-Nov-17	1 377.3	204.6	93.5	14.9%	6.8%
01-Dec-17	1 462.5	202.1	92.9	13.8%	6.4%
01-Jan-18	1 488.8	204.9	93.4	13.8%	6.3%
01-Feb-18	1 543.1	208.7	94.8	13.5%	6.1%
01-Mar-18	1 563.8	214.7	93.8	13.7%	6.0%
01-Apr-18	1 617.9	208.3	87.9	12.9%	5.6%
01-May-18	1 686.9	226.2	97.9	13.4%	5.8%
01-Jun-18	1 762.0	231.5	98.1	13.1%	5.6%
01-Jul-18	1 614.4	241.3	101.9	14.9%	6.3%
<b>Growth</b>	<b>45.2%</b>	<b>6.3%</b>	<b>5.2%</b>		



## NPA MOVEMENT – HYP LOAN – Q1 FY 2019

₹. In Crores

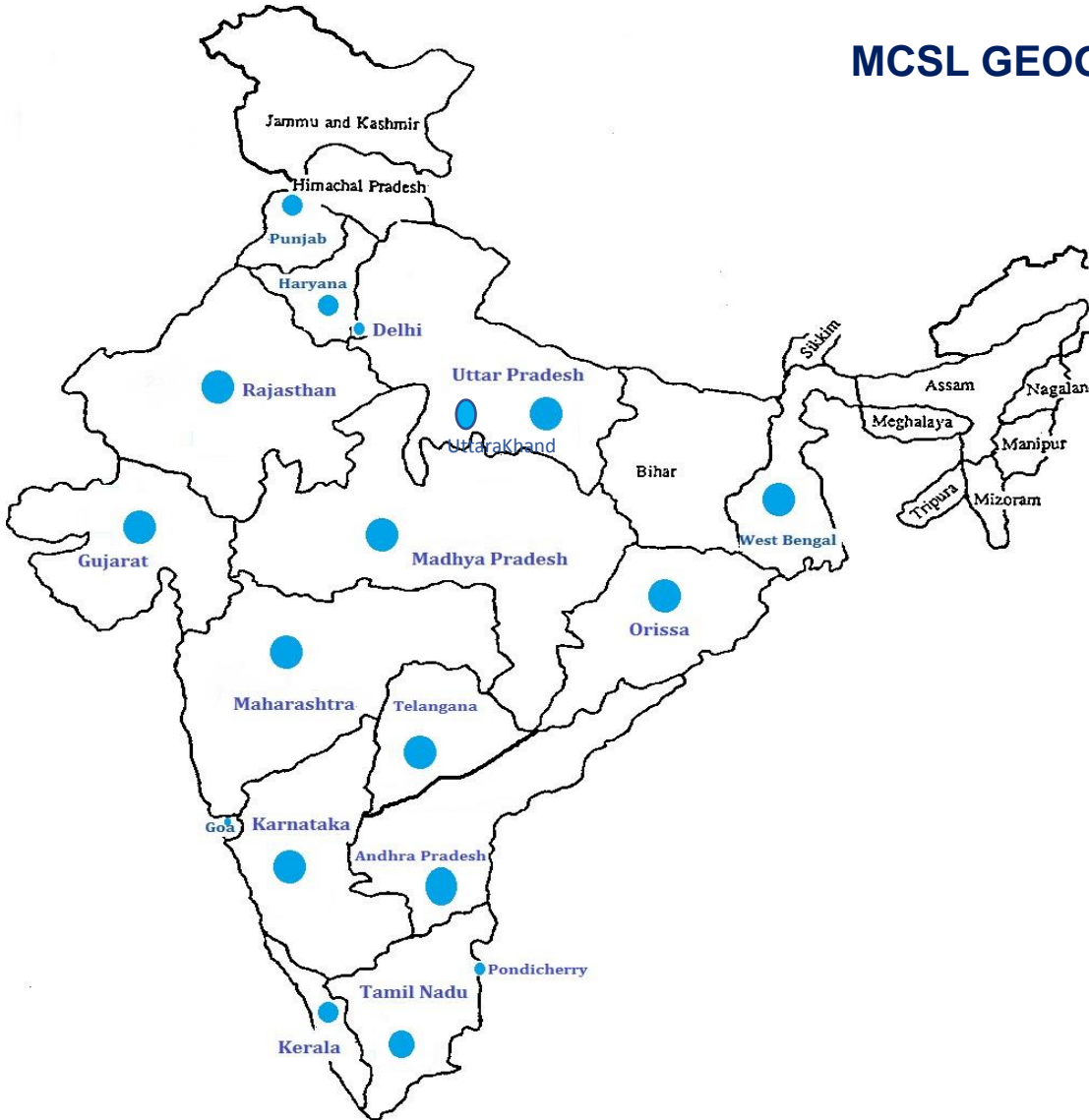
Particulars	HP Nos	Principal	Provision	Unrealized
<b>Balance as on 31.03.2018</b>	51 226	87.9	30.9	11.3
Add: Slipped to NPA for the month of Apr18 to Jun 18	11 657	25.3	2.3	1.7
Add: Provision increased due to non payment of NPAs during the quarter	-	-	3.7	-
Add: Additional Provision provided in the quarter	-	-	3.5	-
<b>Sub total</b>	<b>62 883</b>	<b>113.2</b>	<b>40.4</b>	<b>13.0</b>
Less: Rolled back from NPA between Apr 18 to Jun 18	4 158	4.1	0.6	0.2
Reposessed Asset sold during Apr 18 to Jun 18	1 287	5.3	0.7	0.5
Amount collected from NPA Accounts for Apr 18 to Jun 18	-	1.9	0.3	-
<b>Balance as on 30.06.2018</b>	<b>57 438</b>	<b>101.9</b>	<b>38.8</b>	<b>12.3</b>

## NPA MOVEMENT – HYP LOAN – ACROSS 9 QUARTERS

₹. In Crores

Particulars	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19
Opening Balance	54.0	69.2	66.5	78.1	74.2	96.9	94.3	93.4	87.9
Slippage due to NPA Policy change	15.9	-	-	-	29.8	-	-	-	-
Fresh slippages during the period	12.7	11.8	20.1	13.9	16.1	15.4	14.2	12.7	24.3
NPA recognised on soldout portfolio bought back (Sanada & Starling)	-	-	-	-	-	-	0.9	-	1.0
Sub Total	82.6	81.0	86.6	92.0	120.1	112.3	109.3	106.1	113.2
Less: NPA Rolled Back	6.5	6.7	3.3	8.9	14.8	8.5	8.0	8.0	4.1
Less: Repossessed assets sold	3.8	5.0	3.2	4.8	3.6	6.7	4.9	5.9	5.3
Less: Write off	-	-	-	1.7	-	-	-	1.6	-
Less: Amount collected but not rolled back out of NPA	3.1	2.8	2.0	2.4	4.8	2.8	2.9	2.7	1.9
Closing Balance	69.2	66.5	78.1	74.2	96.9	94.3	93.4	87.9	101.9

## MCSL GEOGRAPHIC OVERVIEW - HYP



Q1 FY 19

₹. In Crores

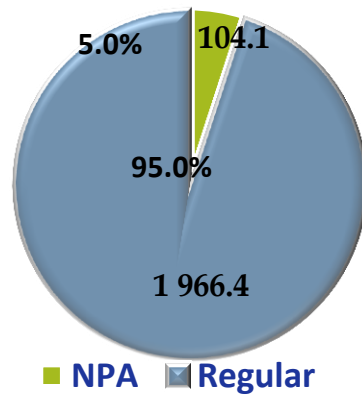
Zone	Active Clients	Regular	NPA	Total	Zone wise AUM %	% of NPA
South India	4 95 636	1 600.6	84.	1 684.6	81.4%	5.0%
Western India	42 219	118.9	10.8	129.6	6.3%	8.3%
North India	54 735	168.7	7.8	176.4	8.5%	4.4%
East India	21 813	78.3	1.5	79.8	3.9%	1.9%
Overall *	6 14 403	1 966.4	104.1	2 070.5	100.0%	5.0%

\*Includes securitized portfolio

## PORTFOLIO ANALYSIS - HYP

₹. In Crores

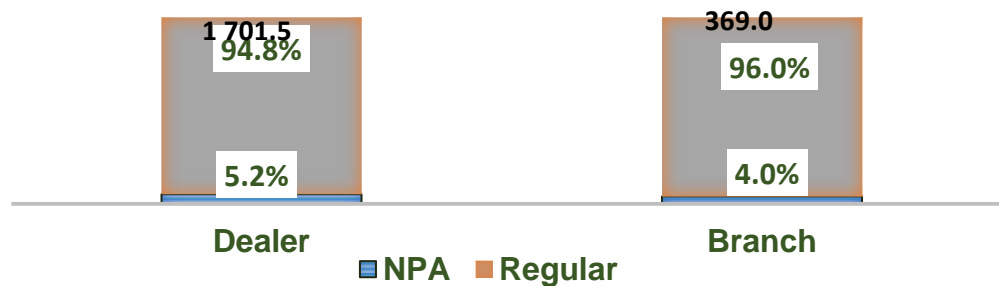
## Portfolio Analysis



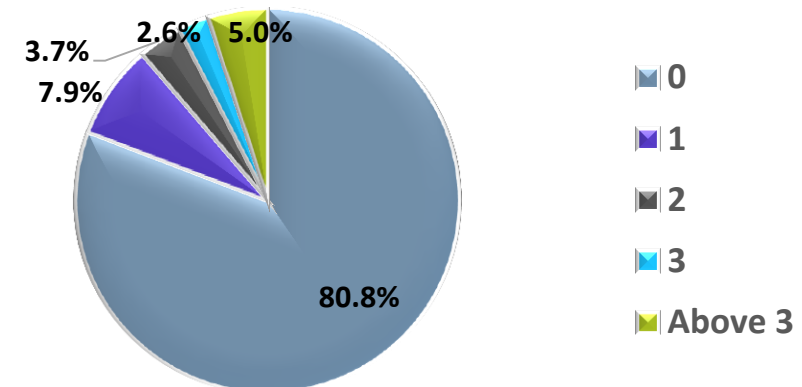
## Segment – wise Analysis



## Source - wise Analysis

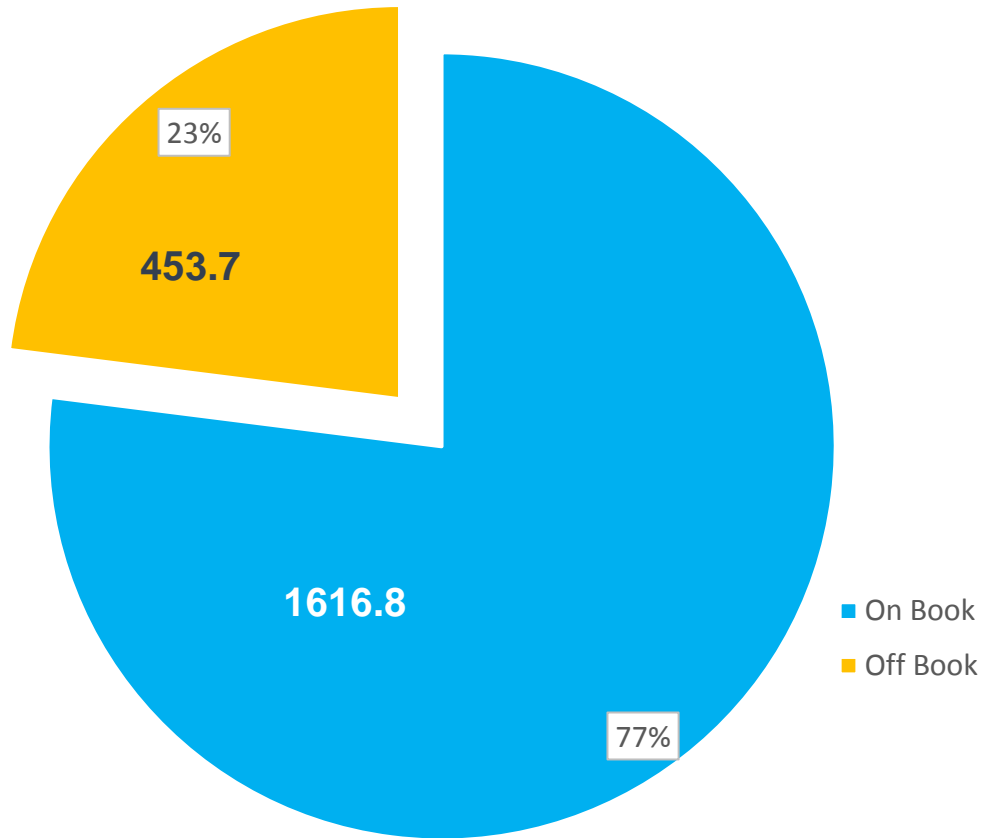


## Bucket – wise Analysis





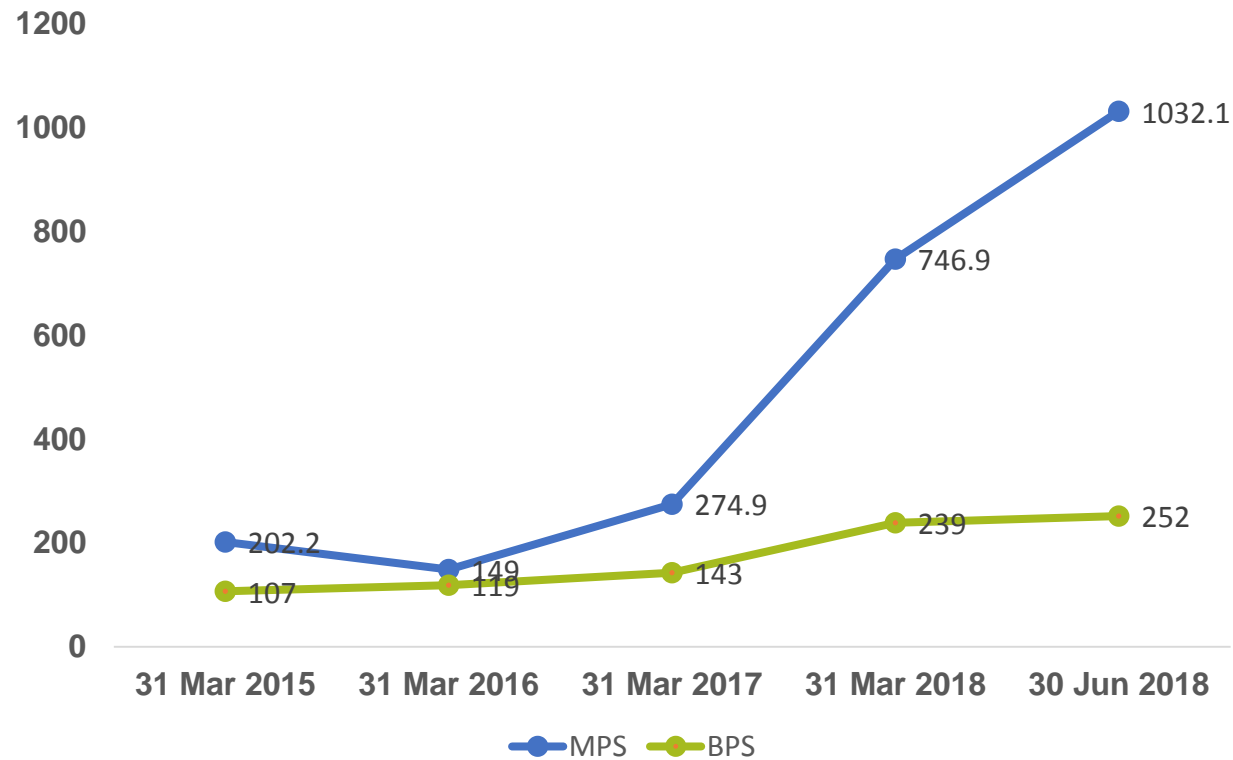
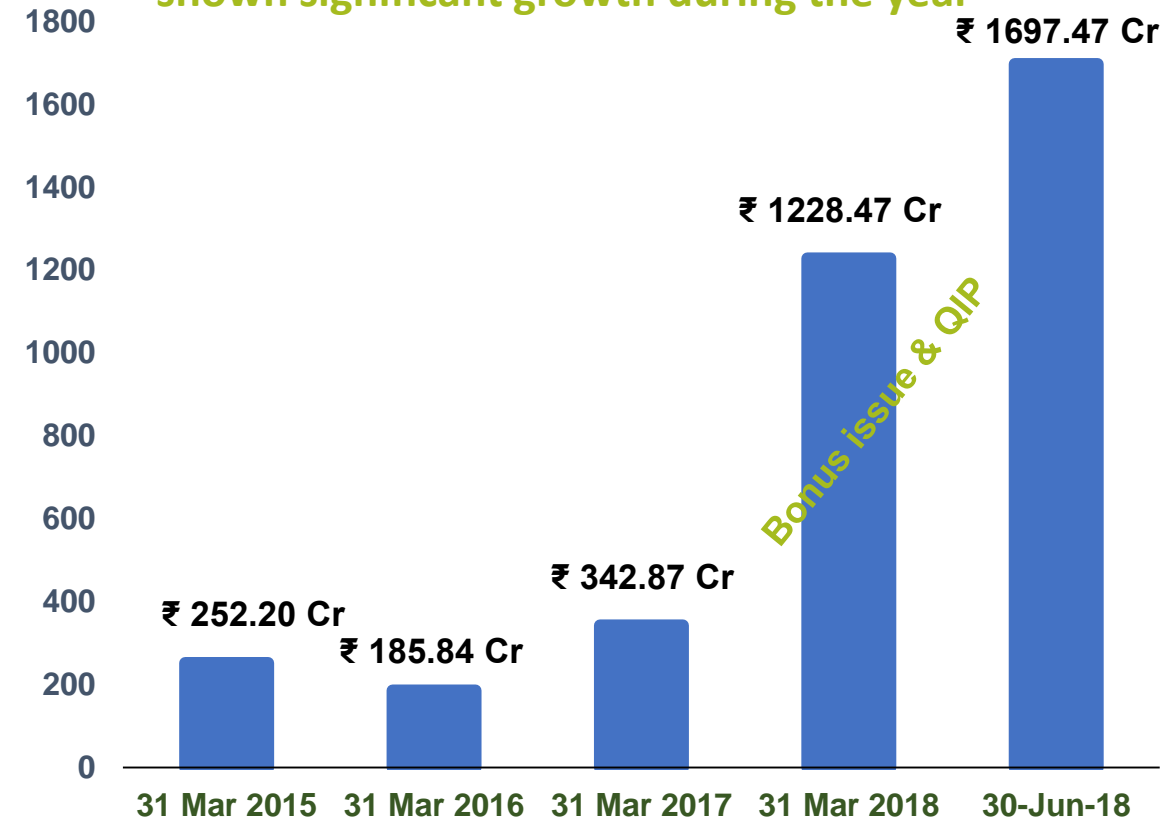
## HYP PORTFOLIO SPLIT AS ON JUNE 30th 2018



₹. In Crores

Quetzal (DCB)	7.2
Fire finch (Indo Star)	9.9
Turaco (DCB)	23.7
Andhra DA	18.6
Toucan DA (SBM)	18.3
Bran (DCB)	23.9
Ellaria DA (CSB)	29.8
Andhra DA 2	27.4
Dneiper DA (LVB)	36.4
Dnyapro DA (LVB)	34.5
Pratab (DCB)	72.0
Rancis (IDFC& HLF)	152.0
Off Book	453..7
On Book	1616.8
Total Loan Book	2070.5

## MARKET CAPITALIZATION

Movement of Market Price per Share (MPS) vs.  
Book Value per Share (BPS)The Company's market capitalization has  
shown significant growth during the year

## SOURCES OF BORROWING

# ₹250 Cr

**Additional bank sanctions  
during the quarter**

Total sanctions as on 30 Jun 2018 amounting to ₹1640 Cr. with new relationship with 2 Small Finance Banks

# ₹229.7 Cr

**Securitization done in Q1  
FY 19 (net of MRR)**

- Mobilized ₹1019.0 Cr to date through 14 transactions
- ₹453.6 Cr outstanding as on 30 Jun 2018.

# ₹6.9 Cr

**Collections of Sub-debt  
and Public Deposit**

- Public Deposits collected ₹6.7 Cr., of which ₹3.6 Cr. Is renewal
- Raised Sub-Debt of ₹0.14 Cr.

# ₹50 Cr

**Raised through issue of CP**

- Completed 4 CP transactions
- Balance Outstanding ₹48.1 Cr as on 30 Jun 2018

# 9.32%

**Cost of borrowing for Q1  
FY 2018-19**

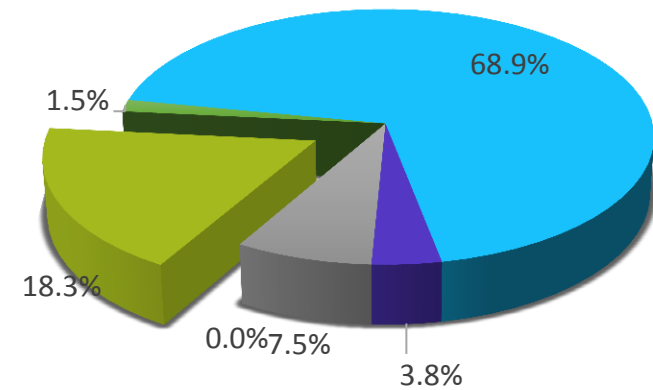
**Bank funding – 66.5% of total borrowing  
as on 30 Jun 2018**

**Recent Securitizations – done at  
9.03 & 9.05% ROI**

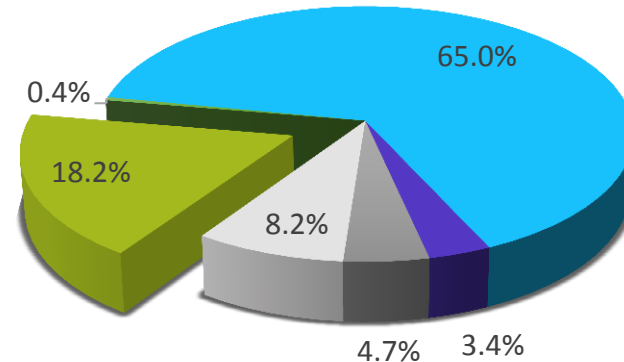
## BORROWING PROFILE

₹. In Crores

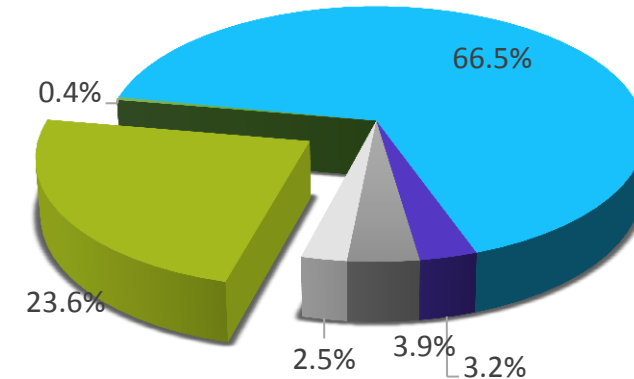
Particulars	Q1 FY '18		Q4 FY '18		Q1 FY '19	
	Amount	Cost	Amount	Cost	Amount	Cost
Bank Loan	919.7	10.1%	1149.1	9.3%	1277.5	9.3%
Sub debt	50.6	11.9%	60.5	11.7%	60.7	11.6%
Public Deposit	99.6	8.8%	82.3	8.7%	75.1	8.4%
Commercial Paper	0.0	0.0%	145.2	8.6%	48.1	8.7%
Securitization	244.9	10.3%	322.0	9.6%	453.7	9.4%
Others	19.9	11.8%	7.4	10.8%	7.4	11.0%
<b>Total</b>	<b>1334.8</b>	<b>10.1%</b>	<b>1766.5</b>	<b>9.3%</b>	<b>1922.4</b>	<b>9.3%</b>



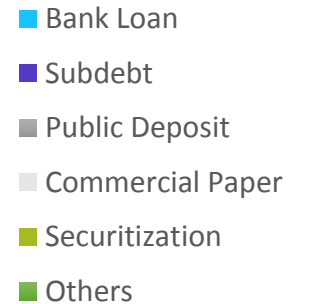
Q1 FY '18



Q4 FY '18



Q1 FY '19



## HIGHLIGHTS – SECURITISATION / DIRECT ASSIGNMENT TRANSACTION

### Augmented Growth

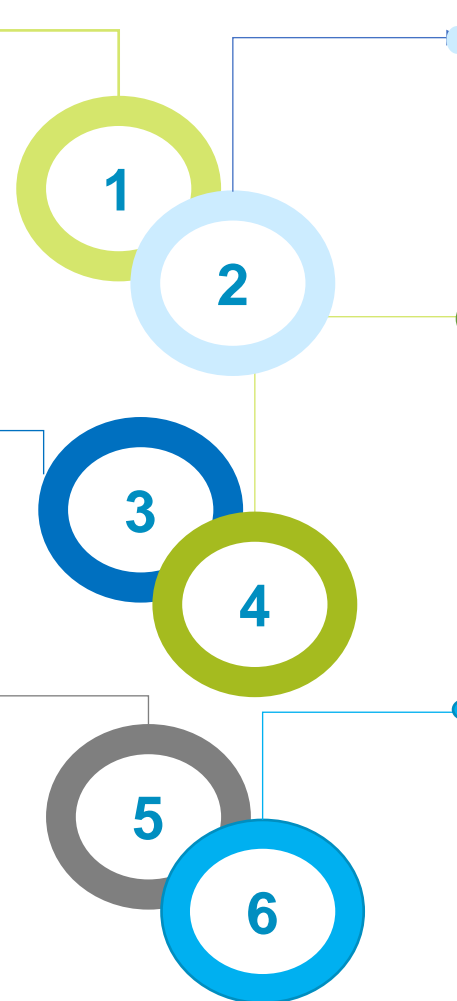
- Done 8 Securitization /6 Direct Assignment transactions totaling to ₹ 1019.0 crores (net of MRR) to date
- Helped substantially grow the AUM
- Out of 8 securitization two transaction closed as of June 2018
- Last two PTC transactions got higher rating AA- & AA for the first investors

### Lower Costs

- The interest cost of the last transaction - 9.06% (cost of first transaction was 10.85%) - lower than the average bank fund cost of about 9.32% in Q1 FY 19

### Risks passed on

- Apart from the Credit Enhancements to be given, the risks are passed on to the Investor
- Lower Standard asset provisioning by ₹ 0.92 crores as on 30th June 2018 improves profitability



### Capital saving:

An off balance sheet transaction, helps in the CRAR by 3.38% as on 30<sup>th</sup> June 2018 without reducing the net income that was generated earlier

### Efficient use of funds

- Helps in repaying high cost funds
- Helps to use funds for other disbursements
- Helps negotiate with lenders better
- The overall profitability as a % of Revenue and will improve with increase in transaction.

### Improved profitability

- Company continues to earn income/interest spread on the securitized portfolio
- Improves the overall ROA
- As on 30<sup>th</sup> June 2018 ROA increased by 0.55% due to securitization and direct assignment transaction.

## SPREAD ANALYSIS

₹. In Crores

Analysis on Avg loan book size	Jun-17		Sep-17		Dec-17		Mar-18		Jun-18	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Avg Loan Book Size</b>	<b>1272.7</b>		<b>1360.2</b>		<b>1579.7</b>		<b>1743.6</b>		<b>1959.4</b>	
Revenue from operations	79.2	24.9%	94.4	27.7%	104.7	26.5%	118.3	27.1%	123.7	25.3%
Direct exp.	34.3	10.8%	39.2	11.5%	40.8	10.3%	40.0	9.2%	44.8	9.1%
<b>Gross Spread</b>	<b>44.9</b>	<b>14.1%</b>	<b>55.1</b>	<b>16.2%</b>	<b>63.9</b>	<b>16.2%</b>	<b>78.3</b>	<b>18.0%</b>	<b>79.0</b>	<b>16.1%</b>
Personnel Expenses	14.7	4.6%	15.5	4.6%	15.9	4.0%	18.1	4.2%	17.7	3.6%
OPEX (incl. depreciation etc...)	12.2	3.8%	17.5	5.1%	17.2	4.3%	17.2	3.9%	18.2	3.7%
<b>Total Expenses</b>	<b>26.9</b>	<b>8.5%</b>	<b>33.0</b>	<b>9.7%</b>	<b>33.0</b>	<b>8.4%</b>	<b>35.3</b>	<b>8.1%</b>	<b>35.9</b>	<b>7.3%</b>
Pre Provision Profits	18.0	5.7%	22.1	6.5%	30.8	7.8%	43.0	9.9%	43.1	8.8%
Loan Loss and provisions	9.2	2.9%	6.8	2.0%	7.1	1.8%	**10.6	2.4%	**11.8	2.4%
<b>Net Spread</b>	<b>8.8</b>	<b>2.8%</b>	<b>15.4</b>	<b>4.5%</b>	<b>23.8</b>	<b>6.0%</b>	<b>32.4</b>	<b>7.4%</b>	<b>31.2</b>	<b>6.4%</b>

\*Excluding managed portfolio; Income excluding income from SLR investments

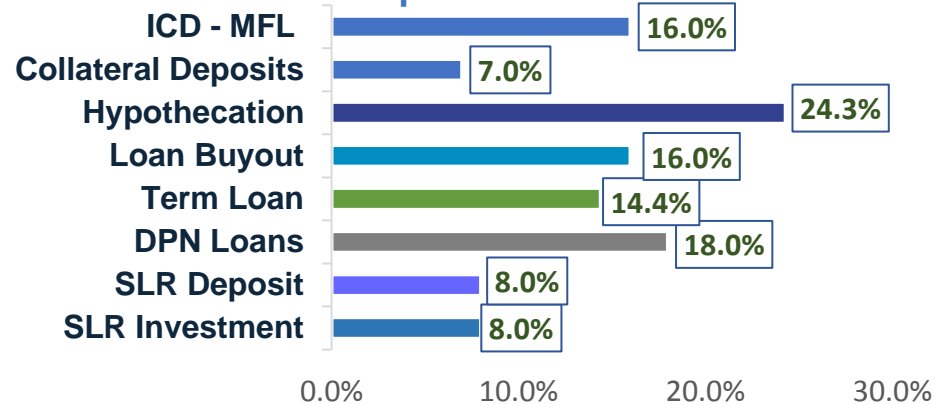
\*\* Inclusive of additional provision ₹4.0 Crores (Q4 FY 18) &amp; ₹ 3.5 crores made during the quarter.

## ANALYSIS OF COST &amp; YIELD

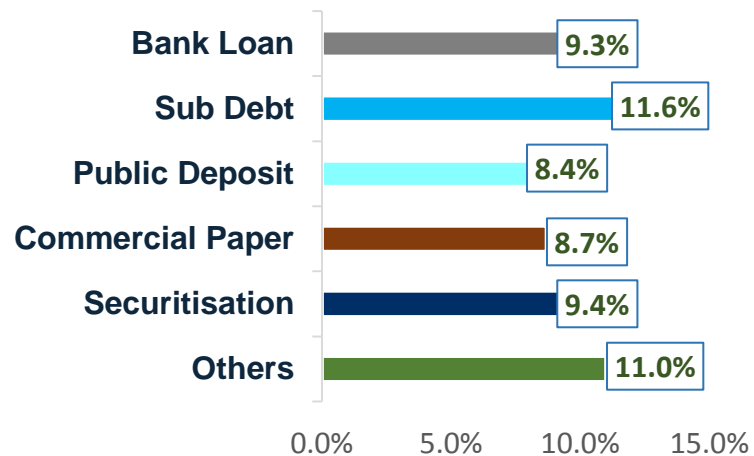
SL.No.	Description of Loan	EFFECTIVE RATE				
		Q1 FY '18	Q2 FY '18	Q3 FY '18	Q4 FY '18	Q1 FY '19
1	Hypothecation	24.3%	26.5%	24.8%	26.0%	24.3%
2	Loan Buyout	15.6%	15.6%	15.8%	16.0%	16.0%
3	Term Loan	14.8%	14.7%	14.6%	14.4%	14.4%
4	DPN Loans	20.6%	19.5%	19.0%	21.5%	18.0%
5	SLR Deposit	9.3%	9.6%	9.0%	8.8%	8.0%
6	SLR Investment (Govt Sec)	8.0%	8.0%	7.9%	8.0%	8.0%
7	Collateral Deposits	0.0%	0.0%	0.0%	0.0%	7.0%
8	ICD - MFL	0.0%	0.0%	0.0%	0.0%	16.0%
	<b>Yield</b>	<b>22.7%</b>	<b>24.9%</b>	<b>23.5%</b>	<b>24.7%</b>	<b>23.0%</b>
1	Bank Loan	10.1%	10.0%	9.6%	9.3%	9.3%
2	Sub Debt	11.9%	11.8%	11.7%	11.7%	11.6%
3	Public Deposit	8.8%	8.8%	9.0%	8.7%	8.5%
4	Commercial Paper	0.0%	0.0%	8.7%	8.6%	8.7%
5	Securitization/Direct Assignment	10.3%	10.1%	9.8%	9.6%	9.4%
6	Others	11.7%	11.7%	11.6%	10.7%	10.9%
	<b>Cost</b>	<b>10.1%</b>	<b>9.9%</b>	<b>9.6%</b>	<b>9.3%</b>	<b>9.3%</b>
	<b>Interest Spread</b>	<b>12.6%</b>	<b>14.9%</b>	<b>13.9%</b>	<b>15.4%</b>	<b>13.6%</b>

## ANALYSIS OF COST &amp; YIELD

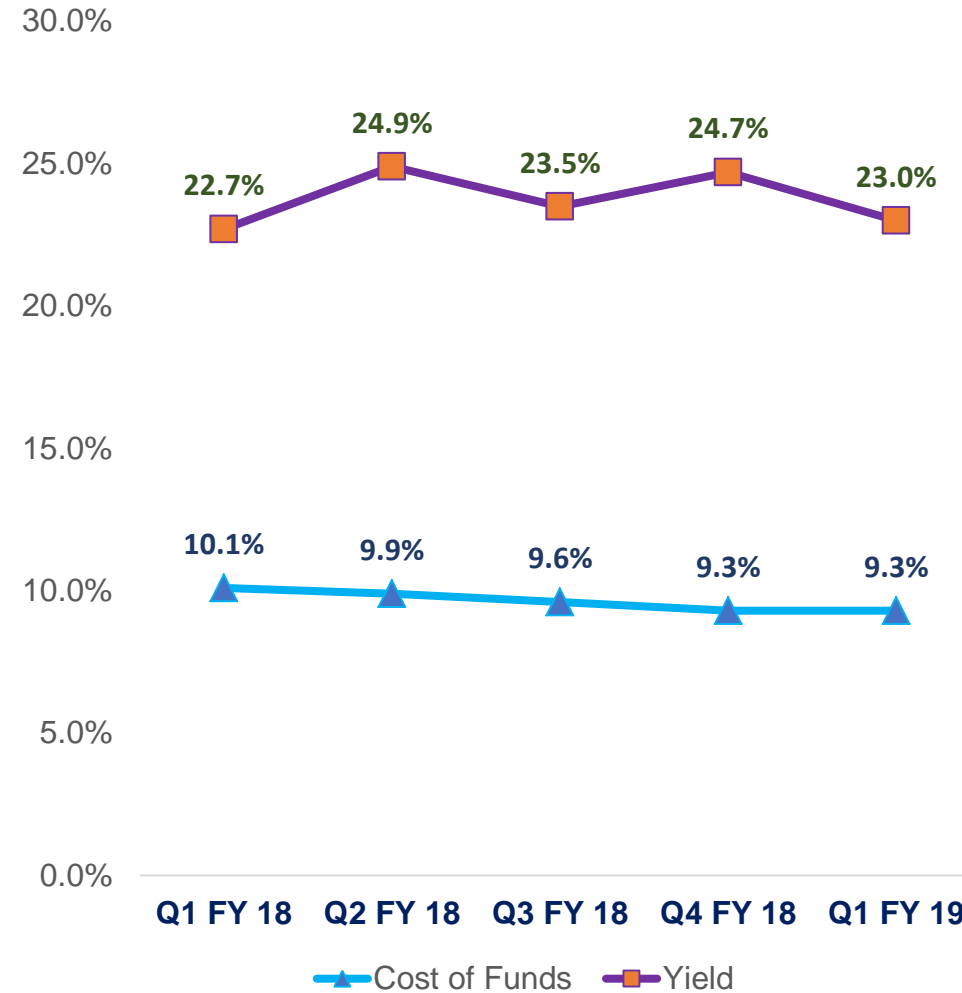
## Composition of Yield



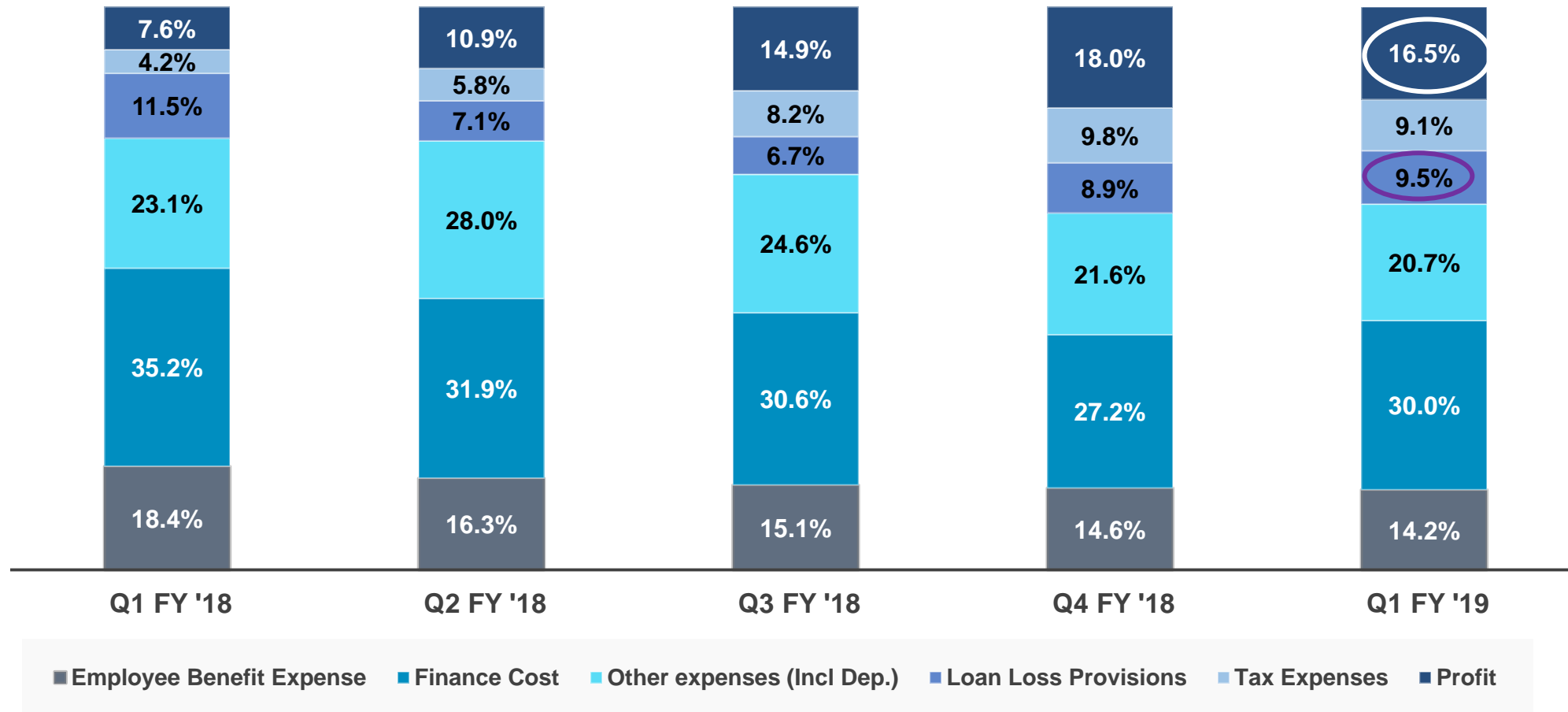
## Composition of Cost



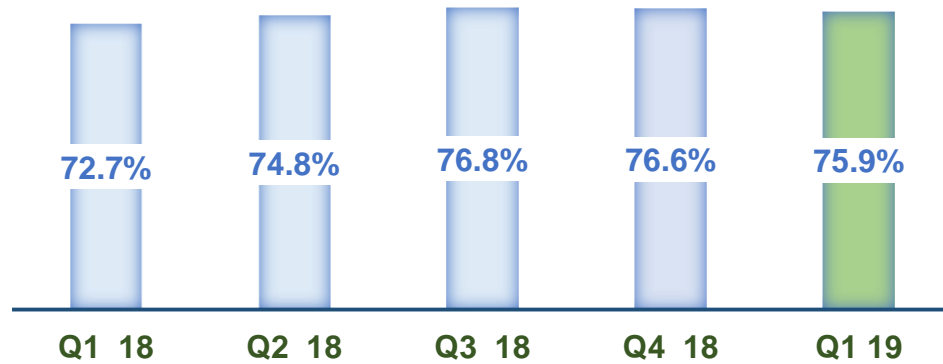
## Cost of Funds, Yield &amp; Spread



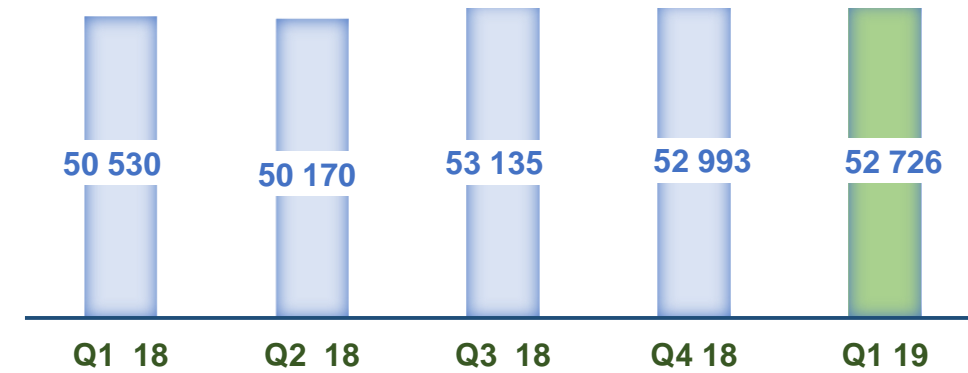


**EXPENSE AS A % OF REVENUE – Q-o-Q**

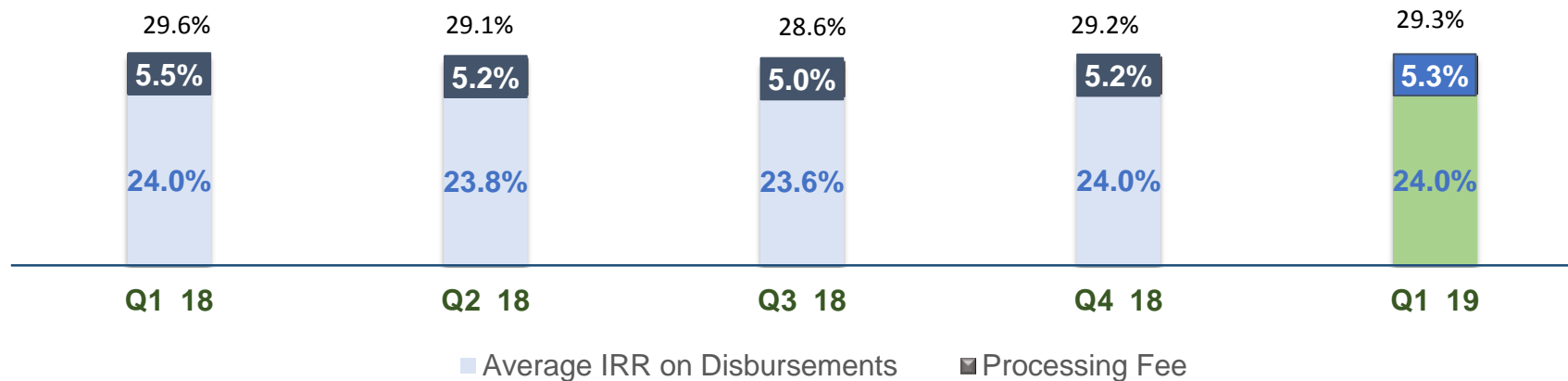
## Average LTV



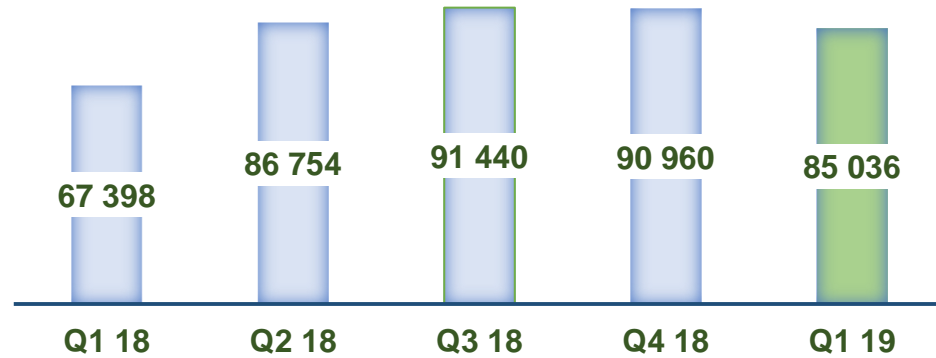
## Average Ticket Size



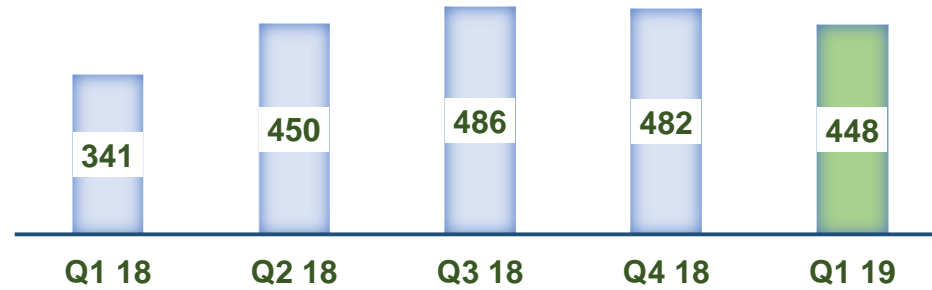
## Average IRR and Processing fee on disbursement



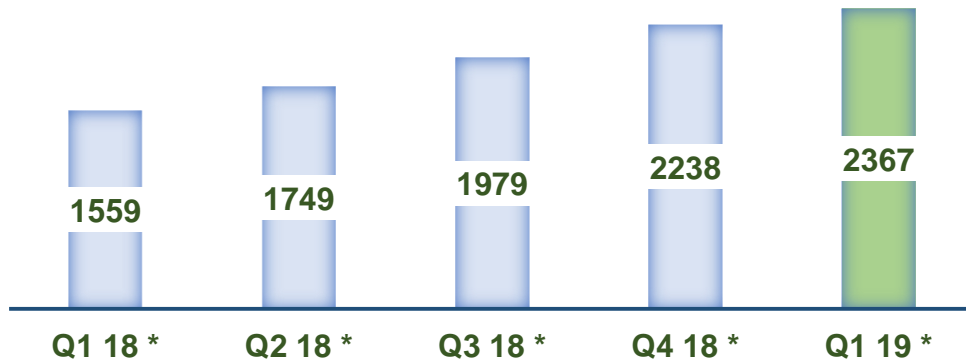
## Disbursement Count (Hypo Loan)



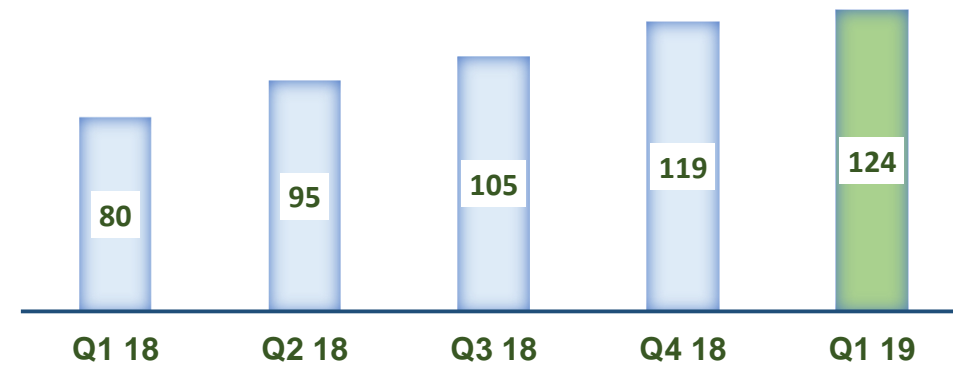
## Disbursement - Hypo Loan (in ₹ crores)



## Loan Book Size (in ₹ crores)

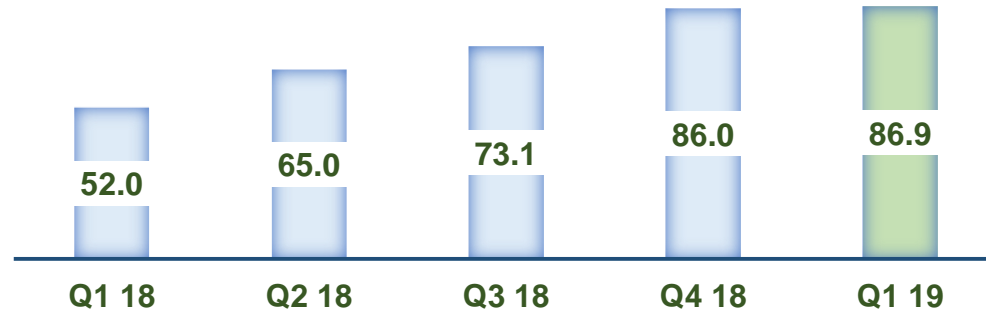


## Revenue (in ₹ crores)

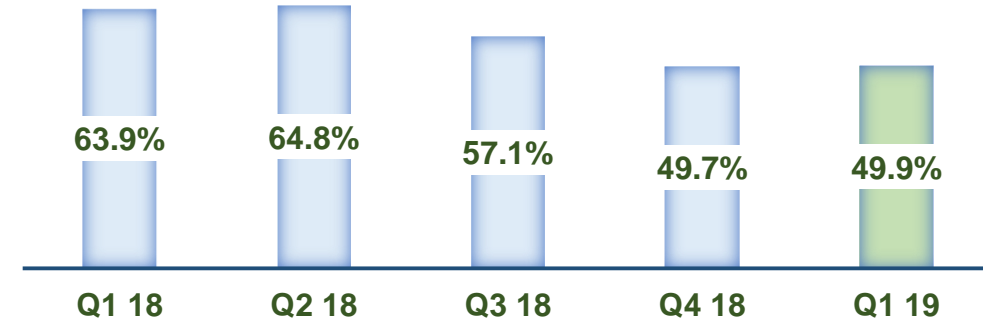


\* Including managed portfolio

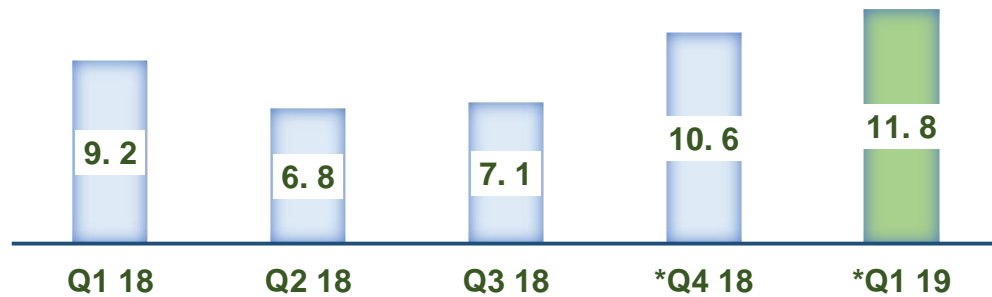
## Net interest income (in Crores)



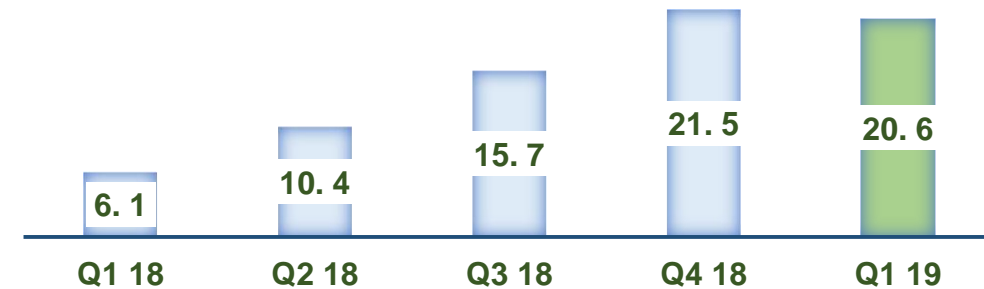
## OPEX as a % of NII



## Loan Loss Provisions and Write offs (in Crores)

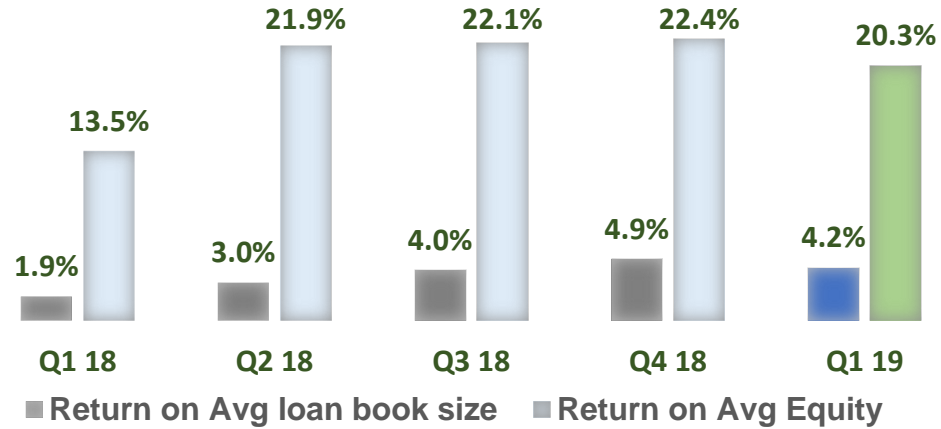


## Profit after tax (in Crores)

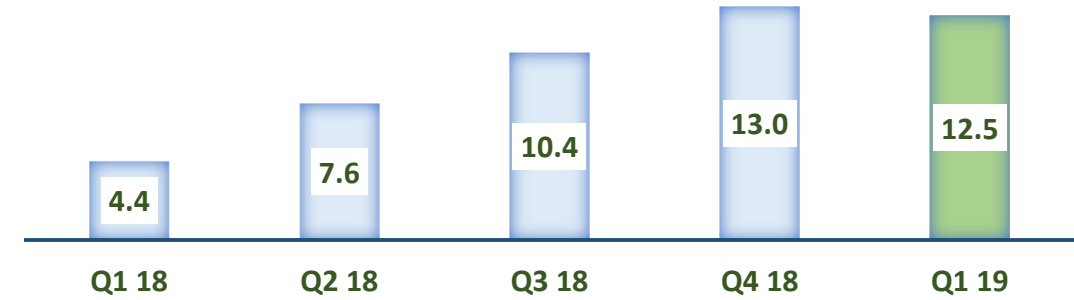


\* Inclusive of additional provision of ₹4 Cr (Q4 FY 18) & ₹ 3.5 crores made in Q1 19

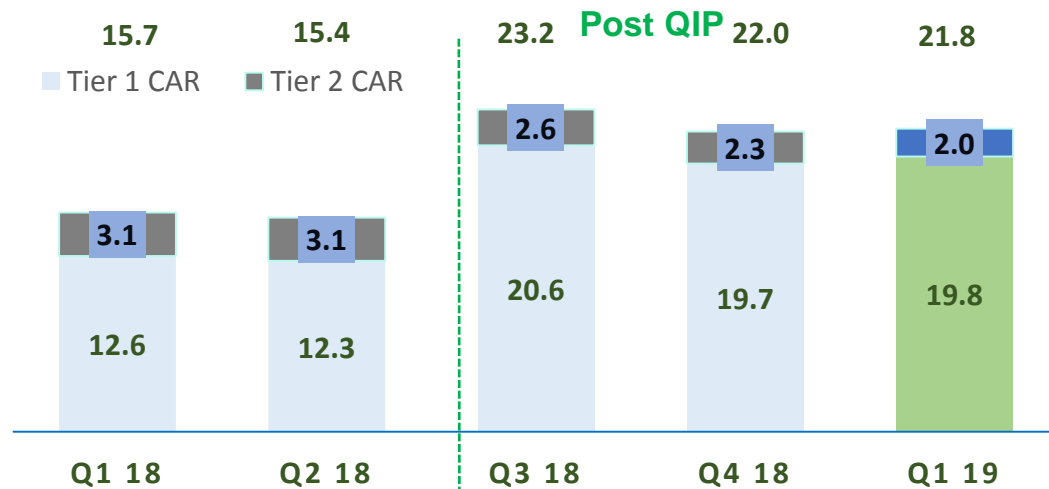
## ROA and ROE



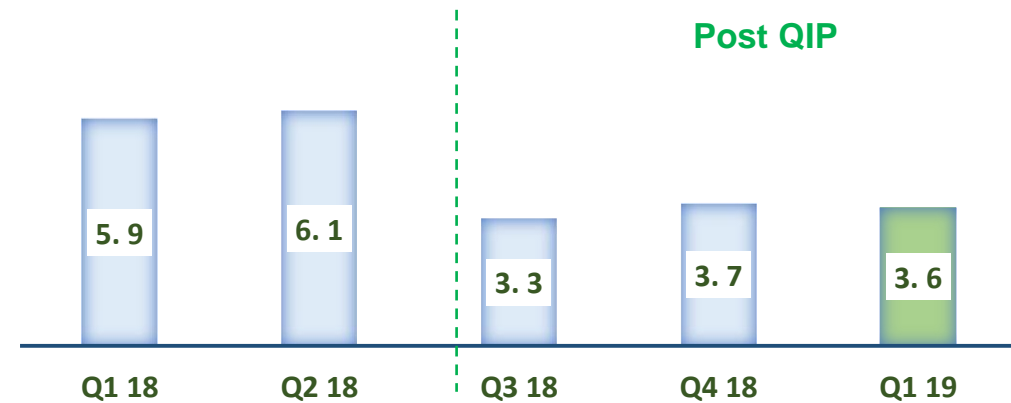
## Earning per Share (in ₹)



## Capital Adequacy



## Debt Equity Ratio



**Robust Growth  
in Disbursement  
& Collection**

- Hyp. loans had 32% growth v/s Q1 FY18 & dealer point and MFL growth was 31% & 35%; 2W Industry growth, Increased productivity through use of technology also helped momentum.
- Hyp. Disb. in new geographies saw huge growth. In Q1 FY 19; Non-South disb. share was 26%; for FY 18, Non-South Disb. was 18 % . South concentration reducing.
- Collections have grown to ₹ 385.9 crs in Q1 FY19 v/s ₹ 364.3 crs in Q4 FY 18; but the hard bucket collect saw a fall in the Q1 FY 19; NACH collection was 41.8 %of the total collection v/s 36.6 % in Q4 FY 18.

**NPA**

- Current Qtr saw a spike in the NPA after substantial reduction in the previous quarters; mainly on account of rise in NPA in April after a robust collection in March.
- Quarter end NPA excluding off-books was at ₹ 102 crores v/s ₹ 88 crs at the beginning of the year; plans made for reduction of the same over the next 1-2 quarters.

**Arbitration**

- Strong action on arbitration/ legal front; Files given to legal firms – 30 697 and Awards passed – 12 924 and cases settled – 6 401
- ₹ 44.1 crores collected directly from about 15,625 nos. of customers and through repossession and sale of their vehicles; major step to push customers for settlement.; currently new cases not being handed over and looking for direct settlements.

**QIP/ Related  
benefits**

- 1st QIP in November 2017; 9 new reputed investors came in, bringing ₹ 165 crores
- Significantly improved CRAR, lower D/E ratio and made the company attractive to all forms of lenders/ investors; helped maintain interest rate/cost at the previous quarter level in a interest hardening period; Upgraded to A (Stable) by CRISIL.

### Diversity in Funding

- In Q1 FY 19 the Company got additional funding of a total of ₹ 536.6 crores from various sources; ₹ 229.7 crs got from 2 large securitization transactions; 3 sanctions for term loans totaling to ₹ 200 crs received. Emphasis on improving ALM.
- Speaking to new segment of investors for term loans/ securitization etc.

### Borrowing Mix

- During the quarter the Company has been able to get additional sanctions from various sources- Banks ₹50 crs, Commercial Paper- ₹50 crs, Securitization Transaction- ₹229.7 crs, NBFC- ₹ 100 crs
- Overall Interest costs of the Company also came down to 9.31% and expected to remain steady in spite of the reverse trend

### Securitization/ DA

- 2 Securitization transaction valuing ₹ 229.7 Crore (net of MRR) done during Q1 FY19 –14 transactions so far, 2 closed. First 2 transactions pools upgraded to AAA (SO) & BBB+(SO) and A (SO) & BBB+(SO) respectively, for first and second investor. The current Year Securitization done with ratings of AA- and AA respectively
- Helped substantially in ploughing funds back into the business and growing the loan book ; Many more transactions are expected to happen in the future as well. Helps check overall pricing.

### Geographical expansion

- Penetration in present states in South and West and in the new and existing areas in North and East helped growth and hope is for better and improved performance in FY19. Dependence on South seen reducing;
- New Products , new geographies and digitization seen as the way forward for the next few years. Budget achievement in the current quarter in line with the planned figures.

**Staff attrition &  
Cost Control**

- Monthly staff attrition was lower at 2.65 % in Q1 FY '19 v/s 3.66% in Q4 FY 18 - The concept of Marketing agents is also working well. In North & East Outsourced FTEs as a concept working very well; larger competition will see churn but will be made good through effective use of technology/ digitization
- Dealer incentives have remained under control at 1.3% for Q1 FY19; interest and finance charges on an overall basis was slightly lower at 9.31% v/s 9.33% in Q4 FY '18 and 10.1% in Q1 FY 18.

**Repayment  
Mode**

- Post demonetization 100% repayment for new customers through NACH and significant collections through NACH – Helps cut delinquencies. Q1 FY 19 collections were about 42% of the total collections, rising M-O-M.
- NACH repayment is at 77% v/s 26 % at end of Mar'17 quarter. The unlinked mandates is an area of concern, which is being attended to.

**Overall  
Profitability**

- Q1 FY 19 PAT of ₹ 20.6 crores actual v/s ₹ 16.5 crores budgeted; is the highest Q1 PAT figures of the Company
- Lower than budgeted NPA figures (hence lower provisioning); significantly lower Finance costs and employee costs. Other expenses were higher on account of account of significantly higher collection costs, all led to higher than budgeted profitability.

**Way Forward**

- Plans are being worked out to see what would be the most effective way of controlling this cost, some of which has already happened in FY 18 and Q1 FY 19. Some benefits seen in OPEX/NII ratio going down below 50%
- We are bullish about the future and hopeful of the trend seen in the last couple of years and the momentum maintained in Q1 FY 19 in terms of disbursement, Loan book growth and profitability. Looking at support from all the stakeholders to achieve this objective



**THANK YOU**