

Board Presentation dated 29th July 2019

Quarter ended 30th June 2019



BLUE SOCH.
HELPING MILLIONS SHAPE
THEIR TOMORROW.



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Additional Sanction
₹ 25 Cr.

New Customers
75,725

Disb – ₹ 486.9 Cr

No of States / UT
currently operating in
– 20

SNAPSHOT

Quarter ended 30th June 2019

AUM – ₹ 2760 Cr
Live Customers –
715,170

Own book (Ind AS)
Stage 3 – 5.2%
Stage 3 (Net) – 3.1%

Securitization sanctions
Q1 FY 20 - ₹ 197 Cr

CRAR – 21.9%
D/E ratio (Ind AS):4.6

KEY CHANGES CONSIDERED UNDER IND AS

Loans and advances

- Ind AS permits derecognition only when the “transfer” qualifies for derecognition as per “standards” . Hence **Securitized portfolio is not derecognised and is treated as “On-book” portfolio** with corresponding liability. **Assigned Portfolio is derecognized from the books.**
- **Processing fee Income** collected on advances and **transaction costs** on the sourcing **amortized over the asset life** and considered for the purpose of determining effective interest rate.
- **Interest income on Stage 3 assets (equated to erstwhile NPA) recognized only on receipt basis** in the “absence of certainty” regarding its ultimate collection. **(₹ 17.17 Crores of “unrealized interest” not recognized in the books).**

Securitization

- **No de-recognition of portfolio of transferred assets**, as risks and rewards cannot be considered as fully transferred,. **Liability created in books** for the consideration received from the investor which would get reduced as and when investor pay-outs are made to SPV.
- **Income is recognized on accrual basis on the securitized asset** retained in books and **a corresponding interest expense is recognized for investor liability**
- **ECL provision is recognized on the securitized asset** retained in books

KEY CHANGES CONSIDERED IND AS ... Contd.

Assignment Transactions :

- **Gain on Assignment (DA) transaction recognized upfront, net of the cost that would be incurred on collection of the assigned portfolio. The “Loss Estimated” by Rating Agency at the beginning of the transaction is included in ECL provision (one time provision) and would be reversed on the final maturity of the DA .**
- **Service Liability / Service asset is recognized upfront on the assigned assets to reflect the fair value of amounts payable/ receivable under the service obligation on the assigned asset**

Provision on Financial Assets:

Provision is based on detailed Expected Credit Loss (ECL) model as prescribed in Ind AS 109 - provision determined is significantly higher than the RBI mandated norm, especially for S1 and S2 asset categories (equated to erstwhile Standard Assets)

Amortization of Incomes/Expenses and Interest Accounting:

- Processing Fee collected on advances and transaction costs on the same are amortized over the asset life for the determining effective interest rate.
- Interest on advances (inclusive of processing charges) is recognized in P&L using Effective Interest Rate method

KEY CHANGES CONSIDERED IND AS ... Contd.

Borrowings:

- Transaction costs directly relating to borrowing is amortized over the tenure of the borrowing .
- Comprises of Loan Processing fees on all Bank borrowings, arranger fee, cost of securitization etc.

Disclosure changes :

- **Other Comprehensive Income (OCI)**– The provisions of IND AS requires the fair value changes of equity instruments and re-measurement changes on post employment obligations to be routed through OCI head which is disclosed as a separate category in the statement of Profit & Loss. The total comprehensive income for the year is inclusive of both Profit and Other comprehensive income
- **Transaction costs** - Transaction costs directly relating to loan has been amortized over the period of the loan under Effective Interest rate method. Accordingly these costs have been netted off against interest income and not disclosed as a separate expenditure under Other Expenses in the Statement of Profit & Loss
- **Securitization** – Interest Expense on Investor liability arising from PTC Transaction is disclosed as a part of Finance cost (earlier netted off against securitization income)

ECL MATRIX (HYP LOANS) – FY 18 and FY 19

₹. In Crores

	S ₁		S ₂		S ₃
	0 days	1-30 days	31-60 days	61-90 days	>90 days
FY 18					
AUM	1 401.43	124.52	62.54	46.33	89.85
EAD	702.93	72.04	38.72	30.22	89.85
PD	2.94%	16.81%	26.68%	35.06%	76.69%
LGD	52.36%	52.36%	52.36%	52.36%	52.36%
Provision	10.82	6.34	5.41	5.55	36.08
ECL %	0.77%	5.09%	8.65%	11.97%	40.15%
FY 19					
AUM	1 795.2	140.58	82.29	72.75	113.84
EAD	920.26	82.39	50.48	45.66	113.84
PD	2.52%	15.75%	26.94%	38.08%	79.73%
LGD	51.65%	51.65%	51.65%	51.65%	51.65%
Provision	11.99	6.70	7.02	8.98	46.88
ECL %	0.67%	4.77%	8.53%	12.34%	41.18%
Q1 FY20*					
AUM	1 781.88	155.52	87.15	78.96	135.59
EAD	924.66	92.04	54.18	49.87	135.59
PD	2.52%	15.75%	26.94%	38.08%	79.73%
LGD	51.65%	51.65%	51.65%	51.65%	51.65%
Provision	12.05	7.49	7.54	9.81	55.84
ECL %	0.68%	4.81%	8.65%	12.42%	41.18%

*The Company intends to utilize the same PD/LGD/ECL, as at the end of the preceding financial year, for the subsequent 3 quarters(Upto Q3 FY 20), unless there is substantial change in the overall scenario

EXPECTED CREDIT LOSS (ECL)

As on 30.06.2018

Particulars	Outstanding	Provision	ECL%	₹. In Crores
				EXISTING* %
Total	2174.06	74.92	3.45%	2.51%
S1 and S2 (Std assets)	1800.62	32.32	1.79%	0.40%
S3 (NPA)	103.41	41.52	40.15%	38.16%
Other Loans	270.03	1.08	0.40%	0.40%

As on 31.03.2019

Particulars	Outstanding	Provision	ECL%	EXISTING* %
Total	2574.22	83.39	3.24%	3.00%
S1 and S2 (Std assets)	2090.82	35.03	1.68%	0.40%
S3 (NPA)	113.84	46.88	41.18%	45.28%
Other Loans	369.56	1.48	0.40%	0.40%

As on 30.06.2019

Particulars	Outstanding	Provision	ECL%	EXISTING* %
Total	2573.13	94.39	3.67%	3.55%
S1 and S2 (Std assets)	2103.51	37.21	1.77%	0.40%
S3 (NPA)	135.59	55.84	41.18%	46.50%
Other Loans	334.03	1.34	0.40%	0.40%

***Based on the On Book AUM**

IND AS IMPACT ON RESERVE/ PBT

₹. In Crores

	As on 31.03.2018	2018-19	Q1 FY 2019	Q1 FY 2020
	377.48	127.25	31.76	21.50
Expected Credit Loss addition	(27.24)	2.49	(1.57)	(0.30)
Provision for Direct assignment gain	0.00	(0.49)	0.00	(0.24)
ECL provision on Hypothecation Loan	(27.24)	2.98	(1.57)	(0.06)
EIR on financial receivables	(45.62)	(2.89)	(1.57)	(0.95)
HP management fee impact	(66.49)	(10.38)	(3.86)	(0.55)
Processing fee _ Income	(1.19)	(0.93)	(0.11)	(0.01)
Insurance		3.90	0.19	(0.68)
Transaction cost	22.06	4.51	2.20	0.28
Securitization	9.31	7.85	1.69	5.05
Assignment	11.08	(6.56)	(4.06)	1.94
Direct assignment income- service asset	11.08	(7.53)	(4.67)	2.16
Direct assignment expense _collection cost	0.00	0.97	0.60	(0.22)
EIR on Borrowings	1.76	4.40	0.76	(0.35)
Processing Fees Bank	1.41	2.74	0.14	(0.33)
Securitisatation Expense	0.36	1.66	0.62	(0.02)
Fair value changes on investments	(0.00)	0.37	(0.04)	0.01
Reserve/Profit before tax as per IND AS	326.78	132.89	26.95	26.89
Deferred Tax/(Liability)	17.72	-	-	
Reserve/Profit before tax as per IND AS	344.49	132.89	26.95	26.89

Y-o-Y Trend - Ind- AS

₹. In Crores

Financial Statement Metrics	Q1 FY 20	Q1 FY 19	Y-o-Y
Disbursement :			
Hyp Loans	451.3	448.4	1%
Other Loans	35.6	37.1	-4%
Total Disbursements	486.9	485.5	0.3%
AUM at the end of the period *	2605.4	2201.2	18.4%
Average AUM **	2572.1	2070.8	24%
Total Interest and Fee Income	144.0	114.1	26%
Finance Expenses	55.6	39.5	41%
Net Interest Income(NII)	88.4	74.6	18%
Operating Expenses	44.5	34.2	30%
Loan Losses & Provisions	17.0	13.4	27%
Profit Before Tax	26.9	27.0	-0.4%
Profit After Tax***	13.6	17.5	-22%

Q1 FY20

Q1 FY19

Total Opex to NII

Return on Avg. AUM

Earnings per Share

2.1%

3.4%

8.3

10.7

Y-o-Y Trend- IGAAP

₹. In Crores

Q1 FY 20	Q1 FY 19	Y-o-Y
451.3	448.4	1%
35.6	37.1	-4%
486.9	485.5	0.3%
2100.5	1912.6	10%
2048.5	1959.4	5%
132.7	124.2	7%
41.4	37.3	11%
91.2	86.9	5%
53.1	43.3	22%
16.7	11.8	41%
21.5	31.8	-32%
12.4	20.6	-40%

Q1 FY20

Q1 FY19

58.2%

49.9%

2.4%

4.2%

7.5

12.5

* Total AUM including off book as on 30th June 19 is ₹ 2 760 crs (Q-o-Q- 0.6 % up) (Y-o-Y- 17% up) ;** AUM and Avg AUM under IND AS includes PTC portfolio ; does not include DA portfolio

*** In view of the reduction in the tax rate for the Company, Deferred tax earlier recognized @ 34.944%, has been written down to 29.12% & the difference charged off to P&L A/C in Q1 FY20

Disbursement

Q4 FY 19 : ₹ 605.7 Cr
Q1 FY 20 : ₹ 486.9 Cr

 20%

Q1 FY 19: ₹ 485.5 Cr
Q1 FY 20 : ₹ 486.9 Cr

 0.3%

Borrowing Cost

Q4 FY 19 : 10.1%
Q1 FY 20 : 10.3%

 2%

Q1 FY 19 : 9.3%
Q1 FY 20 : 10.3%

 11%

PAT (Ind AS)

Q4 FY 19 : ₹ 22.6 Cr
Q1 FY 20 : ₹ 13.6 Cr

 40%

Q1 FY 19 : ₹ 17.5 Cr
Q1 FY 20 : ₹ 13.6 Cr

 23%

Overall AUM

Q4 FY 19 : ₹ 2741 Cr
Q1 FY 20 : ₹ 2760 Cr

 0.1%

Q1 FY 19 : ₹ 2367 Cr
Q1 FY 20 : ₹ 2760 Cr

 18%

Stage 3 (Ind AS)

Q4 FY 19 : ₹ 113.8 Cr
Q1 FY 20 : ₹ 135.6 Cr

 19%

Q1 FY 19 : ₹ 103.4 Cr
Q1 FY 20 : ₹ 135.6 Cr

 31%

ROA- (Ind AS)

Q4 FY 19 : 3.7%
Q1 FY 20 : 2.1%
(W/o Def. Tax : 2.7%)

 43%
(27%)

Q1 FY 19 : 3.4 %
Q1 FY 20 : 2.1%
(W/o Def. Tax : 2.7%)

 38%
(21%)

Revenue- (Ind AS)

Q4 FY 19 : ₹ 137.3 Cr
Q1 FY 20 : ₹ 144.0Cr

 5%

Q1 FY 19 : ₹ 114.1 Cr
Q1 FY 20 : ₹ 144.0 Cr

 26%

Loan Losses & Provision (Ind AS)

Q4 FY 19 : ₹ 8.8 Cr
Q1 FY 20 : ₹17.0 Cr

 93%

Q1 FY 19 : ₹ 13.4Cr
Q1 FY 20 : ₹ 17.0Cr

 27%

ROE- (Ind AS)

Q4 FY 19 : 21 %
Q1 FY 20 : 12%
(W/o Def. Tax : 16.3%)

 43%
(22%)

Q1 FY 19 : 19%
Q1 FY 20 : 12%
(W/o Def. Tax : 16.3%)

 36%
(14%)

ASSET QUALITY AND PROVISION COVERAGE

₹. In Crores

As Per IGAAP

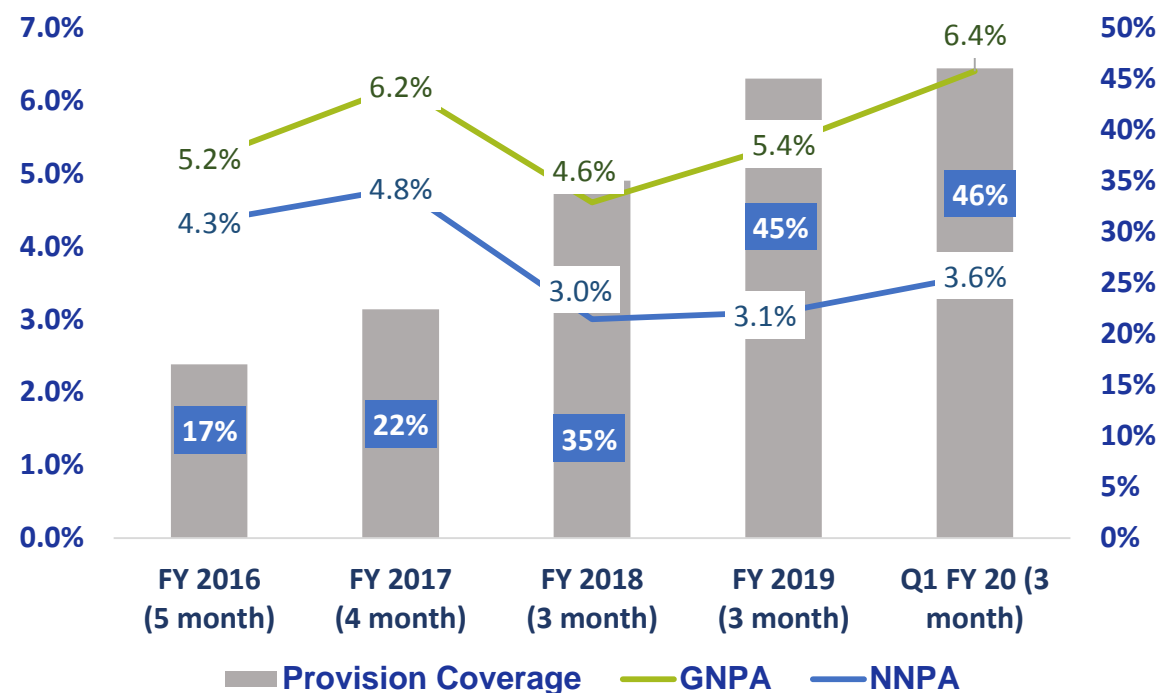
	As on 30.06.2018	As on 31.03.2019	As on 30.06.2019
Own Book Portfolio	1912.6	2084.1	2100.5
GNPA	5.3%	5.4%	6.4%
NNPA	3.4%	3.1%	3.6%
Total Provision*	46.1	59.1*	70.1*
Prov. as % of Loan Book	2.4%	2.8%	3.3%

* Includes additional provision of ₹ 5.1Cr made during Q1 FY 20

₹. In Crores

As Per IND AS

	As on 30.06.2018	As on 31.03.2019	As on 30.06.2019
Own Book Portfolio	2201.2	2608.6	2605.4
Stage 3	4.7%	4.4%	5.2%
Stage 3 (Net)	2.9%	2.6%	3.1%
ECL Provision	74.9	83.4	94.4
Prov as % of Loan Book	3.4%	3.2%	3.6%

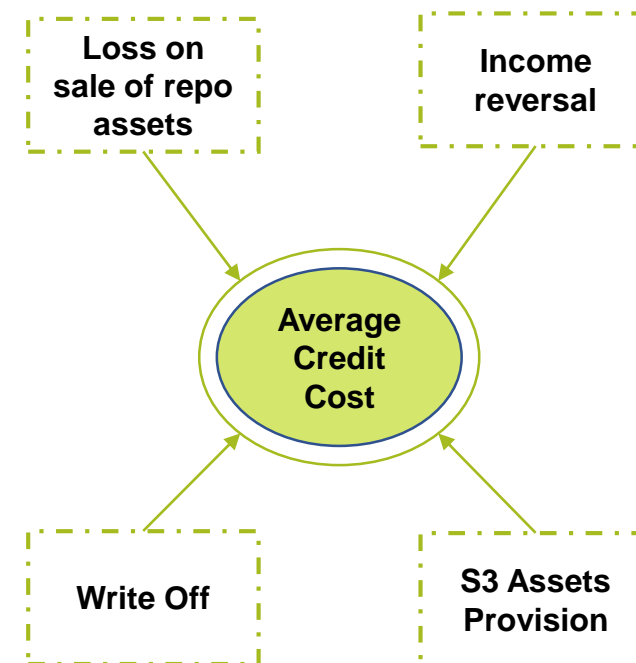
As Per IGAAP

* * NPA norm

MAIN FACTORS IMPACTING PROFITABILITY – DELINQUENCIES-(IGAAP)

₹. In Crores

Particulars	For FY 18	Q1 FY 19	Q2 FY 19	Q3 FY 19	Q4 FY 19	FY 19	Q1 FY 20
Unrealized Income reversed	1.7	1.5	1.6	1.0	-0.7	3.4	2.3
Loss on sale + Provision for diminution in value of repo. Assets	14.2	3.8	5.2	6.0	5.2	20.2	5.7
S3 write off	1.6	0	0	0	7.8	7.8	-
S3 Provision	10.3	4.4	4.2	3.7	-6.1	6.2	5.9
Addl S3 Provision	4.0	3.5	3.8	2.4	4.4	14.1	5.1
Total	31.8	13.2	14.8	13.1	10.6	51.7	19.0
Avg AUM*	1479.6	1959.4	1982.0	2083.3	2147.2	2042.6	2048.5
% of Credit cost on Avg AUM (annualized)**	2.1%	2.7%	3.0%	2.5%	2.0%	2.5%	3.7%



*Average AUM is excluding managed portfolio;

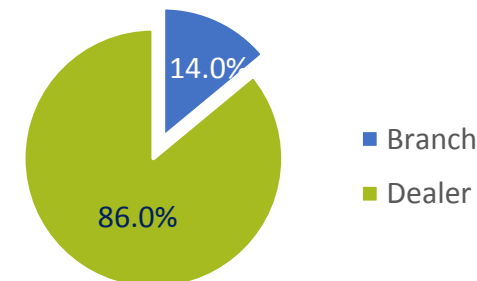
** Credit Cost Excl Additional Prov: FY 18 -1.9%, Q1 FY 19 – 2.0% , Q2 FY 19- 2.2%, Q3 FY 19-2.1%,Q4 FY19-1.2%,FY 19- 1.8 %,Q1 FY20 – 2.7%

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

₹. In Crores

Zone	BRANCH		DEALER		TOTAL		Overall Share	
	Q1 FY 19		Q1 FY 20		Q1 FY 19		Q1 FY 20	
	Count	Value	Count	Value	Count	Value	Count	Value
South	11 730	64.3	8 860	51.4	49 105	268.1	40 896	255.8
West	1 457	6.6	1 213	6.3	5 562	27.7	4 725	27.2
North	673	3.1	404	2.1	10 637	50.2	9 858	53.4
East	201	0.9	295	1.6	5 671	27.4	9 474	53.5
Overall	14 061	74.9	10 772	61.4	70 975	373.4	64 953	389.9

Share of Branch and Dealer of zone-wise
disbursement

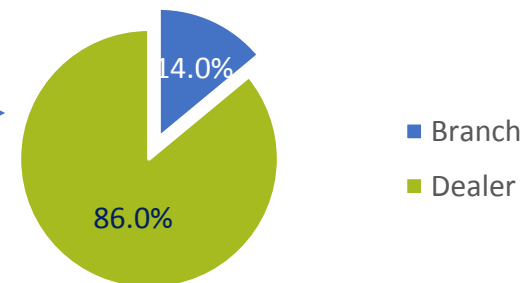


ZONEWISE DISBURSEMENT (HYP LOANS) – Q- o -Q

₹. In Crores

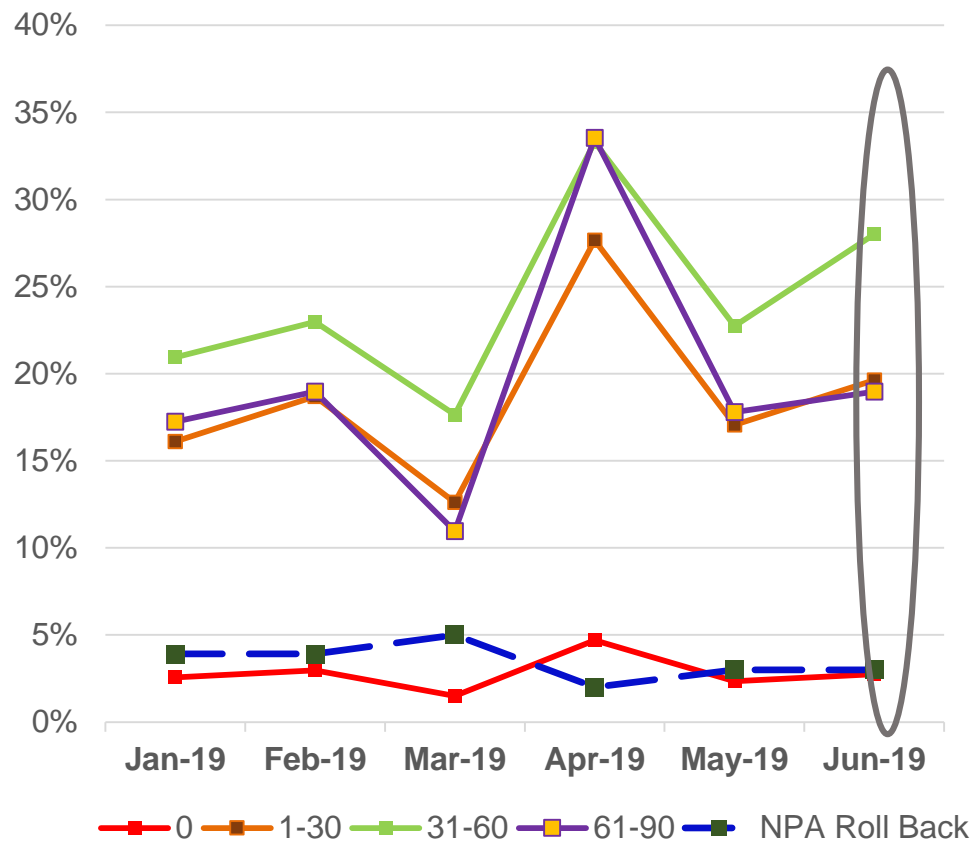
Zone	BRANCH		DEALER		TOTAL		Overall Share	
	Q1 FY '20		Q4 FY '19		Q1 FY '20		Q4 FY '19	
	Count	Value	Count	Value	Count	Value	Count	Value
South	8 860	51.4	9 244	54.1	40 896	255.9	41 031	251.1
West	1213	6.2	1 085	5.6	4 725	27.2	4 638	26.7
North	404	2.1	505	2.7	9 858	53.4	9 631	52.4
East	295	1.7	371	2.0	9 474	53.4	8 841	49.4
Overall	10 772	61.4	11 205	64.4	64 953	389.9	64 141	379.6

Count	Value	Growth%
49 756	307.3	1%
50 275	305.2	68%
5 938	33.4	4%
5 723	32.3	8%
10 262	55.5	1%
10 136	55.1	12%
9 769	55.1	7%
9 212	51.4	12%
75 725	451.3	2%
75 346	444.0	100%

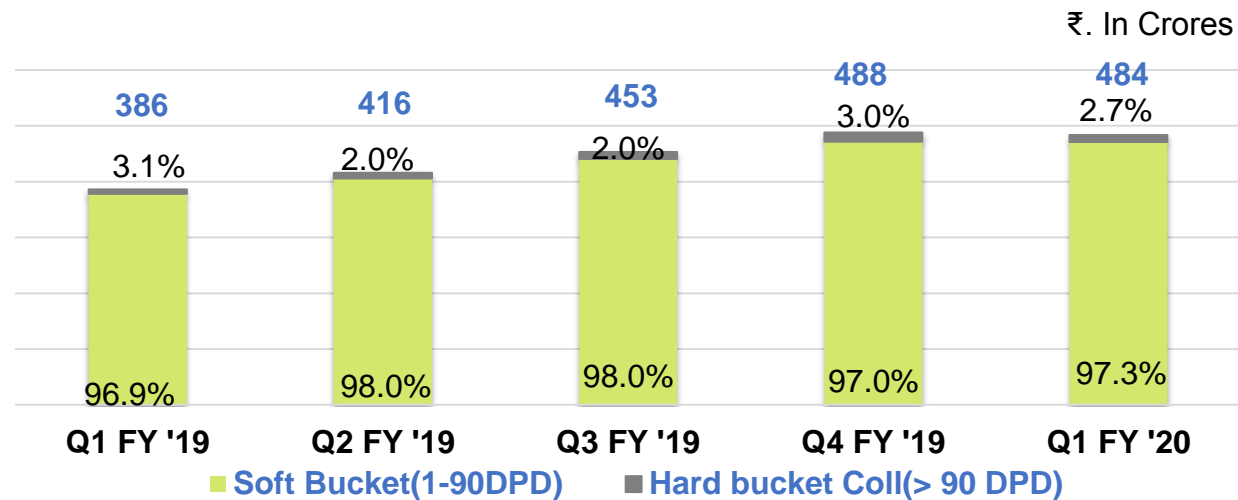
Share of Branch and Dealer of zone-wise
disbursement

COLLECTION PERFORMANCE MONITORING (HYP)

Bucket-wise Flow



Collection Performance

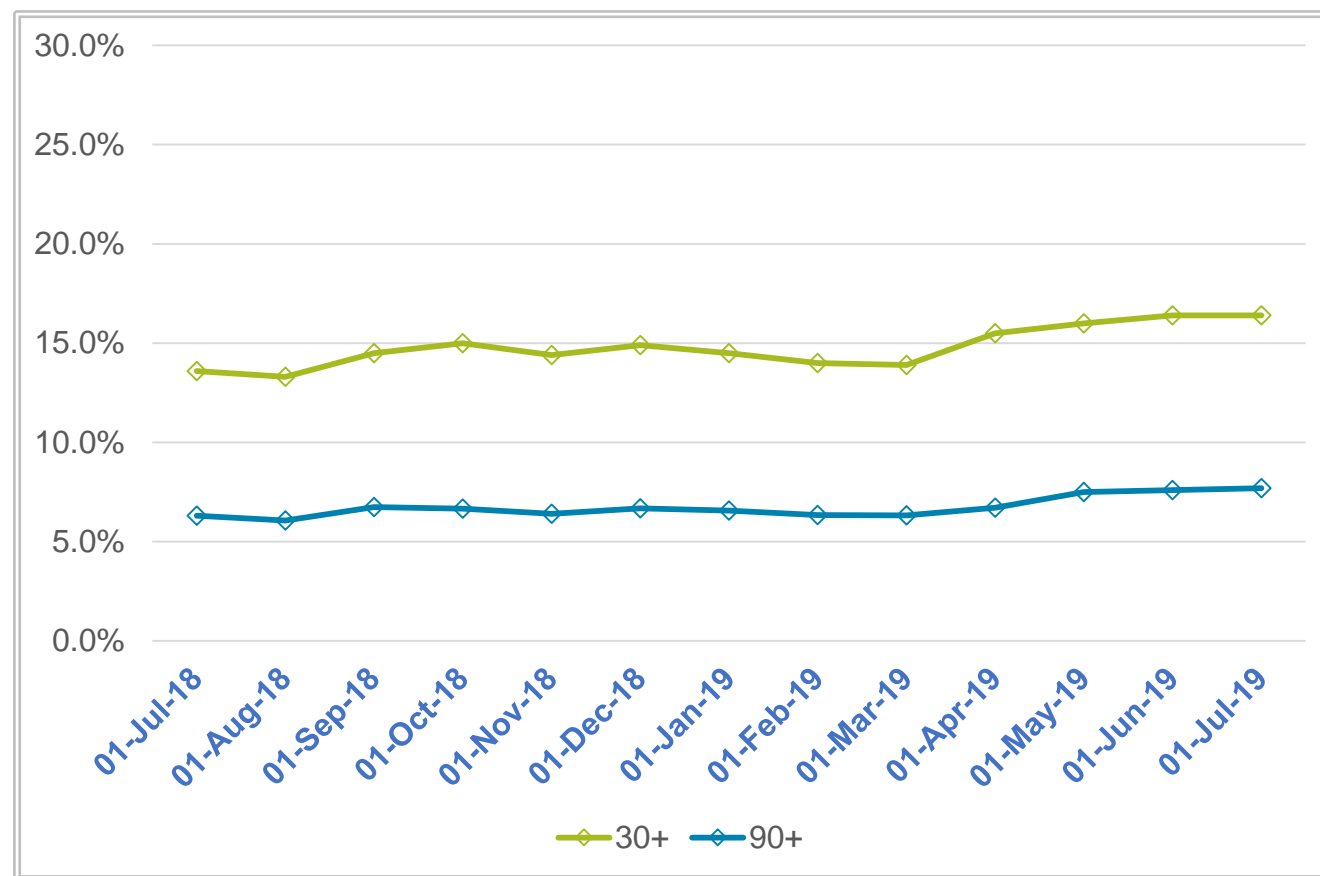


	₹. In Crores				
	Q1 FY 19	Q2 FY 19	Q3 FY 19	Q4 FY 19	Q1 FY 20
Soft Bucket (1-90)	378	405	441	471	471
Hard Bucket (>90)	8	11	12	17	13
Total	386	416	453	488	484

PORTFOLIO TREND – HYPOTHECATION LOANS- IGAAP

₹. In Crores

Month	Own book AUM	30+	90+	30+%	90+%
01-Jul-18	1 616.8	219.4	101.9	13.6%	6.3%
01-Aug-18	1 688.0	224.8	102.4	13.3%	6.1%
01-Sep-18	1 770.1	256.5	119.4	14.5%	6.7%
01-Oct-18	1 772.5	266.7	118.1	15.0%	6.7%
01-Nov-18	1 858.7	267.6	119.2	14.4%	6.4%
01-Dec-18	1 822.4	271.0	121.8	14.9%	6.7%
01-Jan-19	1 870.6	272.0	122.8	14.5%	6.6%
01-Feb-19	1 935.0	271.4	122.5	14.0%	6.3%
01-Mar-19	1 976.2	274.8	124.9	13.9%	6.3%
01-Apr-19	1 685.9	262.1	113.1	15.5%	6.7%
01-May-19	1 757.8	282.0	131.9	16.0%	7.5%
01-Jun-19	1 724.3	283.0	130.3	16.4%	7.6%
01-Jul-19	1 737.1	284.4	133.8	16.4%	7.7%



On an overall hyp book of ₹ 2426 Cr, 30+ is 12.9% & 90+ is 5.7%

NPA MOVEMENT – HYP LOAN – Q1 FY 2020- IGAAP

₹. In Crores

Particulars	HP Nos	Own Book			PTC portfolio		Total Portfolio	Total Provision
		Principal	Provision	Unrealized	Principal	Provision		
Balance as on 31.03.2019	61 534	113.1	51.2	14.7	0.7	0.1	113.8	51.3
Add: Slipped to NPA during Apr 19 to Jun 19	15 188	34.6	3.1	2.3	1.3	0.1	35.9	3.2
Add: NPA recognised on sold-out portfolio bought back								
Add: Prov. Increased due to non payment of NPA	-	-	4.6	1.1	-	-		4.6
Add: Additional Prov. In the quarter	-	-	5.1		-	-		5.1
Sub total	76 722	147.7	64	18.1	2.0	0.2	149.7	64.2
Less: Rolled back from NPA/adjustments between Apr 19 to Jun 19	5 110	5.3	0.8	0.4	0.1	0.0	5.4	0.8
Repossessed Asset sold during Apr 19 to Jun 19	1 546	6.7	0.7	0.5	0.0	0.0	6.7	0.7
Amount collected from NPA Accounts for Apr 19 to Jun 19		2	0.3	0.2	0.0	0.0	2.0	0.3
Balance as on 30.06.2019 as per RBI & IGAAP	70 066	133.7	62.2	17	1.9	0.2	135.6	62.4

Overall Provision as on 30th Jun 2019	Provision
As per IGAAP based on RBI guidelines	70.1
As per IND AS	94.4

NPA MOVEMENT – HYP LOAN – ACROSS 3 YEARS - IGAAP

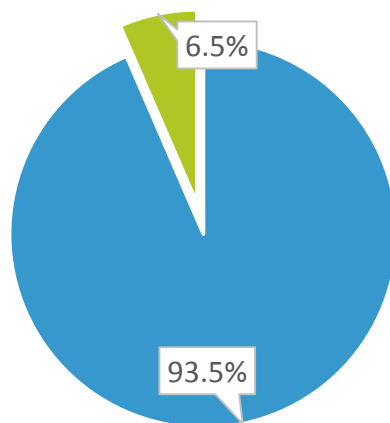
₹. In Crores

Quarter Ended	AUM	NPA	% of NPA	NPA Inc
Mar-16	919.4	54.0	5.9%	
Jun-16	970.7	69.2	7.1%	15.2
Sep-16	1 043.3	66.5	6.4%	-2.7
Dec-16*	1 116.1	78.1	7.0%	11.6
Mar-17	1 241.5	74.4	6.0%	-3.8
Jun-17	1 356.5	103.5	7.6%	29.2
Sep-17	1 550.1	96.3	6.2%	-7.2
Dec-17	1 764.7	95.2	5.4%	-1.1
Mar-18	1 940.2	90.1	4.6%	-5.1
Jun-18	2 070.5	104.1	5.0%	13.9
Sep-18**	2 195.3	121.4	5.5%	17.3
Dec-18	2 312.1	124.5	5.4%	3.2
Mar-19	2 342.9	116.3	4.9%	-8.2
Jun-19	2 396.1	139.4	5.8%	23.1

*Demonetization Quarter

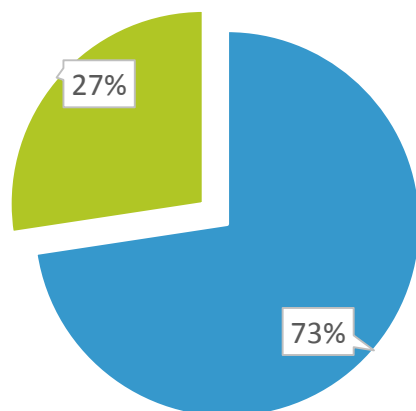
** Floods in Kerala

HYP PORTFOLIO SPLIT AS ON JUNE 30TH 2019



As per IND AS

■ On Book
■ Off Book



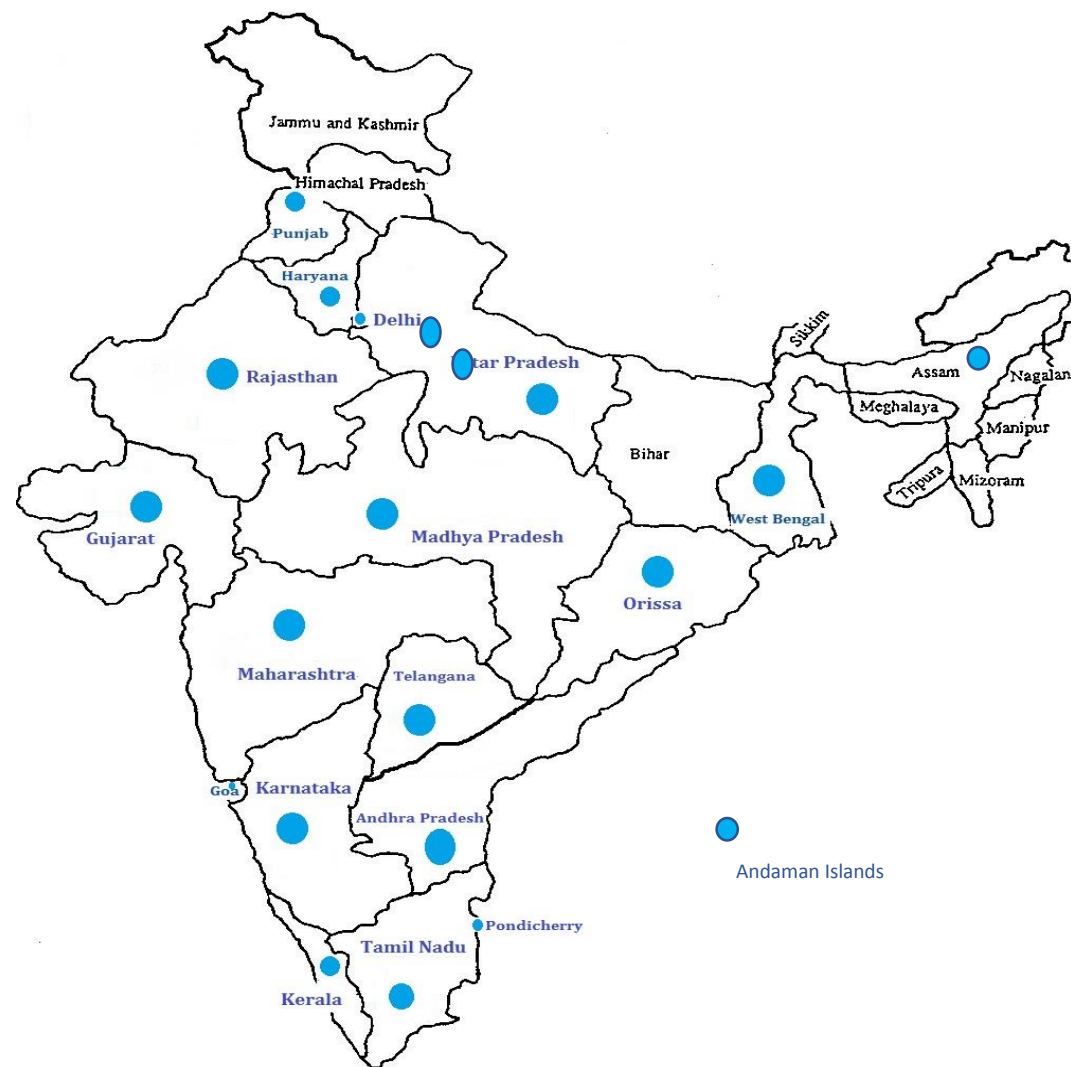
As Per IGAAP

■ On Book
■ Off Book

₹. In Crores

Transaction Type	No of Transactions	Amount	
PTC	8	502.8	
Direct Assignment	9	154.9	
		Ind AS	IGAAP
Off Book		154.90	657.7
On Book		2241.20	1738.4
Total Portfolio		2396.10	2396.1

MCSL GEOGRAPHIC OVERVIEW – HYP


JUN 30 2019

₹. In Crores

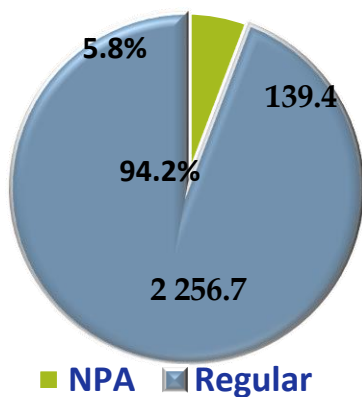
Zone	Active Clients	Regular	S3	Total	Zone wise AUM %	% of S3
South India	5 27 583	1 659.8	100.6	1 760.4	73.5%	5.7%
Western India	55 686	162.2	19.4	181.6	7.6%	10.7%
North India	82 911	251.4	16.0	267.4	11.1%	6.0%
East India	48 990	183.3	3.4	186.7	7.8%	1.8%
Overall *	7 15 170	2 256.7	139.4	2 396.1	100.0%	5.8%

*Includes securitized/ assigned portfolio; does not cover accrued interest

PORTFOLIO ANALYSIS

₹. In Crores

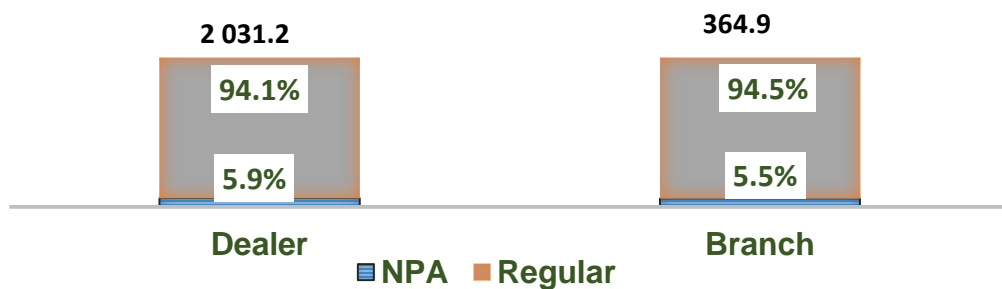
Portfolio Analysis



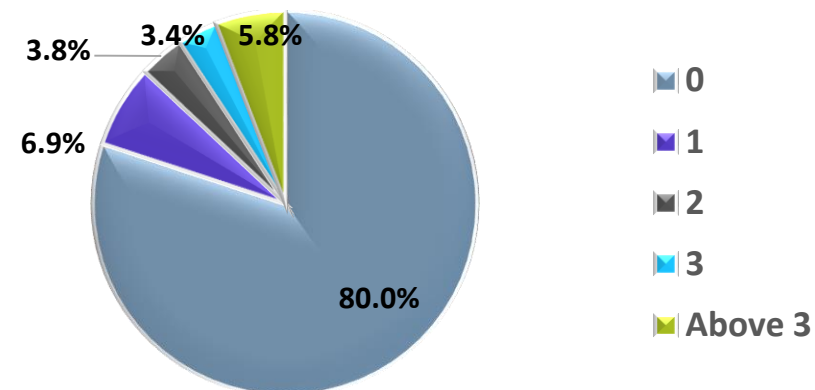
Segment – wise Analysis



Source - wise Analysis



Bucket – wise Analysis



SOURCES OF BORROWING

₹25 Cr

Additional bank sanctions
during the quarter

Total sanctions as on 30 Jun 2019
amounting to ₹ 1850 Cr. with 1 new
NBFC relationships

₹197 Cr

Securitization/ DA done in
Q1 FY 20 (net of MRR)

- Mobilized ₹1823.6 Cr to date
through 23 transactions
- ₹657.7 Cr outstanding as on 30th
Jun 2019.

Securitization/ DA sanctions received
in Q1 FY 20 ₹197 Cr

₹8.1 Cr

Collections of Public
Deposit

- Public Deposits collected ₹8.1 Cr.,
of which ₹3.2 Cr. is renewal

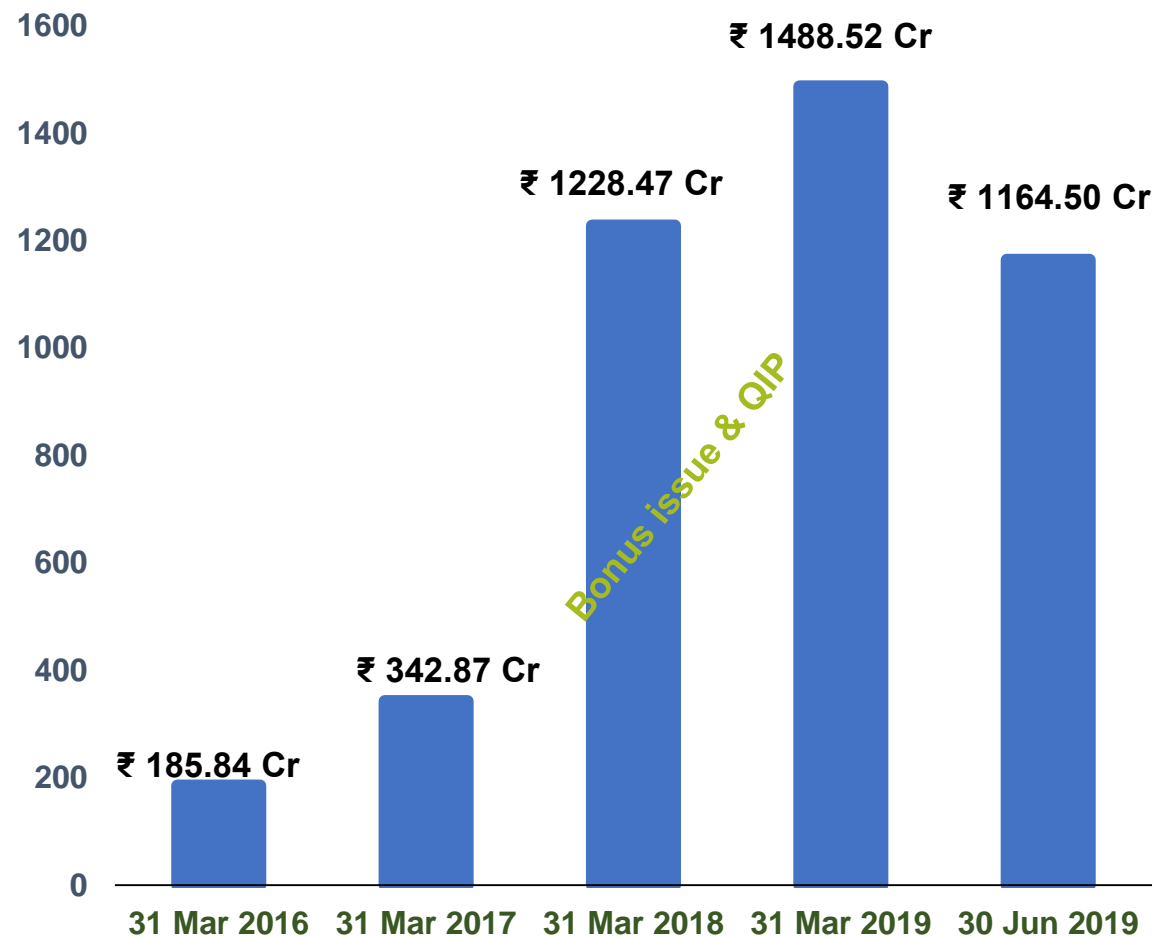
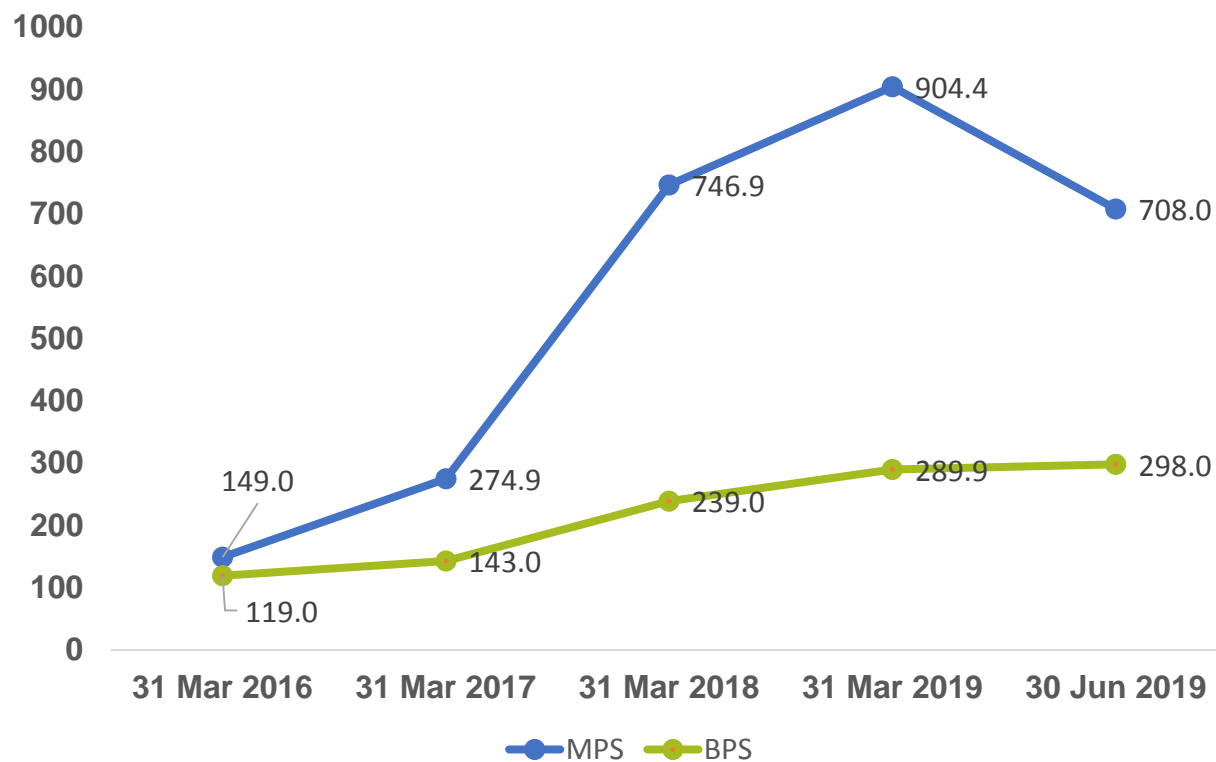
10.3%

Cost of borrowing for Q1
FY 2019-20

Quarter on Quarter increase in cost of
borrowing

Bank funding - 64% of total borrowing as
on 30 Jun 2019

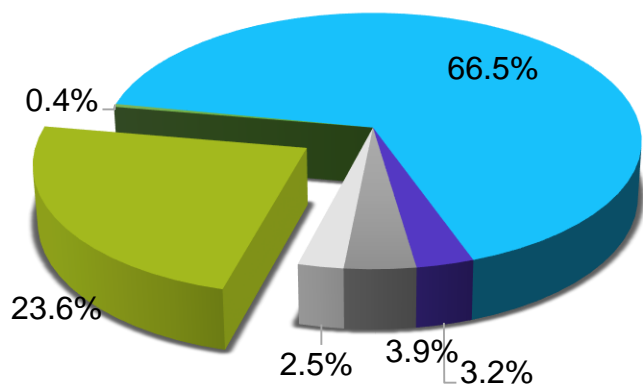
MARKET CAPITALIZATION

Movement of Market Price per Share (MPS) vs.
Book Value per Share (BPS)

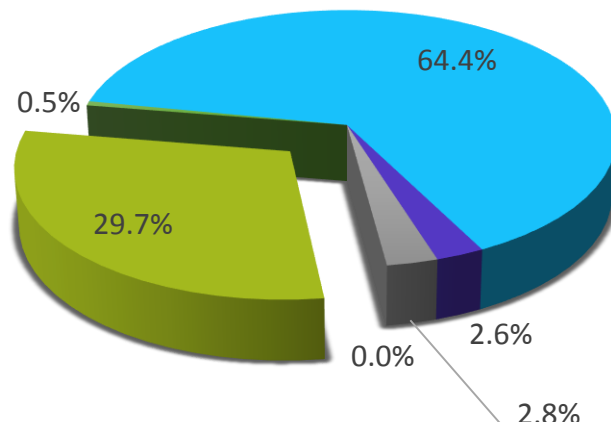
BORROWING PROFILE – by Instrument

₹. In Crores

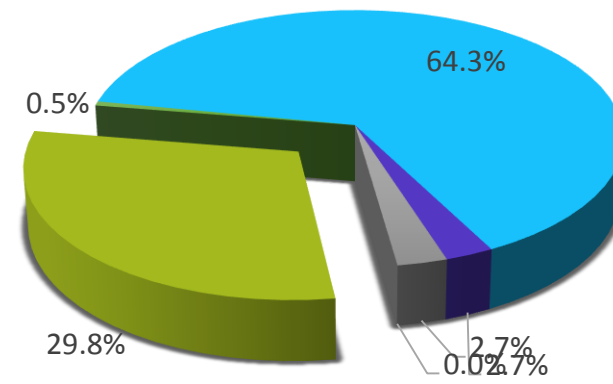
Particulars	Q1 FY '19		Q4 FY '19		Q1 FY '20	
	Amount	Cost*	Amount	Cost*	Amount	Cost*
Bank Loan	1277.5	9.3%	1425.9	10.2%	1416.3	10.3%
Sub debt	60.7	11.6%	58.7	11.9%	58.7	11.4%
Public Deposit	75.1	8.4%	61.6	8.6%	60.3	8.3%
Commercial Paper	48.1	8.7%	0.0			
Securitization	453.7	9.4%	656.8	9.7%	657.7	10.3%
Others	7.4	11.0%	11.9	13.4%	11.9	11.4%
Total	1922.4	9.3%	2214.8	10.1%	2204.9	10.3%



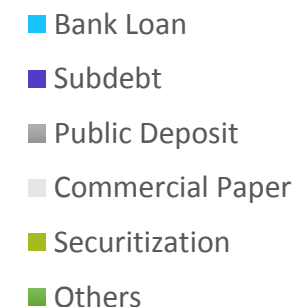
Q1 FY '19



Q4 FY '19



Q1 FY '20

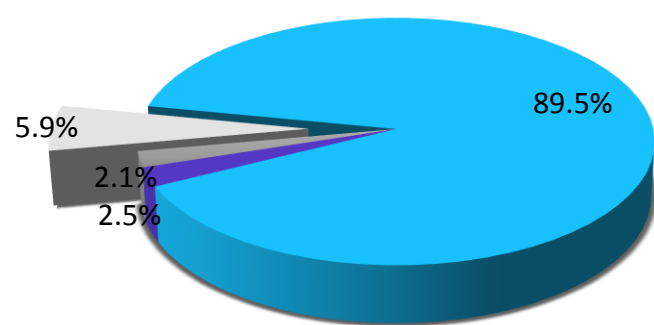


* Cost is interest cost only and doesnot include processing fee, brokerage etc.

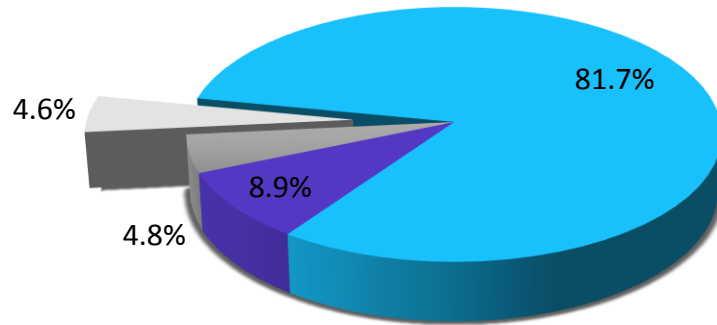
BORROWING PROFILE – by Investor Profile

₹. In Crores

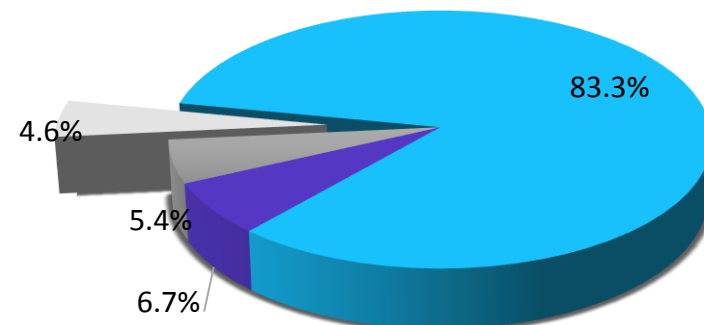
Particulars	Q1 FY '19		Q4 FY '19		Q1 FY '20	
	Amount	Cost	Amount	Cost	Amount	Cost
Banks	1721.3	10.2%	1809.4	10.0%	1837.5	9.3%
NBFCs	48.1	10.7%	196.5	10.7%	146.8	11.5%
Mutual Funds	39.9	11.1%	106.8	11.1%	119.8	8.8%
Others	113.1	9.4%	102.1	10.0%	100.9	9.3%
Total	1922.3	9.3%	2214.9	10.1%	2204.9	10.3%



Q1 FY '19



Q4 FY '19



Q1 FY '20

■ BANK
■ Mutual Fund
■ NBFC
■ Others

**Diversity in
Funding**

- In Q1 FY 20 got fresh sanctions of ₹ 222 crs; one each from NBFC, Pvt. Bank and a PSU bank
- Confidence that the lenders / investors have in the Company is high; seen through the traction on the fresh proposals that are being discussed with Banks
- Many potentials (existing and new) waiting for clarity on the NBFC/ Economy scenario to lend to the Company

Borrowing Mix

- The borrowing has a healthy mix of Bank (Private & PSU) sanctions, Securitization/Direct assignment, Retail & corporate subordinated debts and Public Deposits .
- As per the guidance given, In view of adverse market conditions, interest costs of the Company for Q1 FY20 inched up from 10.1% to 10.3%. Going forward the cost is expected to remain stable.

**Securitization/
DA**

- 1 PTC and 1 DA transactions together valuing ₹ 197 crs (net of MRR) done during Q1 FY20, 23 transactions so far, 6 closed. Total amount collected ₹ 1823.6 crs .
- 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 and getting funds when other means dry up.

**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 FY20.
- New Products , new geographies and digitization seen as the way forward for the next few years. Budget for the next year in line with the same and much more

**Disbursement &
Collection**

- After Q1 FY19, growth slowed , first with the Kerala floods in the festive season and then due to various news flows on NBFC segment & the Apex Court verdict on 5 year 3rd party insurance for 2W buyers ; impacting sales & financing; Q1 FY20 show the y-o-y volumes are lower by 12%, while disbursements were at the same level albeit higher ticket size and LTV due to higher cost of vehicles
- Industry saw a decline of 13%, Q1 Non-South disb. share was 32%; South concentration reducing. Geographical derisking working well.
- Overall collections have been growing and was stable at ₹ 484 Cr in Q1 FY20 v/s ₹ 488 Cr in Q4 FY 19 (Q4 normally sees much higher collection)

NPA

- Company following 3M norm FY 18 has now moved to ECL model for provisioning;
- Q1 normally sees higher flow to the next buckets and also NPA buckets; confident of correcting it in the future quarters, as done in the past
- Emphasis on reducing NPA going forward, focusing on lower buckets and ensuring less flow to harder buckets ; Adopted new methods to control NPA figures; albeit at higher costs.
- Qtr end NPA (net of DA) ₹ 136 crs (5.2%) v/s ₹ 113.8 crs (4.4%) at the beginning of the year; PCR was @ 46.5% under IGAAP on NPA; Under IND AS overall provision is @ 3.6% of On-book portfolio.

Arbitration

- Strong action on arbitration/ legal front; though currently arbitration has been reduced and emphasis on direct collection
- Files given to legal firms – 30 739 and Awards passed – 14 507 and cases settled – 8 201
- ₹ 47.5 crs collected directly from about 15 813 nos. of customers and through repossession and sale of their vehicles; major step to push customers for settlement.

**Staff attrition &
Cost Control**

- Monthly staff attrition at 2.75 % in Q1 FY '20 v/s 3.5 % in Q4 FY 19 – still a large number of Sales Reps in the form of Marketing Agents & Off-roll employees;
- Dealer incentives rising steadily @ 1.28% for Q1 FY 20; Constant demand for increase in the pay-out on the back of very low sales at dealer points;
- Collections costs constantly rising with a aim to ensure that NPAs do not rise. Was at 3.8 % in Q1 FY20 .

**Repayment
Mode**

- Post demonetization 100% repayment for new customers through NACH and significant collections through NACH – Helps cut delinquencies. Q1 FY 20 collections were about 50.1% of the total collections, rising M-O-M. Will help bring down costs and delinquencies over a period of time.
- NACH based repayment customers are at 95 % v/s 26 % at end of Mar'17 quarter. The unlinked mandates which was an area of concern is fast getting eased and linking has become faster.

**Overall
Profitability**

- Q1 FY20 PAT of ₹ 13.6 crores v/s ₹ 17.5 Q1 FY19; lower on account of overall lower volumes but increased costs and higher provisioning on account of higher NPA and movement to IND AS
- Hopeful of improvement in the ground situation going forward with festive seasons now coming up and overall sentiments set to improve.

Way Forward

- In FY 19, the Company benefited from Geographical de-risking & grew its non-south market, helped survive the Kerala floods; with slowdown in the 2W segment, the emphasis is on growing new product lines like Used 4 W and Consumer Durables.
- Are bullish of the future and hopeful that the troubled phase of FY 19 is behind us & future will be better. Starting the year with substantial funds and undrawn limits will help achieve the committed growth and work towards achieving Rs 3,500 crs growth that was planned at the time of QIP in Nov 17.

THANK YOU