



*Board Presentation dated 24<sup>th</sup> October  
2016*

*Quarter ended 30<sup>th</sup> September 2016*

# PERFORMANCE ANALYSIS



# ଫିନାନ୍ସିଆଲ୍ ସମୀକ୍ଷାବଳୀ - ଉତ୍ତମ ୧୬

₹. In Crores

Financial Snapshot	Quarter Ended		Variance	%
	Sep-'15	Sep-'16		
Disbursement :				
Hyp Loans	193.49	273.30	79.81	41.2%
Other Loans	17.26	31.31	14.05	81.4%
<b>Total Disbursements</b>	<b>210.75</b>	<b>304.61</b>	<b>93.86</b>	<b>44.5%</b>
AUM at the end of the period	919.44	*1081.35	161.91	17.6%
Average AUM	859.34	**1022.72	163.38	19.0%
<b>Total Interest and Fee Income</b>	<b>56.50</b>	<b>70.08</b>	<b>13.58</b>	<b>24.0%</b>
Finance Expenses	21.68	26.37	4.70	21.7%
<b>Net Interest Income(NII)</b>	<b>34.82</b>	<b>43.71</b>	<b>8.88</b>	<b>25.5%</b>
Operating Expenses	22.00	27.21	5.20	23.6%
Loan Losses & Provisions	3.27	4.12	0.85	25.9%
<b>Profit Before Tax</b>	<b>9.55</b>	<b>12.38</b>	<b>2.83</b>	<b>29.6%</b>
Profit After Tax	6.18	8.06	1.88	30.6%
<b>Ratios</b>				
Total OPEX to NII	63.2%	62.3%		
Loan loss to Avg. AUM***	1.5%	1.6%		
Return on Avg AUM***	2.9%	3.2%		
Earning Per Share (In ₹)	4.95	6.46		

\* Total AUM including managed portfolio of ₹ 88.49 crs is ₹ 1170 crs ( 27% up)

\*\* Excludes managed Portfolio (including managed Portfolio- ₹ 1095.39 crs) (27% up)

\*\*\*Figures are annualized

# ଫିନାନ୍ସିଆଲ୍ ସମୀକ୍ଷାବେଳା - Q1 ୨୦୧୭

₹. In Crores

Financial Snapshot	Quarter Ended		Variance	%
	Jun-'16	Sep-'16		
Disbursement :				
Hyp Loans	232.67	273.30	40.63	17.5%
Other Loans	23.52	31.31	7.79	33.1%
<b>Total Disbursements</b>	<b>256.19</b>	<b>304.61</b>	<b>48.42</b>	<b>18.9%</b>
AUM at the end of the period	1090.34	*1081.35	-8.99	-0.8%
Avg AUM ( Inc. Int. accrued)	1051.00	**1022.72	-28.28	-2.7%
<b>Total Interest and Fee Income</b>	<b>64.26</b>	<b>70.08</b>	<b>5.82</b>	<b>9.1%</b>
Finance Expenses	25.24	26.37	1.13	4.5%
<b>Net Interest Income(NII)</b>	<b>39.02</b>	<b>43.71</b>	<b>4.69</b>	<b>12.0%</b>
Operating Expenses	25.06	27.21	2.16	8.6%
Loan Losses & Provisions	7.01	4.12	-2.89	-41.3%
<b>Profit Before Tax</b>	<b>6.95</b>	<b>12.38</b>	<b>5.43</b>	<b>78.1%</b>
Profit After Tax	4.48	8.06	3.58	80.1%
<b>Ratios</b>				
Total OPEX to NII	64.2%	62.3%		
Loan loss to Avg. AUM ***	2.7%	1.6%		
Return on Avg AUM ***	1.7%	3.2%		
Earning Per Share (In ₹)	3.60	6.46		

\* Total AUM including managed portfolio ₹ 88.49 crs is ₹ 1170 crs (7% up)  
 \*\* Excludes managed Portfolio (with Managed Portfolio-₹ 1095.39 crs) (4% up)  
 \*\*\*Figures are annualized

# Summary Financials

₹. In Crores

Financial Snapshot	Half Year Ended		Y-o-Y	Year ended Mar-'16
	Sep-'15	Sep-'16		
Disbursement :				
Hyp Loans	359.21	505.99	40.9%	780.03
Other Loans	47.60	54.83	15.2%	147.94
<b>Total Disbursements</b>	<b>406.81</b>	<b>560.82</b>	<b>37.9%</b>	<b>927.97</b>
AUM at the end of the period	919.44	*1081.35	17.6%	1038.79
Average AUM	849.43	**1035.18	21.9%	882.27
<b>Total Interest and Fee Income</b>	<b>107.15</b>	<b>134.33</b>	<b>25.4%</b>	<b>228.49</b>
Finance Expenses	42.54	51.61	21.3%	87.00
<b>Net Interest Income(NII)</b>	<b>64.61</b>	<b>82.72</b>	<b>28.0%</b>	<b>141.49</b>
Operating Expenses	40.89	52.26	27.8%	88.61
Loan Losses & Provisions	8.57	11.13	29.9%	17.43
<b>Profit Before Tax</b>	<b>15.15</b>	<b>19.33</b>	<b>27.6%</b>	<b>35.45</b>
Profit After Tax	9.93	12.54	26.3%	22.85
<b>Ratios</b>				
Total OPEX to NII	63.3%	63.2%		62.6%
Loan loss to Avg. AUM***	2.0%	2.2%		2.0%
Return on Avg AUM***	2.3%	2.4%		2.6%
Earning Per Share (In ₹)	7.96	10.05		18.32

\* Total AUM including managed portfolio ₹ 88.49 crs is ₹ 1170 crs (27% up)

\*\* Excludes managed Portfolio (with Managed Portfolio- ₹ 1071.71 crs)(266% up)

\*\*\*Figures are annualized

# STATEMENT OF SOURCES AND

APPENDIX

₹. In Crores

Sources	As At			Applications	As At		
	30-Sep-15	31-Mar-16	30-Sep-16		30-Sep-15	31-Mar-16	30-Sep-16
Share Capital	12.47	12.47	12.47	Fixed assets	1.93	1.83	2.18
Reserves & Surplus	130.75	135.42	147.96	Investments*	18.72	19.41	19.96
Bank Borrowings	629.63	738.25	736.51	Deferred Tax Assets	4.48	4.68	5.97
Debentures	4.19	2.90	2.07	Other long term Loans & adv.	0.58	0.55	0.44
Sub Debt	10.63	16.33	31.56	Auto Loan	846.28	919.39	951.91
Public Deposit	120.49	109.57	113.08	Loan Buyout	40.61	32.82	14.02
Loan from Directors	8.98	13.64	13.64	Term Loans	5.00	65.34	93.41
Intercompany Loan	1.35	1.41	1.47	Other Loans	16.11	8.04	9.61
Interest Accrued on Loans	10.33	11.65	11.61	Interest Accrued on Loans	11.44	13.20	12.40
<b>Total Borrowings</b>	<b>785.6</b>	<b>893.75</b>	<b>909.94</b>	<b>Total Loans</b>	<b>919.44</b>	<b>1038.79</b>	<b>1081.35</b>
Securitisation Exp Payable			8.54	Cash and Cash Equivalents**	6.22	2.35	4.79
Unrealised gain on Loan transfer			7.89	Short Term Loans and Adv.	2.56	3.87	4.59
Other Liabilities	17.88	17.93	26.24	Interest Strip - Securitisation			9.22
Provisions	12.43	12.54	17.47	Other Assets	5.20	0.63	2.02
<b>Total</b>	<b>959.13</b>	<b>1072.11</b>	<b>1130.52</b>	<b>Total</b>	<b>959.13</b>	<b>1072.11</b>	<b>1130.52</b>

\* Investments includes SLR Investment of ₹ 14.25 crores in Govt. Securities and ₹ 5.70 crores in Bank Deposit as at Sep'16.

\*\* Cash & cash equivalent includes Collateral Deposit of ₹ 2.24 crores taken for securitization credit enhancement

# PERFORMANCE HIGHLIGHTS – Q2 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
Q2 FY 17	304.6	*1170.0	70.1	4.1	8.1	6.5	66.6	3.2%	20.6%
	45%	28%	24%	25%	31%	31%	11%	10%	17%
Q2 FY 16	210.8	919.44	56.5	3.27	6.2	4.9	60.0	2.9%	17.6%
	₹ 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
Q2 FY 17	304.6	*1170.0	70.1	4.1	8.1	6.5	66.6	3.2%	20.6%
	19%	7%	9%	71%	80%	80%	4%	88%	47%
Q1 FY 17	256.2	1090.3	64.3	7.0	4.5	3.6	69.4	1.7%	14.0%

\* Including managed portfolio of ₹88.49 Crores

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

# ମାଧ୍ୟମ ଫାକ୍ଟରସ ଗୁଣାବେଶ୍ୟର ପ୍ରତିଫଳନାତ୍ମକତା -

ନିର୍ଦ୍ଦେଶନାମା

₹. In Crores

Particulars	Q1 FY '16	Q2 FY '16	Q3 FY '16	Q4 FY '16	For FY '16	Q1 FY '17	Q2 FY '17
Unrealized Income	2.90	0.31	0.39	- 0.48	3.12	1.33	-0.20
Loss on sale + Provision for diminution in value of repo. assets	2.16	1.49	2.52	3.30	9.07	2.81	3.15
NPA write off	0	0	0	3.04	3.04	0	0
NPA Provision	2.70	1.67	1.70	-2.09	3.98	3.60	0.99
<b>Total</b>	<b>7.76</b>	<b>3.47</b>	<b>4.61</b>	<b>3.77</b>	<b>19.21</b>	<b>7.74</b>	<b>3.94</b>
Avg AUM	816.26	859.34	921.40	949.60	882.30	1051.00	*1095.39
% of credit cost on Avg AUM (annualized)	3.8%	1.6%	2.0%	1.6%	2.2%	2.9%	1.4%

\* Including Managed Portfolio

# **SALES ANALYSIS**



# STATEWISE DISTRIBUTION (FY 2017) - H1-

FY '16 0% H1- FY '17

₹.in Crores

STATE	DEALER				BRANCH				TOTAL				% of Growth	Contributi on (%) H1 FY '17
	H1 – FY '16		H1 – FY '17		H1 – FY '16		H1 – FY '17		H1 – FY '16		H1 – FY '17			
	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value		
ANDHRA PRADESH	6 359	28.62	10 398	48.26	221	0.94	256	1.11	6 580	29.56	10 654	49.38	67.1%	9.8%
GOA	209	0.83	154	0.66	13	0.05	6	0.03	222	0.88	160	0.69	-21.6%	0.1%
GUJARAT	790	3.33	1 645	7.13	1 702	7.09	2 386	10.10	2 492	10.42	4 031	17.24	65.6%	3.4%
KARNATAKA	14 875	64.39	17 763	76.71	1 385	6.03	2 608	11.17	16 260	70.42	20 371	87.87	24.8%	17.4%
KERALA	25 465	121.74	34 864	184.94	11 472	54.73	11 336	60.14	36 937	176.47	46 200	245.08	38.9%	48.4%
MAHARASHTRA	2 094	8.60	2 540	10.77	42	0.17	32	0.13	2 136	8.77	2 572	10.90	24.3%	2.2%
TAMIL NADU	9 649	44.29	8 929	40.86	1 390	6.13	3 069	14.21	11 039	50.42	11 998	55.07	9.2%	10.9%
TELANGANA	2 816	11.85	4 468	19.77	104	0.42	184	0.79	2 920	12.27	4 652	20.56	67.6%	4.1%
NORTH & EAST	0	0.00	4 246	17.95	1	0.00	294	1.24	1	0	4 540	19.19	+++	3.8%
GRAND TOTAL	62 257	283.65	85 007	407.06	16 330	75.56	20 171	98.92	78 587	359.21	1 05 178	505.99	40.9%	100%

\* Dealer volume grew by 43% and Branch volume by 31%

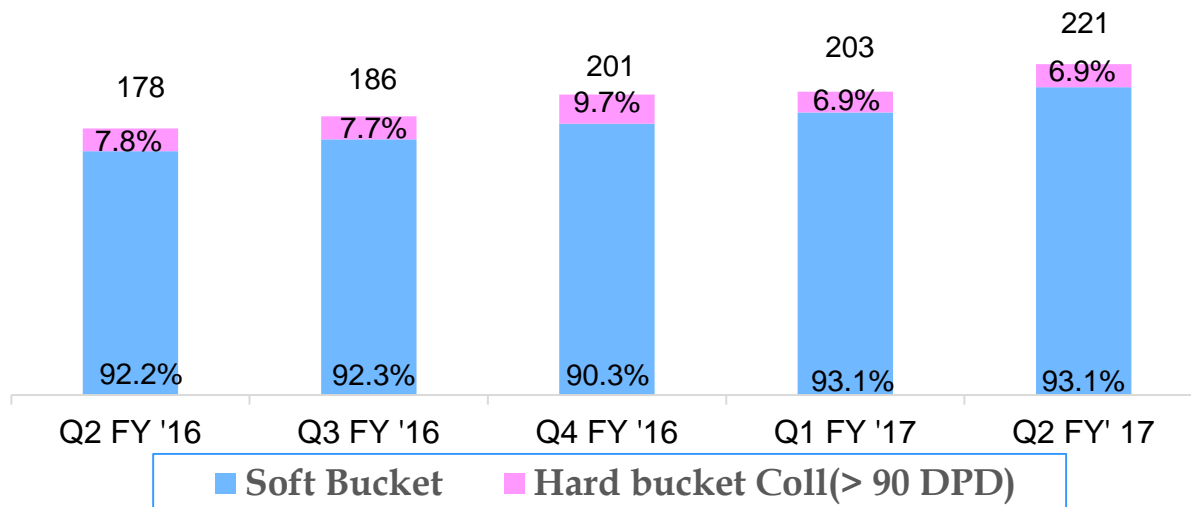
# COLLECTION ANALYSIS



# COLLECTION PERFORMANCE

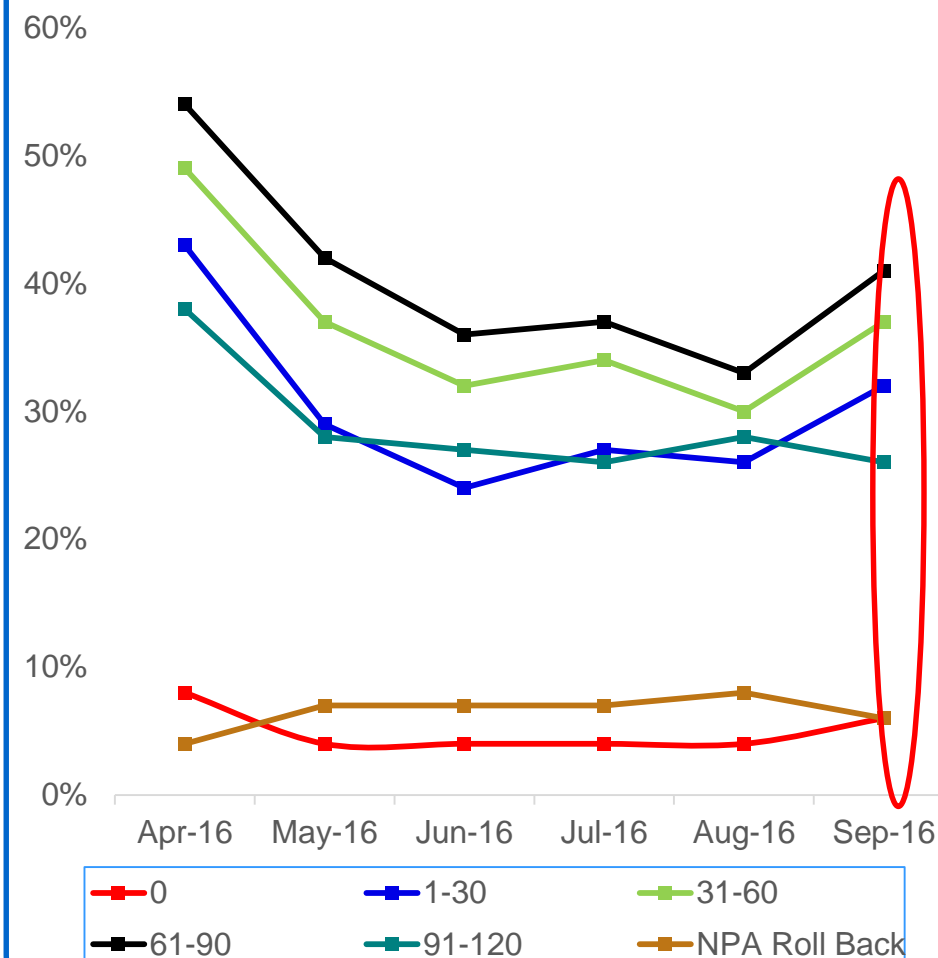
₹ in Crores

## COLLECTION PERFORMANCE



- In absolute terms the harder bucket collections have been increasing and in Q2 FY 17 it was ₹15.3 crs.
- Bucket wise flows have been reducing upto Aug 16 but saw a rise in Sept 16

## BUCKETWISE FLOW



## COLLECTIONS – BUCKET WISE FLOW

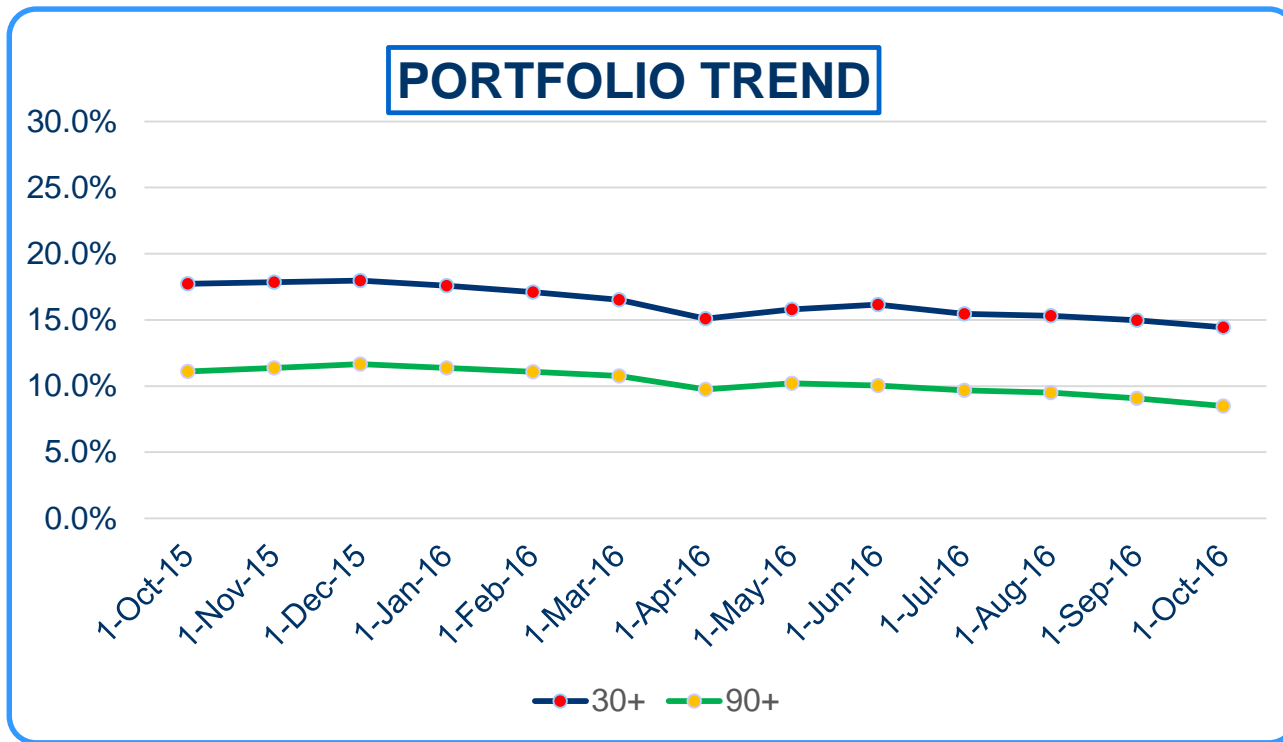
Month	Bucket flow					NPA roll back
	0	1 to 30	31 -60	61 -90	91- 120	
Sep'15	5%	35%	45%	49%	45%	7%
Oct'15	4%	35%	47%	48%	47%	4%
Nov'15	5%	35%	48%	50%	47%	4%
Dec'15	3%	29%	40%	42%	38%	6%
Jan'16	4%	32%	43%	43%	38%	7%
Feb'16	3%	29%	38%	38%	35%	8%
Mar'16	2%	23%	26%	29%	31%	6%
Apr-16	8%	43%	49%	54%	38%	4%
May-16	4%	29%	37%	42%	28%	7%
Jun-16	4%	24%	32%	36%	27%	7%
Jul-16	4%	27%	34%	37%	26%	7%
Aug-16	4%	26%	30%	33%	28%	8%
Sep-16	6%	32%	37%	41%	26%	6%

While there was a downward trend in the flow, Sept 16 saw a reversal. This will get corrected in the coming quarter

## PORTFOLIO TREND

Month	HYP AUM	30+	90+	30+%	90+%
01-Oct-15	841.17	149.20	93.30	17.74%	11.09%
01-Nov-15	848.15	151.34	96.34	17.84%	11.36%
01-Dec-15	859.96	154.52	100.32	17.97%	11.67%
01-Jan-16	863.17	151.70	98.10	17.57%	11.37%
01-Feb-16	878.75	150.22	97.32	17.09%	11.07%
01-Mar-16	899.48	148.58	96.78	16.52%	10.76%
01-Apr-16	919.40	138.86	89.70	15.10%	9.76%
01-May-16	937.50	148.17	95.68	15.80%	10.21%
01-Jun-16	952.68	154.00	95.54	16.16%	10.03%
01-Jul-16	970.72	149.96	94.00	15.45%	9.68%
01-Aug-16	985.41	150.97	93.68	15.32%	9.51%
01-Sep-16	1003.6	150.35	91.05	14.98%	9.07%
01-Oct-16	*1043.3	156.44	92.03	14.99%	8.82%
Growth	24.03%	4.85%	-1.36%		

\* Including managed portfolio



Over the last 12 months the growth of AUM has been 24% while the 30+ and 90+ dpd accounts rose only 4.8% and –ve 1.36%

## NPA MOVEMENTS ( HYP LOANS) - Q2 FY '17

₹. In Crores

Particulars	Two Wheeler		Three Wheeler		Total	
	HP Nos	Principal	HP Nos	Principal	HP Nos	Principal
Balance as on 30.06.2016	35 022	61.10	1 799	8.13	36 821	69.22
Add: Slippage into NPA	6 387	11.51	134	0.27	6 519	11.78
<b>Sub total</b>	<b>41 409</b>	<b>72.61</b>	<b>1 933</b>	<b>8.40</b>	<b>43 340</b>	<b>81.00</b>
Less: Moved out from NPA	4 572	5.54	381	1.16	4 953	6.70
Reposessed Asset sold	1 278	4.13	119	0.85	1 397	4.98
Amount collected from NPA Accounts but not moved out of NPA		2.37		0.44		2.80
<b>Balance as on 30.09.2016</b>	<b>35 559</b>	<b>60.57</b>	<b>1 433</b>	<b>5.95</b>	<b>36 990</b>	<b>66.52</b>

# NPA MOVEMENTS (FY 2016) – ACROSS 5

₹. In Crores

Particulars	Q1 '16	Q2 '16	Q3 '16	Q4 '16	Q1 '17	Q2 '17
Opening Balance	32.54	59.70	59.87	62.06	54.03	69.22
Slippage due to NPA Policy change	21.38	-	-	-	15.91	-
Fresh slippages during the period	16.75	11.94	13.59	9.59	12.63	11.78
Sub Total	70.67	71.64	73.46	71.65	82.57	81.00
Less: NPA Moved out	6.09	6.98	5.57	6.80	6.49	6.70
Less: Repossessed assets sold	2.97	2.40	3.69	5.44	3.78	4.98
Less: Write off	-	-	-	3.04	-	-
Less: Amount collected but not moved out of NPA	1.91	2.39	2.14	2.34	3.08	2.80
Closing Balance	59.70	59.87	62.06	54.03	69.22	66.52

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

# Strategic Changes...

## Portfolio bifurcation

- ❖ TN portfolio bifurcated to three and formed separate teams to handle each areas.
- ❖ Strong regional agencies were appointed with individual target for improved reach and efficiency.
- ❖ Monthly shuffling of cases to ensure no agency is holding a delinquent account for more than 60 days.
- ❖ Multiple agencies at locations to bring competition
- ❖ Extended the outsourced collection model to AP and Telangana
- ❖ **Aggressive focus on >90 and NPA accounts**
- ❖ Agencies were driven with 90+ reduction targets to ensure maximum roll backs
- ❖ This helped improve the resolution rates in 60 + buckets consistently
- ❖ Separate team to trace missing assets and customers in harder bucket ...resulted in improved collection's and assets surrender in 365+ accounts.
- ❖ **OD interest Collection**
- ❖ Special drive on penal collection resulted in overall penal interest collection improvement
- ❖ **Rewards**
- ❖ Aligned the agency pay out structure in line with new NPA norms , higher pay outs for higher roll backs .
- ❖ Direct team incentives linked to multiple buckets to ensure the incentives is proportional to the performance in each bucket. i.e. he/she will be eligible only if they achieve the targets in every bucket.

# Why

Challenges	Solutions
Getting quality manpower and retaining them continues to be the biggest challenge	Outsourcing as an alternative considering the flexibility of operation and control
Increased default ratio	To introduce innovative repayment models such as paytm, direct to bank, payment gateway etc, <b>apart from increased NACH penetration</b>

## Portfolio allocation plan

- ❖ Deploy 100% outsourced model for North and East portfolios
- ❖ Introduce outsourcing in bucket 1 cases at selected locations in South and West
- ❖ Allocate low balance (matured cases with < 3 EMI outstanding) to tele collection agencies to ensure improved penal collection and recovery.

# ANALYSIS – 5 QUARTERS



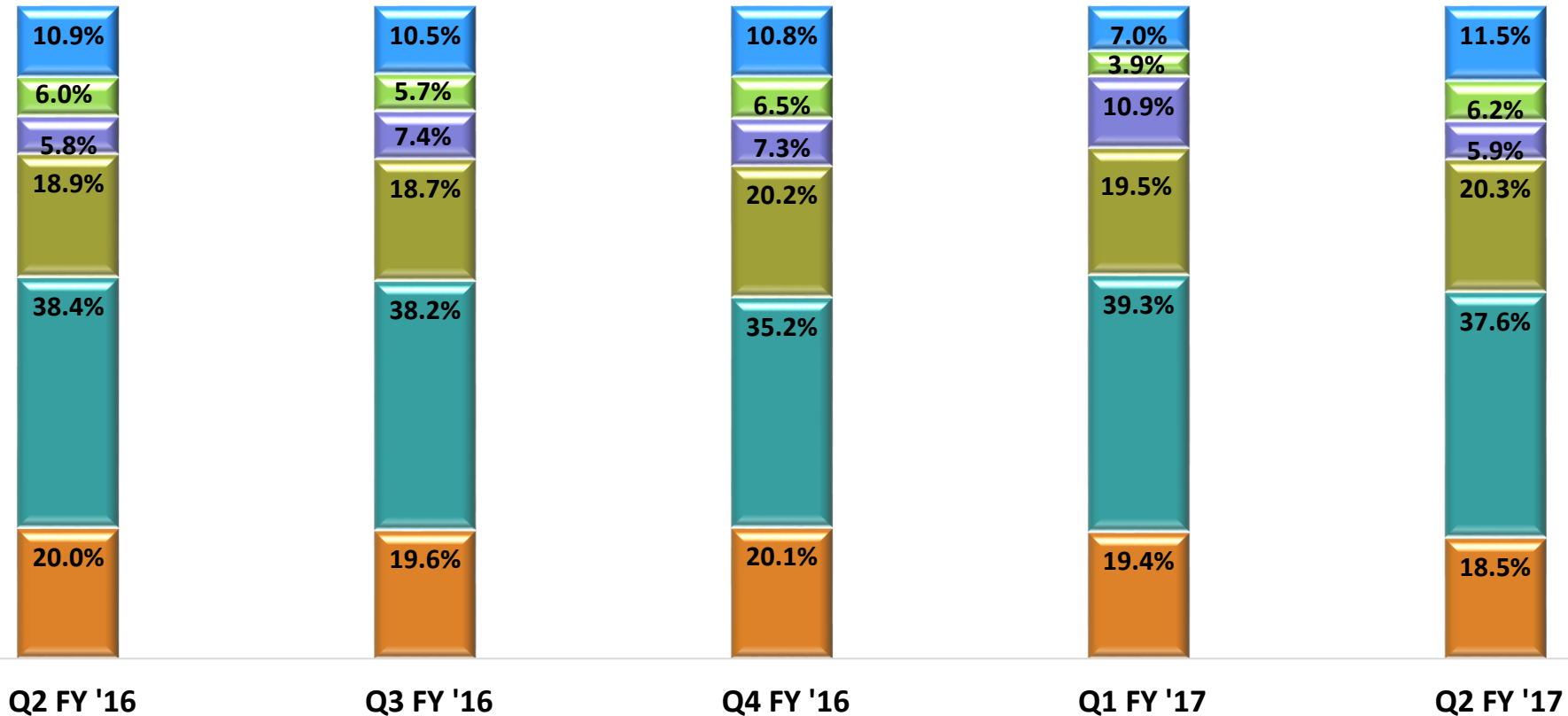
# ANALYSIS OF COST & YIELD (ASST &

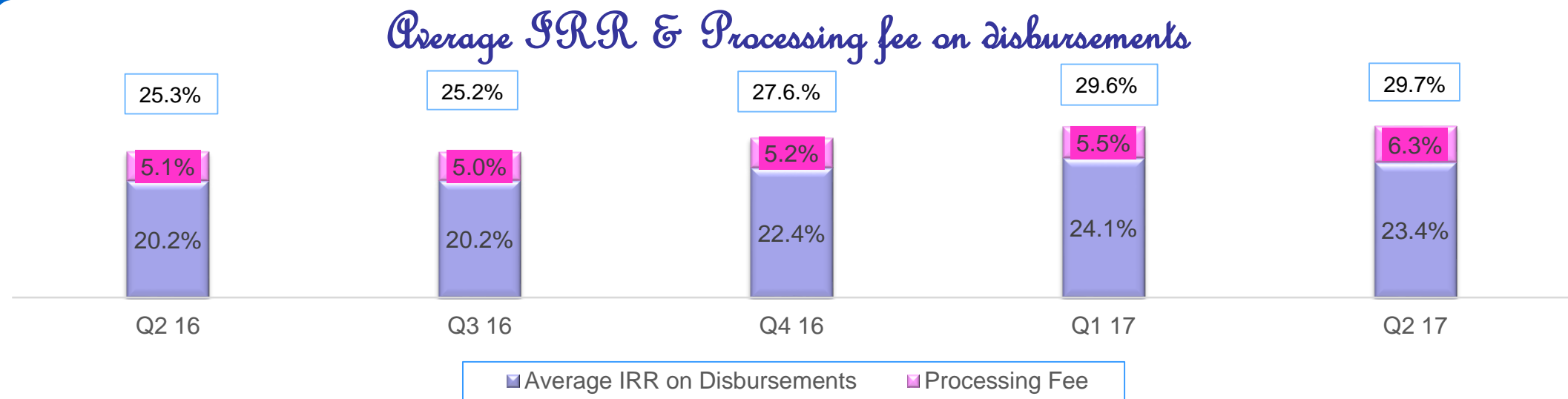
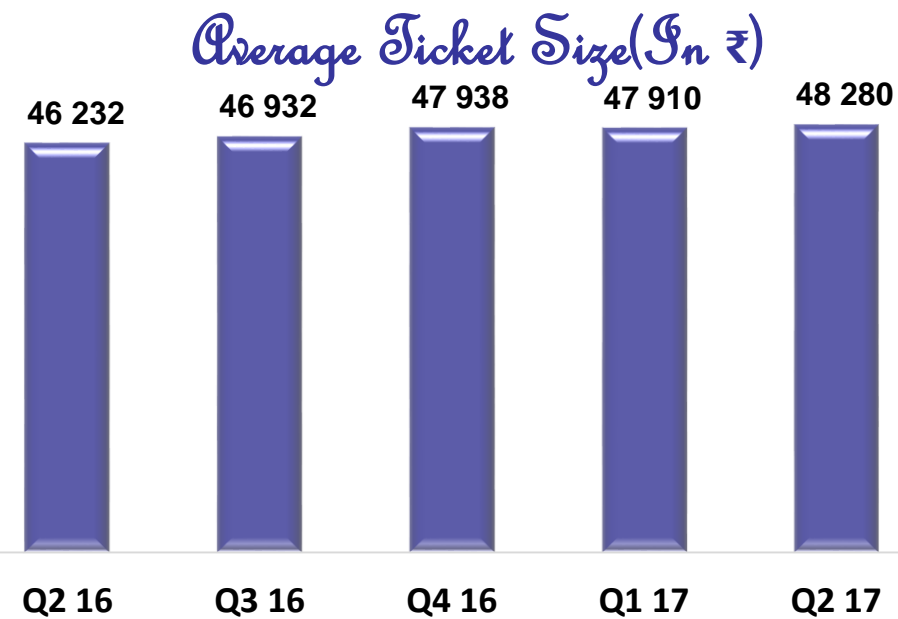
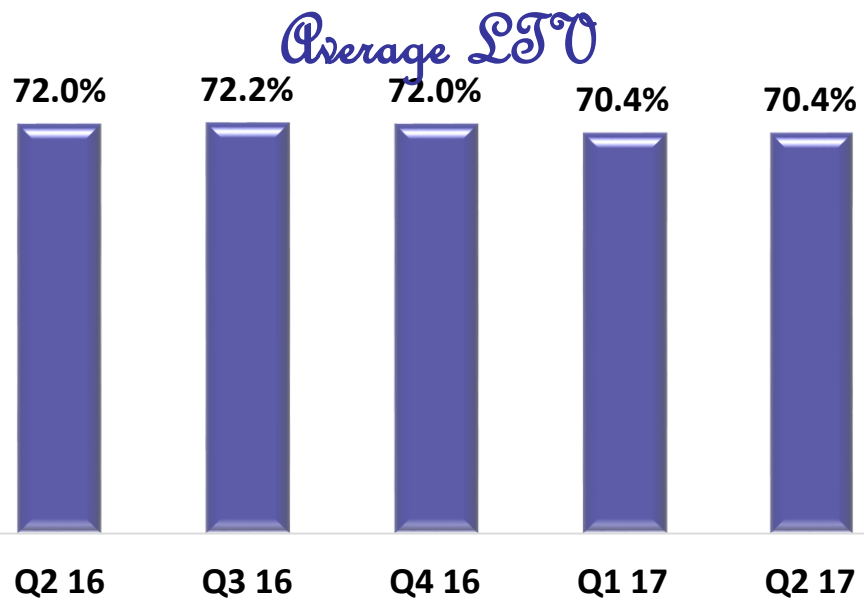
QUARTERS)

SL.No.	Description of Loan	EFFECTIVE RATE				
		Q2 FY '16	Q3 FY '16	Q4 FY '16	Q1 FY '17	Q2 FY '17
1	Hypothecation	26.1%	25.4%	27.3%	25.3%	26.2%
2	Loan Buyout	16.0%	15.9%	15.8%	15.7%	15.5%
3	Term Loan		16.0%	15.8%	15.7%	15.6%
4	DPN Loans	19.6%	18.8%	19.8%	21.1%	21.2%
5	SLR Deposit	8.2%	8.5%	9.2%	8.8%	9.1%
6	SLR Investment (Govt Sec)	7.9%	7.9%	7.8%	8.0%	8.0%
	<b>Yield</b>	<b>25.0%</b>	<b>24.5%</b>	<b>26.2%</b>	<b>24.0%</b>	<b>24.7%</b>
1	Secured Debenture	12.4%	12.9%	12.7%	12.9%	13.0%
2	Sub Debt	12.3%	11.9%	11.9%	11.8%	12.1%
3	Public Deposit	10.2%	10.2%	9.8%	9.9%	9.5%
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	11.6%	11.2%	11.0%	11.1%	11.1%
	<b>Cost</b>	<b>11.4%</b>	<b>11.2%</b>	<b>10.9%</b>	<b>11.0%</b>	<b>10.9%</b>
	<b>Interest Spread</b>	<b>13.7%</b>	<b>13.3%</b>	<b>15.4%</b>	<b>13.1%</b>	<b>13.8%</b>

## EXPENSES AS PERCENTAGES OF REVENUE - Q -

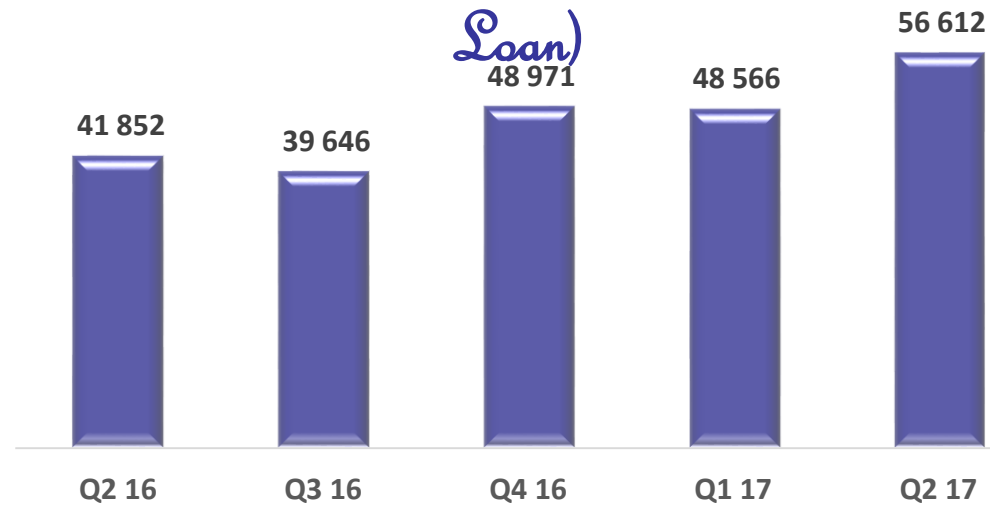
■ Employee Benefit Expense      ■ Finance Cost      ■ Other expenses (Incl Dep.)  
■ Loan Loss Provisions      ■ Tax Expenses      ■ Profit



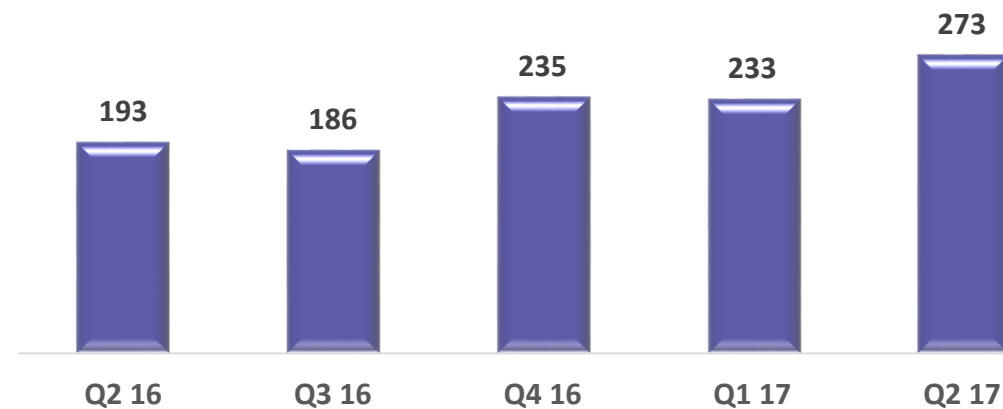


### No. of Loans Disbursed (Hypo

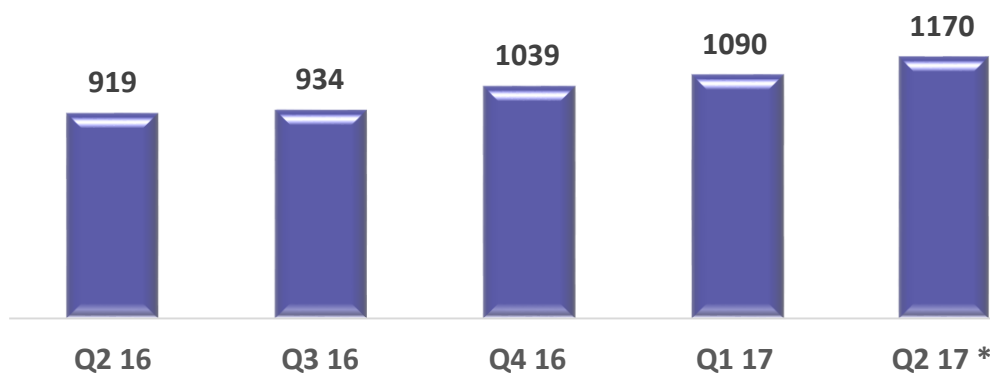
Loan)



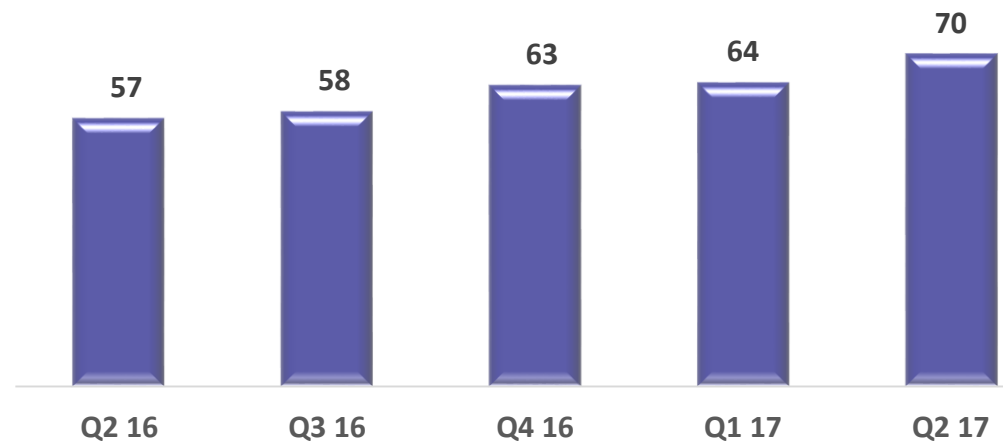
### Disbursement (Hypo Loan) (₹ In Crores)



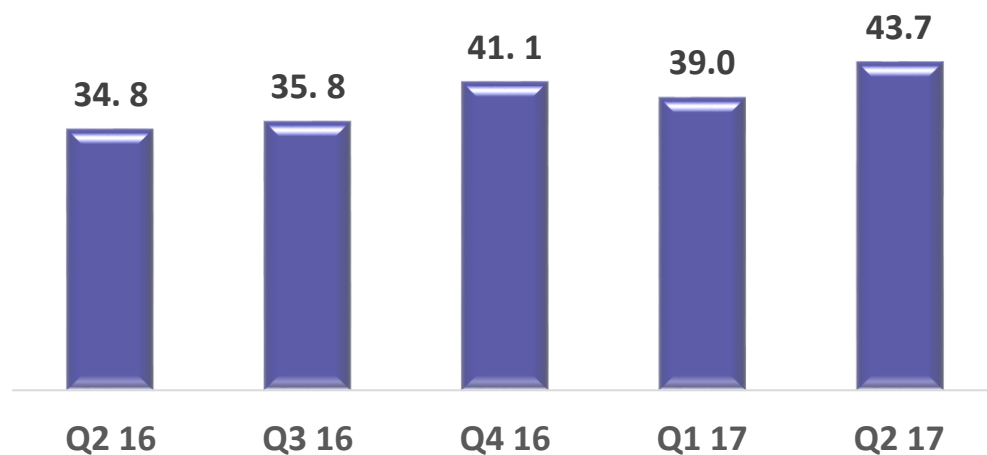
### Loan Book Size- All Loans (₹ In Crores)



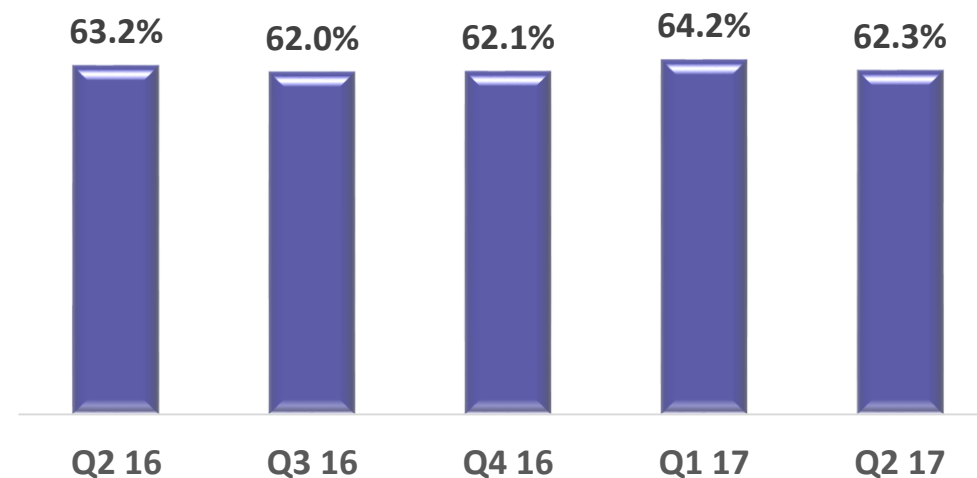
### Revenue (₹ In Crores)



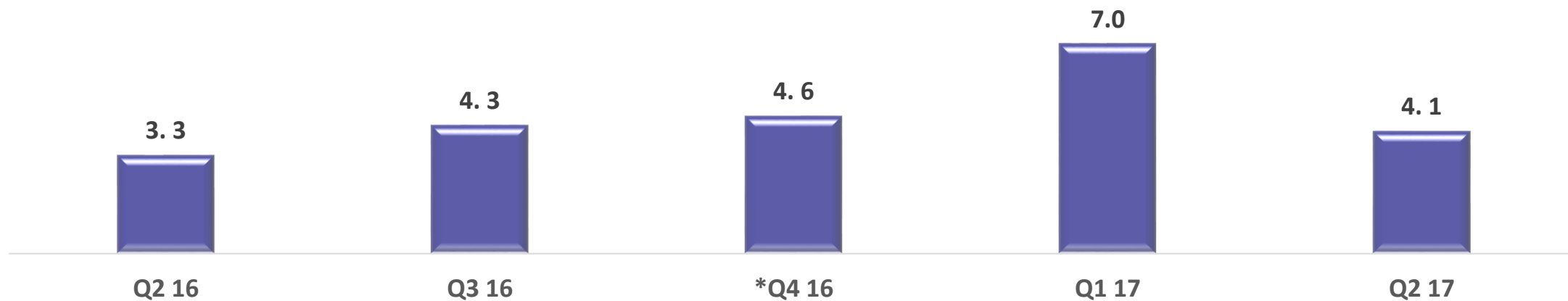
### *NSI (₹ In Crores)*



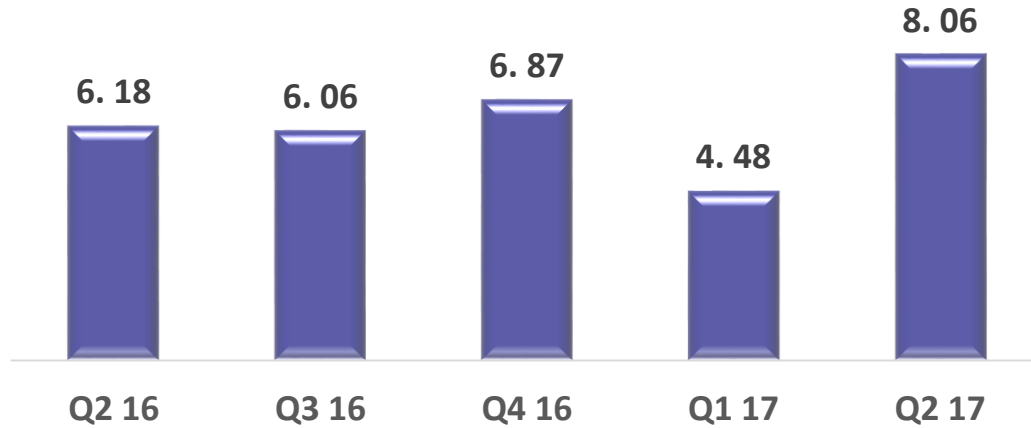
### *OPEx as a % of NSI*



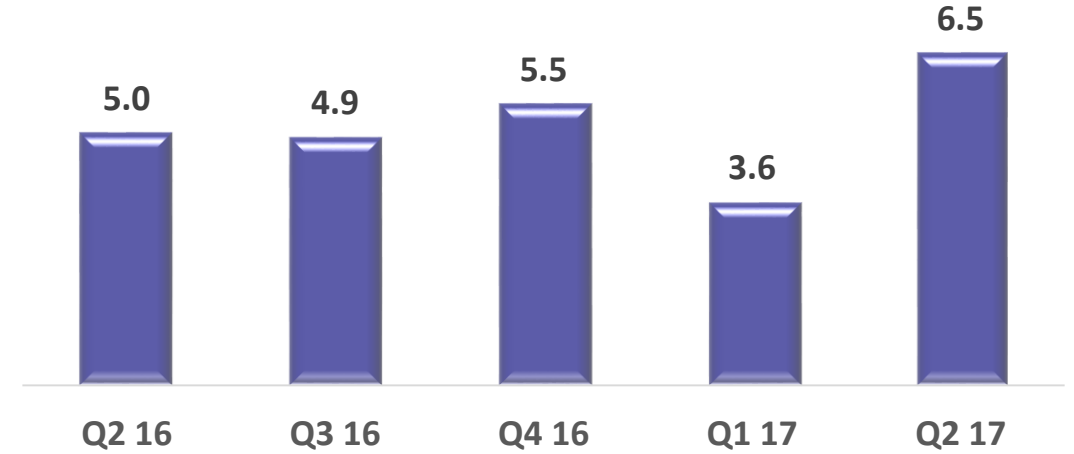
### *Loan Loss Provision and write offs (₹ In Crores)*



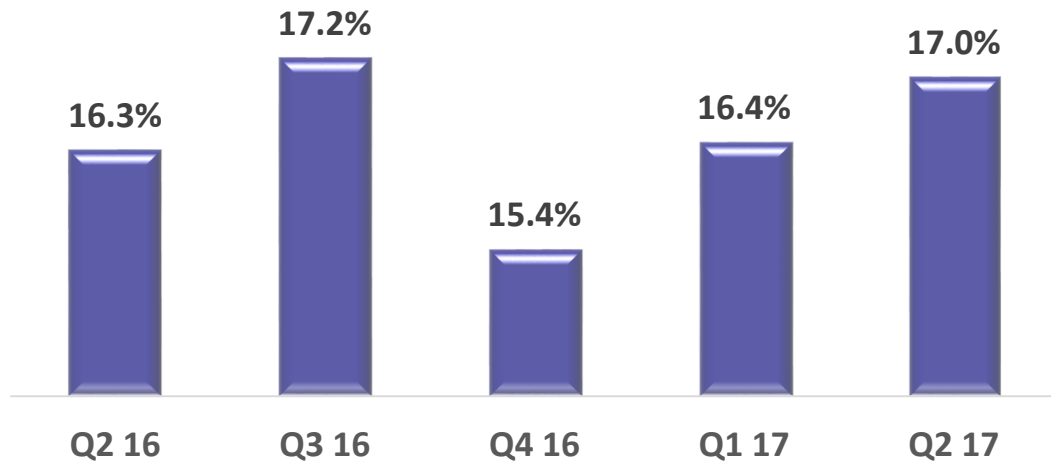
### PAT (₹ In Crores)



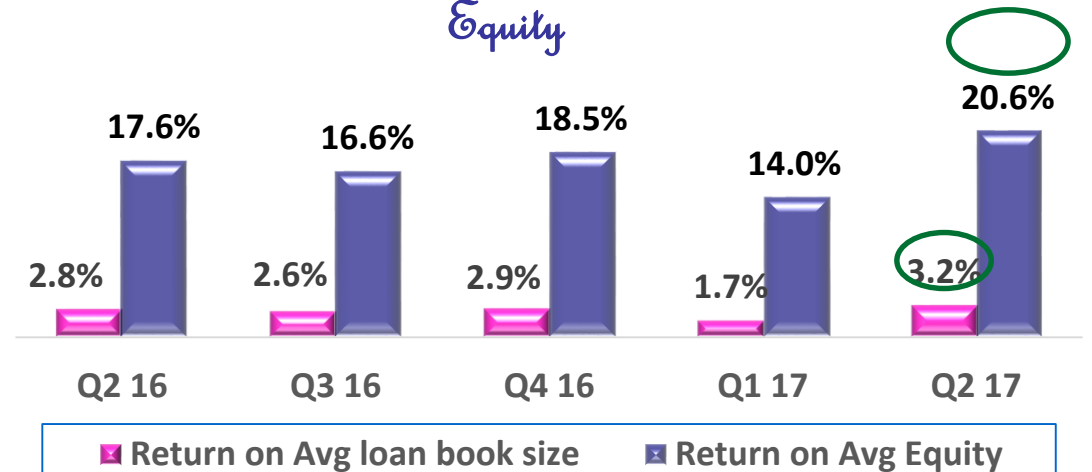
### Earning Per Share (₹)



### Capital Adequacy Ratio



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

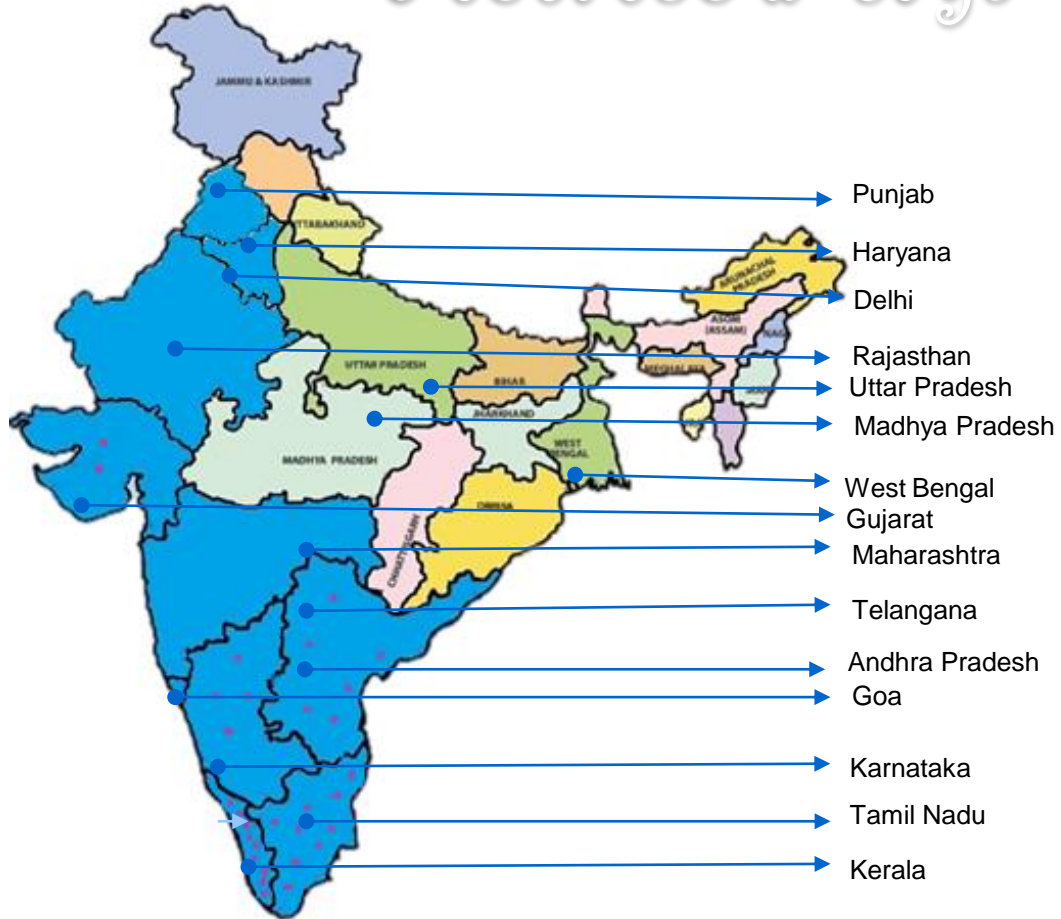


# ASSET ANALYSIS



# MCS & GEOGRAPHIC

## OVERVIEW MAP

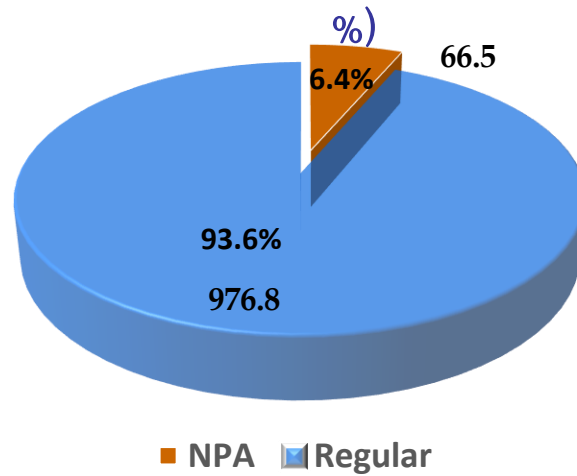


₹ in Crores

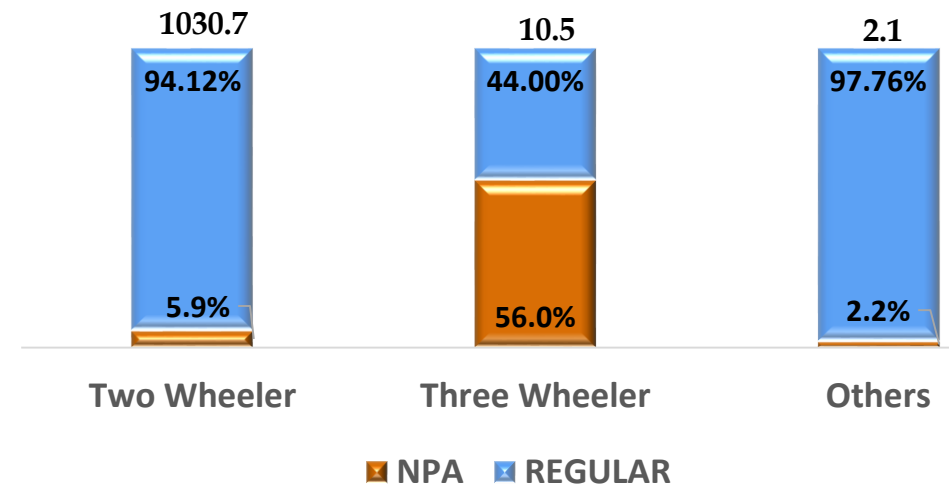
Name of state	No:of hubs	Active clients	Portfolio		
			Regular	NPA	% of NPA
<b>South India</b>		<b>3 45 408</b>	<b>904.73</b>	<b>60.11</b>	<b>6.23%</b>
Andhra Pradesh	5	28 906	77.12	6.09	7.32%
Karnataka	4	76 054	165.07	14.93	8.29%
Kerala	*9	1 77 484	519.51	18.57	3.45%
Tamil Nadu	9	48 032	107.32	17.56	14.06%
Telangana	2	14 932	35.70	2.95	7.64%
<b>Western India</b>		<b>23 624</b>	<b>53.07</b>	<b>6.41</b>	<b>10.78%</b>
Goa		751	1.58	0.01	0.77%
Gujarat	2	11 411	26.23	3.13	10.65%
Maharashtra		11 462	25.25	3.27	11.47%
<b>North India</b>		<b>5 200</b>	<b>18.96</b>	<b>-</b>	<b>0.00%</b>
DEL/HRN/PNJ/RJN /WB/UP		5 200	18.96	-	0.00%
<b>TOTAL</b>	<b>31</b>	<b>3 74 232</b>	<b>976.76</b>	<b>66.52</b>	<b>6.4%</b>

\*Includes HO

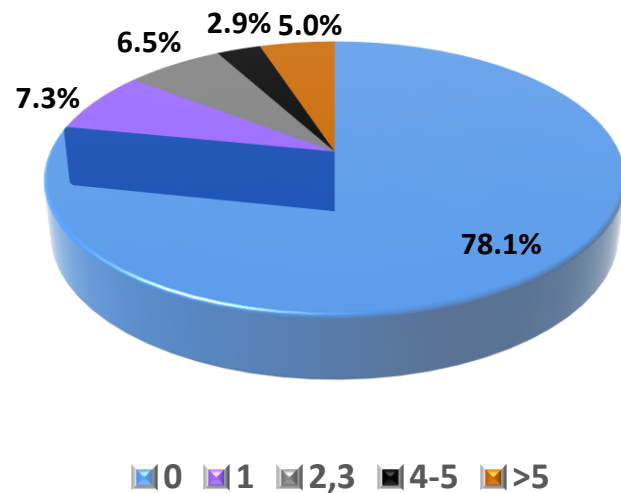
Break Up of KYP Loan (Values In ₹. Crores,



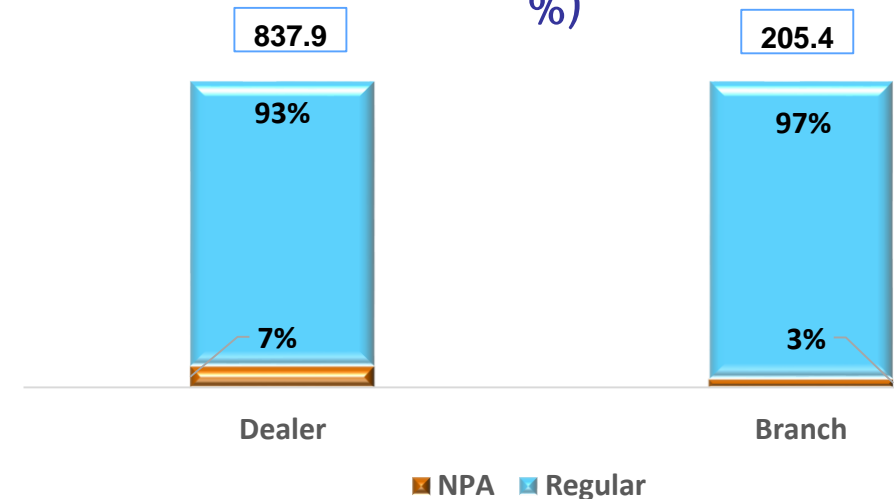
Segment-Wise Analysis (Values In ₹ Crores, %)



Bucket-Wise Analysis (Based on Value)

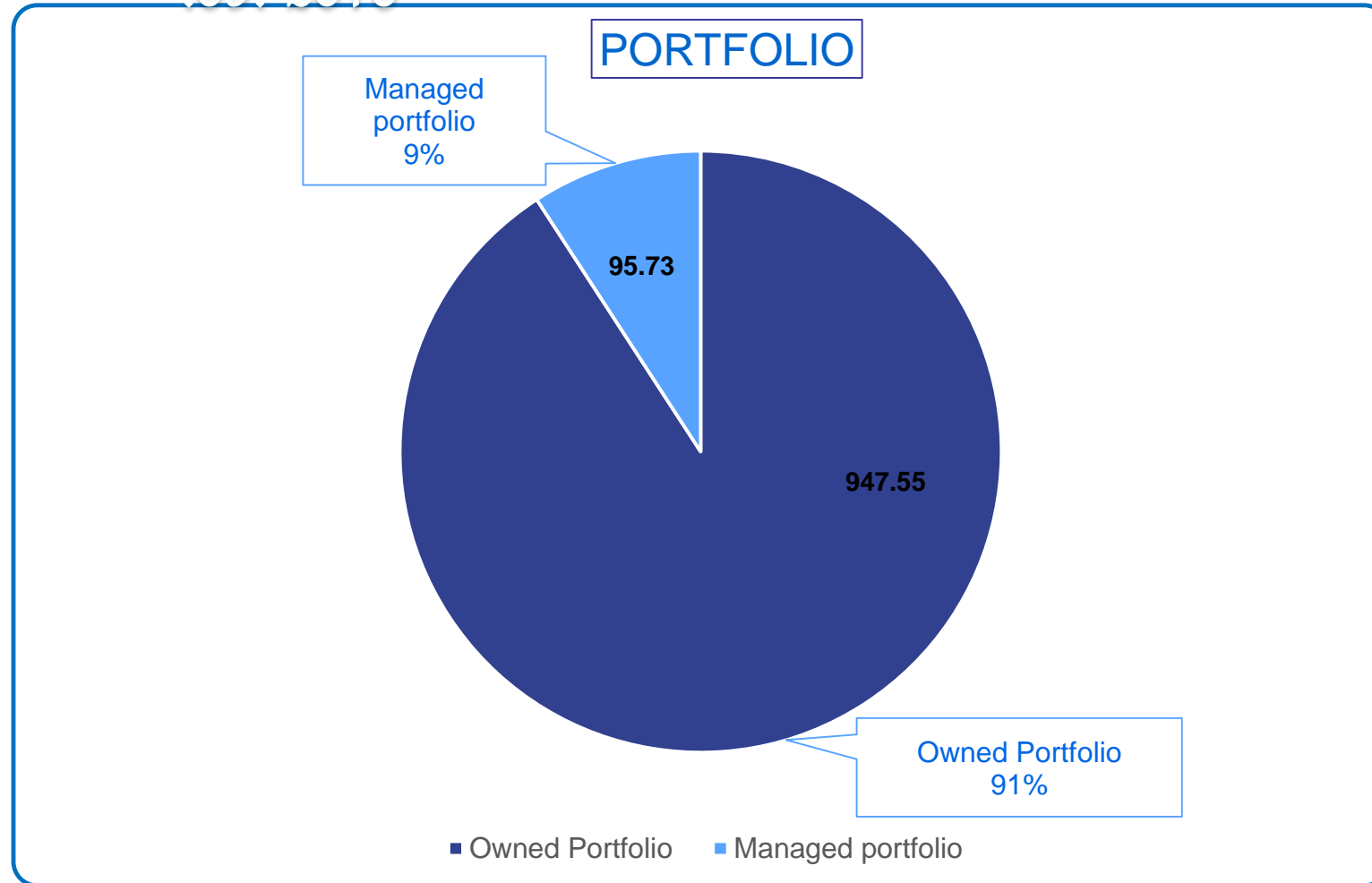


Source-Wise Analysis (Values In ₹ Crores, %)



# PORTFOLIO SPLIT AS ON 30

09.2016

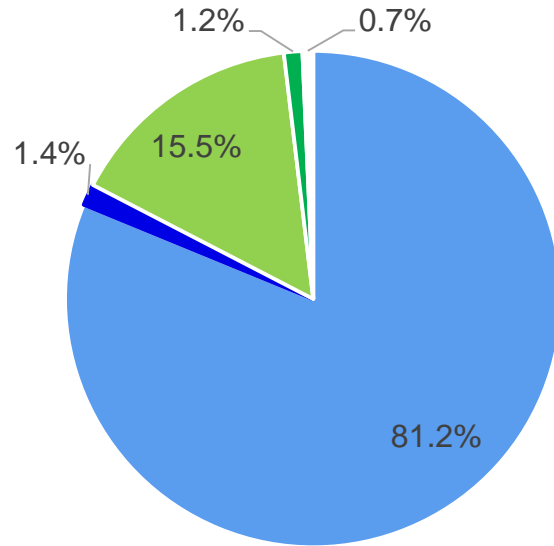


# LIABILITY ANALYSIS

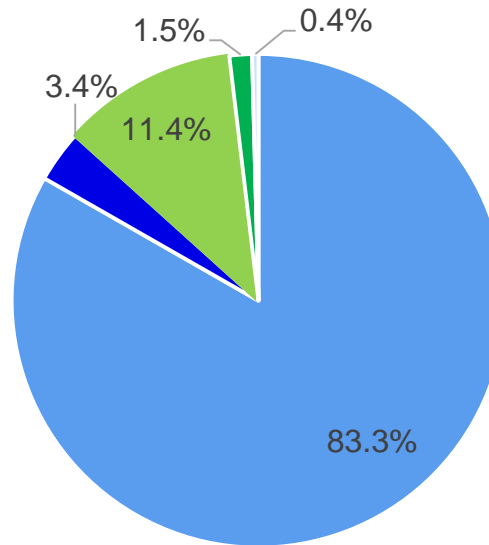
# BORROWINGS

₹ in Crores

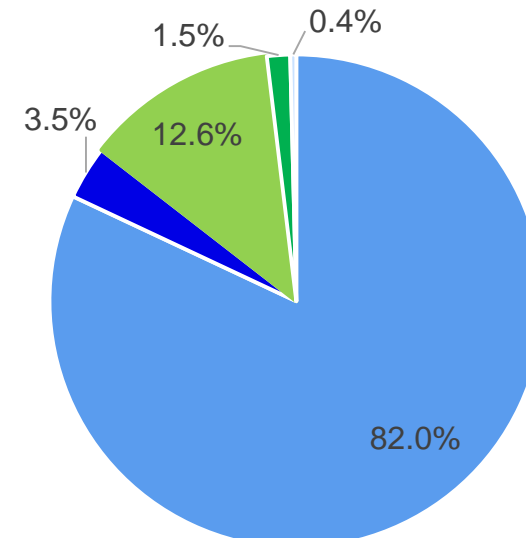
Particulars	Q2 FY '16		Q1 FY '17		Q2 FY '17	
	Amount	Cost	Amount	Cost	Amount	Cost
Bank Loan	629.63	11.6%	768.10	11.1%	736.51	11.1%
Sub Debt	10.63	13.3%	31.40	11.8%	31.56	12.1%
Public Deposit	120.49	10.2%	105.50	9.9%	113.08	9.5%
Loan From Directors	8.98	12.0%	13.60	12.0%	13.64	12.0%
Others	5.55	15.5%	3.84	12.0%	3.54	11.9%
<b>Total</b>	<b>775.28</b>	<b>11.4%</b>	<b>922.50</b>	<b>11.0%</b>	<b>898.34</b>	<b>10.9%</b>



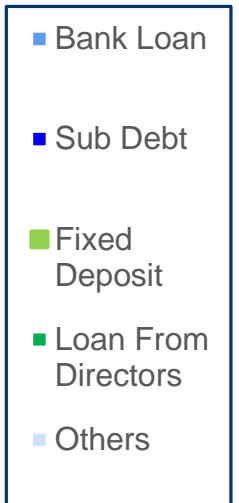
Q2 FY '16



Q1 FY '17



Q2 FY '17



# MANAGEMENT DISCUSSION & ANALYSIS



## ମୁଦ୍ରାମଣ୍ଡଳର ସମସ୍ତାପନା ଓ ମୁଦ୍ରାମଣ୍ଡଳ

- **The strong momentum of the previous quarters continued ; a disbursement of ₹ 305 crs**
- ‘Ladies Only’ scheme disbursement - ₹ 27.77 crs in Q2 FY17 and ₹ 301.14 crs since Q3 FY 15 i.e. since launch; (delinquency of > 90 dpd being 1.95% of the total outstanding amount of ₹ 146.89 crores). The scheme relaunched in September with additional marketing spend in South India; North India launched in Oct 16.
- The Company recognizes NPA basis a 4 month norm; NPA went down from ₹ 69.37 crs as of June ‘16 to ₹ 66.65 crs in Sept 16.
- 2W NPA was at ₹.60.57Crs as of September ‘16 v/s ₹. 61.10 Crs as of June ‘16 and 3W was at ₹.5.95crs as of September ‘16 v/s ₹. 8.13 Crs as of June ‘16.
- Flow to the next buckets which had reduced over the last one year till March ‘16 saw a spurt in April ‘16 got arrested from May to August ‘16 but went up again in September ‘16 . **The next quarter will see better control over the same.**
- Collection in the harder buckets also saw a all time high at ₹ 15.30crs; which will improve quarter on quarter.
- While overall HYP Loan AUM grew by 24.03% in the last 12 months, 30+ AUM grew only by 4.85% and 90+AUM reduced by 1.36%
- Strong action on arbitration front 22,303 files given to legal firms for filing petitions, about 22,099 notices sent and about 13,695 petitions filed , 3,315 awards passed and about 238 executions petition filed. Expect collection in many of the cases written off. (post the initiation of arbitration ₹ 22.03 crs collected from about 8437accounts, of which 2818 are closed accounts)

## මහජන මුදල් සේවයේ අවබෝධය

- During the quarter we had a PTC transaction of ₹ 111 crs with IFMR Capital and DCB; helped reduce dependence on Bank funding and hence reduce overall cost; also helped improve CRAR to 17.0% ;
- Monthly staff attrition reduced to 2.74 % in Q2 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 1.53% for Q2 FY17; interest and finance charges on an overall basis was slightly lower at 10.90% v/s 10.97% in Q1 FY '17.
- Looking at sources of funds beyond the traditional ones of banks and public deposits; will help cut cost and improve profile. Looking at raising additional funds through subordinate debt , NCD, Commercial Paper and Securitisation. Looking at building loan book with a combination of own and managed portfolio.
- New software/s in advanced stages of implementation. LOS and LMS implementation completed ; LCS implementation is in progress but facing certain teething issues. For financial accounting Orion is being implemented. Complete up to the financials and notes to accounts ; Chq Printing module only pending. Will happen in Q3 FY17.

## බැරැහිල්ලක් දක්වන්නටත් අක්ෂරයක්... පිටුවක් පමණක්

- The disbursement has been in line with the budget and hope is for an even better 3<sup>rd</sup> quarter; The profitability has been in line with budget; hope to maintain this trend.
- Geographical expansion -Network expansion on; Penetration in present states in South and West; North and East volumes have started picking up and hope to have a ₹ 100 cr loan book in North & East by the end of the year.
- Business sourced from MFL branches, increased by 31.0% at ₹ 98.92 crs for H1 FY '17; emphasis on growing it further in the coming years as well; Due to high disbursement in the Dealer segment, the MFL share reduced from 21.2% to about 19.55% against the planned share of about 23%. Several initiatives being taken to increase this share
- Looking at growth in the loan book and profitability- through funding for high end bikes, new/used cars, business/SME / corporate/personal loans/ digital platform.
- 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, lower cost , lower delinquency 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