



Board Presentation dated 10th November 2017

Quarter ended 30th September 2017

PERFORMANCE ANALYSIS

FINANCIALS

₹. In Crores

Quarterly Trend

	Q1 FY 18	Q2 FY 18	Q-o-Q	Q2 FY 17	Y-o-Y
Disbursement :					
Hyp Loans	340.6	449.9	32%	272.4	65%
Other Loans	31.2	27.3	-13%	31.3	-13%
Total Disbursements	371.8	477.2	28%	303.7	57%
AUM at the end of the period*	1313.7	1426.4	9%	1081.4	32%
Average AUM **	1272.7	1360.2	7%	1022.7	33%
Total Interest and Fee Income	79.7	94.9	19%	70.1	35%
Finance Expenses	28.1	30.3	8%	26.4	15%
Net Interest Income(NII)	51.6	64.6	25%	43.7	48%
Operating Expenses	33.1	42.0	27%	27.2	54%
Loan Losses & Provisions	9.2	6.8	-26%	4.1	64%
Profit Before Tax	9.4	15.9	69%	12.4	28%
Profit After Tax	6.1	10.4	70%	8.1	29%

Ratios	Q1 FY 18	Q2 FY 18		Q2 FY 17	
Total OPEX to NII	64.1%	65.0%		62.3%	
Loan losses & Prov. to Avg. AUM***	2.9%	2.0%		1.6%	
Return on Avg AUM ***	1.9%	3.0%		3.2%	
Earning Per Share (In ₹)	4.4	7.6		5.9	

Half Yearly Trend

H1 FY 17	H1 FY 18	Y-o-Y
506	790.5	56%
54.8	58.5	7%
560.8	849.0	51%
1081.4	1426.4	32%
1035.2	1307.8	26%
134.3	174.6	30%
51.6	58.4	13%
82.7	116.2	41%
52.3	75.0	43%
11.1	15.9	43%
19.3	25.3	31%
12.5	16.5	32%

H1 FY 17	H1 FY 18	
63.2%	64.6%	
2.1%	2.4%	
2.4%	2.5%	
9.1	12.0	

* Total AUM including managed portfolio of ₹ 322.2 crores is ₹ 1 748.6 crs (Q-oQ-12 % up) (Y-o-Y- 49% up)

** Avg AUM including managed Portfolio is ₹ 1 628.7 crores (Q-o-Q- 9% up) (Y-o-Y 48%)

***Figures are annualized

STATEMENT OF SOURCES AND APPLICATIONS


₹. In Crores


Sources	As At			Applications	As At		
	30-Sep-16	30-June-17	30-Sep-17		30-Sep-16	30-June-17	30-Sep-17
Share Capital	12.47	13.72	13.72	Fixed assets	2.18	2.84	2.76
Reserves & Surplus	147.96	170.36	180.72	Investments	22.20	31.31	*32.75
Bank Borrowings	736.51	919.73	1004.69	Deferred Tax Assets	5.97	8.56	9.06
Debentures	2.07	1.00	0.64	Other Long term Loans & adv.	0.27	0.36	0.36
Sub Debt	31.56	50.64	57.38	Auto Loan	953.47	1111.66	1227.43
Public Deposit	113.08	99.58	93.14	Loan Buyout	14.02	3.92	1.96
Loan from Directors	13.64	17.39	17.39	Term Loans	93.41	175.98	170.95
Intercompany Loan	1.47	1.56	1.59	Other Loans	8.06	6.14	4.41
Interest Accrued on Loans	11.61	12.47	13.75	Interest Accrued on Loans	12.40	16.10	21.67
Total Borrowings	909.94	1102.37	1188.58	Total Loans	1081.35	1313.80	1426.41
Securitization Dues Payable	8.54	31.72	40.89	Cash and Cash Equivalents	2.54	1.83	1.42
Other Liabilities	34.13	54.04	58.00	Short Term Loans and Adv.	4.59	4.29	3.79
Provisions	17.47	28.94	28.42	Other Assets	11.41	38.15	33.77
Total	1130.52	1401.14	1510.33	Total	1130.52	1401.14	1510.33

* Includes Cash Collateral Deposit of ₹ 10.94 Crores, SLR Deposit- ₹ 5.65 Crores
SLR Investments- ₹ 14.3 Crores & Others - ₹ 1.9 Crores


DELIVERABLES


Disbursement

Q1 FY 18 : ₹ 371.8 Crores
Q2 FY 18 : ₹ 477.2 Crores 


Q2 FY 17 : ₹ 303.7 Crores
Q2 FY 18 : ₹ 477.2 Crores 


AUM

Q1 FY 18 : ₹ 1558.6 Crores
Q2 FY 18 : ₹ 1748.6 Crores 

Q2 FY 17 : ₹ 1170.0 Crores
Q2 FY 18 : ₹ 1748.6 Crores 

Revenue

Q1 FY 18 : ₹ 79.8 Crores
Q2 FY 18 : ₹ 94.9 Crores 


Q2 FY 17 : ₹ 70.1 Crores
Q2 FY 18 : ₹ 94.9 Crores 


Asset Quality

₹. In Crores


	Q2 FY 17	Q1 FY 18	Q2 FY 18
Loan Book Size	1081.4	1313.8	1426.2
GNPA	5.7%	*7.4%	* 6.6%
NNPA	4.6%	5.8%	5.0%
Provision	13.7	22.2	24.1
Coverage Ratio	21%	23%	26%


Borrowing Cost

Q1 FY 18 : 10.1 %
Q2 FY 18 : 9.9 % 

Q2 FY 17 : 11 %
Q2 FY 18 : 10 % 

Opex to NII

Q1 FY 18 : 64 %
Q2 FY 18 : 65 % 


Q2 FY 17 : 62 %
Q2 FY 18 : 65 % 


Loan Losses & Provision

Q1 FY 18 : ₹ 9.2 Crores
Q2 FY 18 : ₹ 6.8 Crores 


Q2 FY 17 : ₹ 4.1 Crores
Q2 FY 18 : ₹ 6.8 Crores 


NPA

Q1 FY 18 : ₹ 96.9 Crores
Q2 FY 18 : ₹ 94.3 Crores 


Q2 FY 17* : ₹ 66.6 Crores
Q2 FY 18 : ₹ 94.3 Crores 

PAT

Q1 FY 18 : ₹ 6.1 Crores
Q2 FY 18 : ₹ 10.4 Crores 

Q2 FY 17 : ₹ 8.1 Crores
Q2 FY 18 : ₹ 10.4 Crores 

ROA

Q1 FY 18 : 1.9 %
Q2 FY 18 : 3.0 % 

Q2 FY 17 : 3.2 %
Q2 FY 18 : 3.0 % 

* Based on 3M Norm. Company was following 4M norm in previous year.

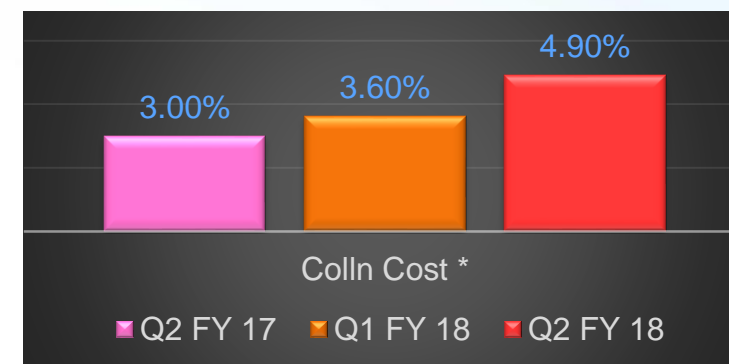
OTHER EXPENSE – SPLIT UP

₹. In Crores

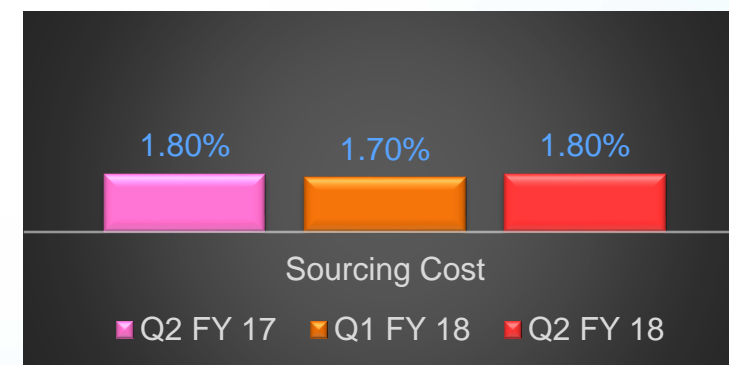
	Q1 FY 18	Q2 FY 18	Q-o-Q	Q2 FY 17	Y-o-Y
Collection Charges:	7.83	12.42	59%	5.01	148%
Collection Charges-MFL	1.18	1.30	10%	1.31	0%
Collection Charges-MMM	0.01	0.01	-37%	0.01	-47%
Collection Agency Payout	6.45	10.85	68%	3.65	198%
ECS/ NACH/E-auction	0.19	0.26	37%	0.04	541%
Business Sourcing Incentive:	5.76	8.29	44%	5.02	65%
Dealer Incentive	3.82	5.54	45%	3.32	67%
Business Sourcing Incentive- Mmm	0.00	0.01	602%	0.00	196%
Business Sourcing Incentive - MFL	1.17	1.67	43%	1.19	41%
Business sourcing expense- Marketing	0.76	1.07	40%	0.50	113%
Investigation and Professional Charges	1.02	1.79	77%	1.23	45%
FI Charges - Autoloan	0.14	0.24	67%	0.35	-32%
Professional Charges	0.50	0.82	64%	0.46	78%
Legal Charges	0.37	0.74	96%	0.42	74%
Rent	0.93	0.95	2%	0.95	0%
Back Office Processing	0.46	0.34	-27%	0.11	198%
Other Expenses	2.22	2.47	11%	1.70	45%
	18.21	26.27	44%	14.02	87%

* Considering Incentive to Collection staff (Q2 FY 17: ₹1.71 Crores, Q1 FY 18: ₹1.54 Crores, Q2 FY 18: ₹ 2.03 Crores)

Collection Cost as % of Collection



Sourcing Cost as % of Disbursement



MAIN FACTORS IMPACTING PROFITABILITY - DELINQUENCIES

₹. In Crores




Particulars	For FY '16	Q1 FY '17	Q2 FY '17	Q3 FY '17	Q4 FY '17	For FY '17	Q1 FY '18	Q2 FY '18
Unrealized Income reversed	3.1	1.3	-0.2	1.2	0.0	2.3	2.0	0.1
Loss on sale + Provision for diminution in value of repo. assets	9.1	2.8	3.2	2.5	3.4	11.9	2.6	4.4
NPA write off	3.0	0	0	0	1.7	1.7	0	0
NPA Provision	4.0	3.6	1.0	3.1	-0.10	7.6	5.6	1.9
Total	19.2	7.7	4.0	6.8	4.9	23.5	10.2	6.4
Avg AUM	882.3	1051.0	*1022.7	*1115.0	*1133.0	*1046.0	*1272.7	*1360.2
% of Credit cost on Avg AUM (annualized)	2.2%	2.9%	1.6%	2.4%	1.7%	2.2%	3.2%	1.9%

*Average AUM is excluding managed portfolio

SALES ANALYSIS

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

₹. In Crores

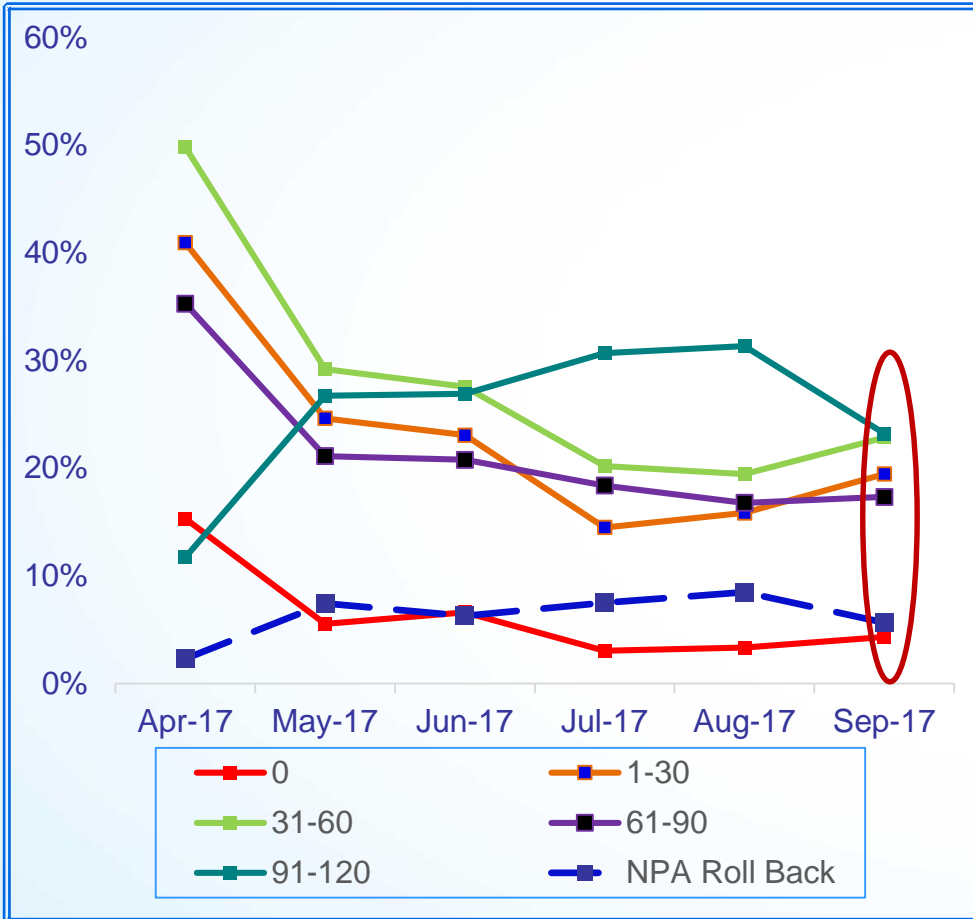
Zone	BRANCH  45%				DEALER  60%				TOTAL  57%			
	H1 FY 17		H1 FY 18		H1 FY 17		H1 FY 18		H1 FY 17		H1 FY 18	
	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value
South	17 459	87.5	24 021	128.2	76 122	369.3	1 01 126	531.8	93 751	457.3	1 25 147	660.0
West	2 426	10.3	2 397	10.5	4 318	18.5	6 696	30.6	6 745	28.8	9 093	41.2
North	254	1.0	898	3.9	3 128	13.0	14 225	62.9	3 382	14.0	15 123	66.8
East	33	0.2	178	0.9	1 065	4.8	4 611	21.7	1 099	4.9	4 789	22.5
Overall	20 172	98.9	27 494	143.5	84 633	405.5	1 26 658	647.0	1 04 977	505.1	1 54 152	790.5

COLLECTION ANALYSIS

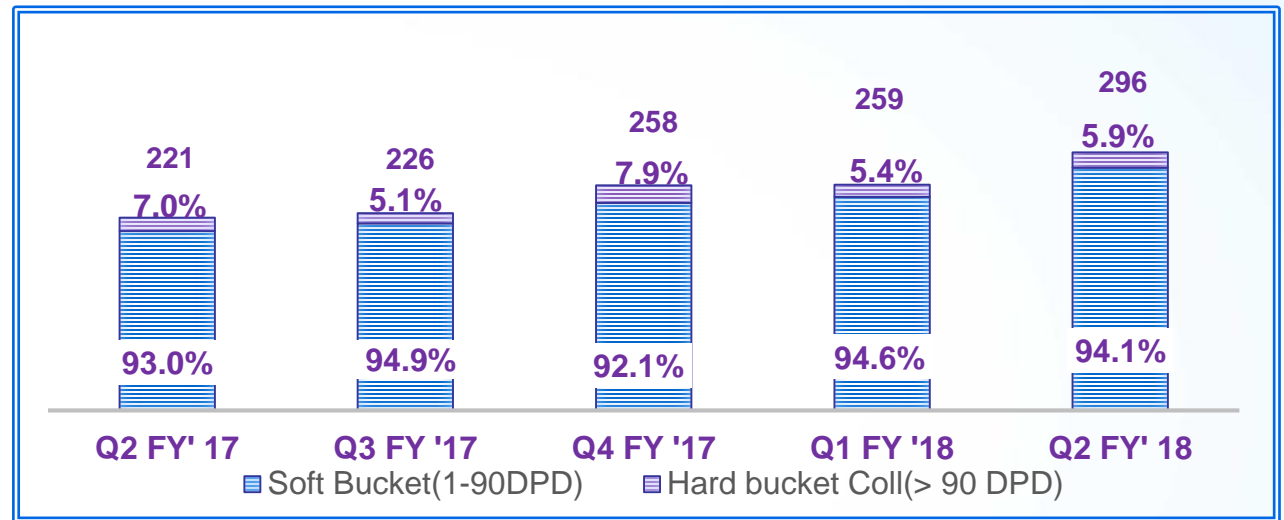
COLLECTION PERFORMANCE MONITORING (HYP)

₹.in Crores

Bucket Wise Flow



Collection Performance



₹.in Crores

	Q2 FY 17	Q3 FY 17	Q4 FY 17	Q1 FY 18	Q2 FY 18
Soft Bucket (1-90)	205.9	214.7	238	245.2	278.6
Hard Bucket (>90)	15.3	11.5	20.3	13.9	17.5
Total	221.2	226.2	258.3	259.1	296.1

COLLECTION - BUCKETWISE FLOW

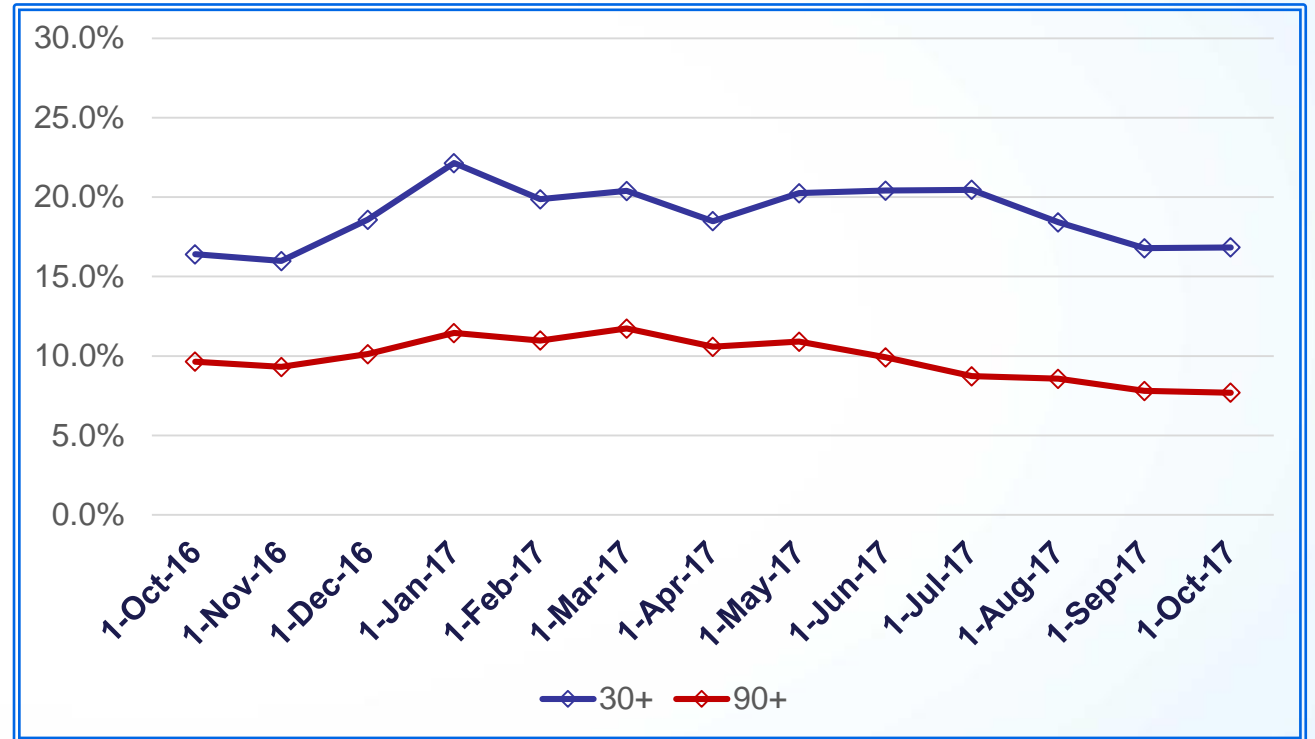
Month	Bucket flow					NPA roll back
	0	1 to 30	31 -60	61 -90	91- 120	
Sep'16	6%	32%	37%	41%	26%	6%
Oct'16	5%	27%	31%	36%	27%	6%
Nov'16	15%	55%	58%	65%	58%	3%
Dec'16	4%	28%	38%	46%	34%	6%
Jan' 17	5%	22%	33%	43%	35%	6%
Feb' 17	6%	23%	30%	40%	29%	7%
Mar'17	3%	16%	24%	28%	16%	12%
Apr'17	15%	41%	50%	35%	12%	2%
May'17	6%	25%	29%	21%	27%	7%
June'17	7%	23%	28%	21%	27%	6%
July'17	3%	14%	20%	18%	31%	8%
Aug'17	3%	16%	19%	17%	31%	8%
Sept'17	4%	19%	23%	17%	23%	6%

PORTFOLIO TREND – HYPOTHECATION LOANS

₹.in Crores

Month	2W Own Book AUM	30+	90+	30+%	90+%
01-Oct-16	953.5	156.4	92.0	16.4%	9.7%
01-Nov-16	993.6	158.7	92.5	16.0%	9.3%
01-Dec-16	1 025.7	190.5	103.8	18.6%	10.1%
01-Jan-17	956.7	211.8	109.6	22.1%	11.5%
01-Feb-17	1 009.7	200.6	110.8	19.9%	11.0%
01-Mar-17	987.5	201.4	115.9	20.4%	11.7%
01-Apr-17	1 005.5	185.9	106.4	18.5%	10.6%
01-May-17	1 056.2	213.8	115.2	20.2%	10.9%
01-Jun-17	1 115.5	227.7	110.6	20.4%	9.9%
01-Jul-17	1 110.	227.1	96.9	20.5%	8.7%
01-Aug-17	1 168.6	215.3	100.1	18.4%	8.6%
01-Sep-17	1 231.8	206.8	96.2	16.8%	7.8%
01-Oct-17	1 226.1	206.4	94.3	16.8%	7.7%
Growth	28.6%	31.9%	2.5%		

Portfolio Trend



NPA MOVEMENT – HYP LOAN – Q2 FY '18

₹. In Crores

Particulars	HP Nos	Principal	Unrealised	Provision
Balance as on 30.06.2017	53 342	96.89	11.34	22.23
Add: Slipped to NPA for the month of July 17 to Sept 17	8 105	15.42	1.61	4.22
Sub total	61 447	112.32	12.95	26.45
Less: Rolled back from NPA for July 17 to Sept 17	6 432	8.48	0.54	1.03
Reposessed Asset sold during July 17 to Sept 17	1 921	6.74	0.93	1.31
Amount collected from NPA Accounts for July 17 to Sept 17	-	2.80	-	-
Balance as on 30.09.2017	53 094	94.30	11.47	24.10

NPA MOVEMENT – HYP LOAN – ACROSS 9 QUARTERS

₹.in Crores

Particulars	Q2 '16	Q3 '16	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18
Opening Balance	59.7	59.9	62.1	54.0	69.2	66.5	78.1	74.2	96.9
Slippage due to NPA Policy change	-	-	-	15.9	-	-	-	29.8	-
Fresh slippages during the period	11.9	13.6	9.6	12.7	11.8	20.1	13.9	16.1	15.4
Sub Total	71.6	73.5	71.7	82.6	81.0	86.6	92.0	120.1	112.3
Less: NPA Rolled Back	7.0	5.6	6.8	6.5	6.7	3.3	8.9	14.8	8.5
Less: Repossessed assets sold	2.4	3.7	5.4	3.8	5.0	3.2	4.8	3.6	6.7
Less: Write off	-	-	3.0	-	-	-	1.7	-	-
Less: Amount collected but not rolled back out of NPA	2.3	2.1	2.5	3.1	2.8	2.0	2.4	4.8	2.8
Closing Balance	59.9	62.1	54.0	69.2	66.5	78.1	74.2	96.9	94.3

ANALYSIS – 5 QUARTERS

SPREAD ANALYSIS

₹. In Crores

Analysis on Avg loan book size	Sep-16		Dec-16		Mar-17		Jun-17		Sep-17	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Avg Loan Book Size	1022.72		1115.0		1133.0		1272.7		1360.2	
Revenue from operations	69.5	27.2%	68.6	24.6%	79.4	28.0%	79.2	24.9%	94.4	27.7%
Direct exp.	32.6	12.8%	32.4	11.6%	32.8	11.6%	34.3	10.8%	39.2	11.5%
Gross Spread	36.9	14.4%	36.2	13.0%	46.6	16.4%	44.9	14.1%	55.1	16.2%
Personnel Expenses	13.0	5.1%	13.7	4.9%	13.9	4.9%	14.7	4.6%	15.5	4.6%
OPEX (incl. depreciation etc...)	8.0	3.1%	8.2	2.9%	10.8	3.8%	12.2	3.8%	17.5	5.1%
Total Expenses	21.0	8.2%	21.9	7.9%	24.7	8.7%	26.9	8.5%	33.0	9.7%
Pre Provision Profits	16.0	6.2%	14.2	5.1%	21.9	7.7%	18.0	5.7%	22.1	6.5%
Loan Loss and provisions	4.1	1.6%	5.6	2.0%	5.3	1.9%	9.2	2.9%	6.8	2.0%
Net Spread	11.8	4.6%	8.6	3.1%	16.5	5.8%	8.8	2.8%	15.4	4.5%

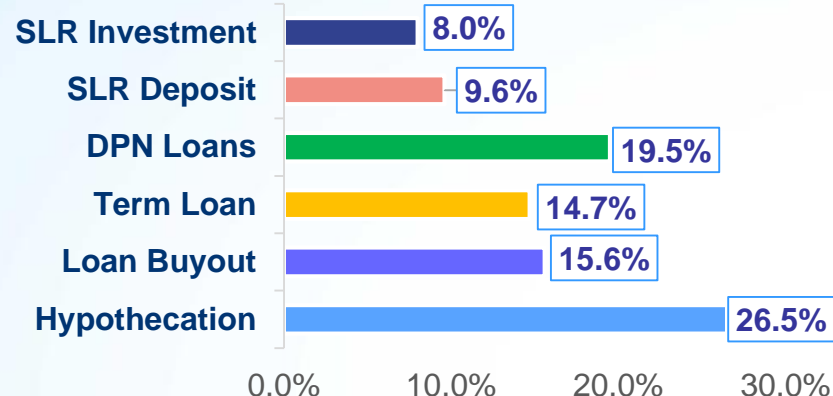
* Excluding managed portfolio; Income excluding income from SLR investments

ANALYSIS OF COST & YIELD

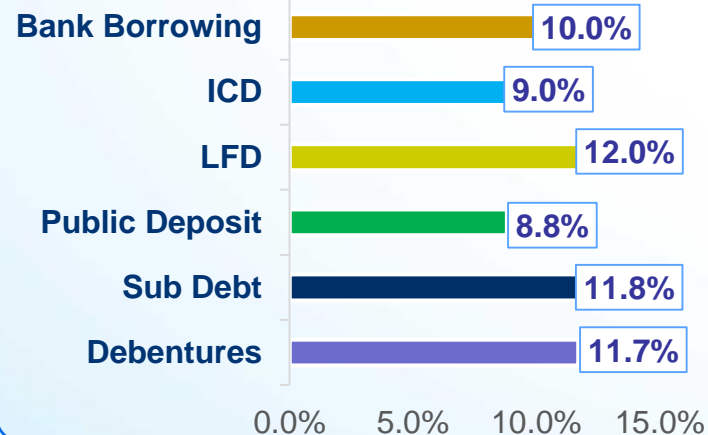
SL.No.	Description of Loan	EFFECTIVE RATE					
		Q1 FY '17	Q2 FY '17	Q3 FY '17	Q4 FY '17	Q1 FY '18	Q2 FY '18
1	Hypothecation	25.3%	26.2%	24.3%	27.0%	24.3%	26.5%
2	Loan Buyout	15.7%	15.5%	15.5%	15.8%	15.6%	15.6%
3	Term Loan	15.7%	15.6%	15.3%	15.1%	14.8%	14.7%
4	DPN Loans	21.1%	21.2%	21.5%	20.6%	20.6%	19.5%
5	SLR Deposit	8.8%	9.1%	9.3%	9.4%	9.3%	9.6%
6	SLR Investment (Govt Sec)	8.0%	8.0%	7.9%	8.0%	8.0%	8.0%
	Yield	24.0%	24.7%	23.1%	25.1%	22.7%	24.9%
1	Secured Debenture	12.9%	13.0%	12.5%	12.8%	12.1%	11.7%
2	Sub Debt	11.8%	12.1%	12.1%	12.1%	11.8%	12.0%
3	Public Deposit	9.9%	9.5%	9.5%	9.3%	8.8%	8.8%
4	Loan From Directors	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
5	Inter corporate Deposit	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
6	Bank Borrowings	11.1%	11.1%	10.9%	10.5%	10.2%	10.0%
	Cost	11.0%	10.9%	10.8%	10.5%	10.1%	9.9%
	Interest Spread	13.1%	13.8%	12.3%	14.6%	12.6%	14.9%

ANALYSIS OF COST & YIELD – Q2 FY 18

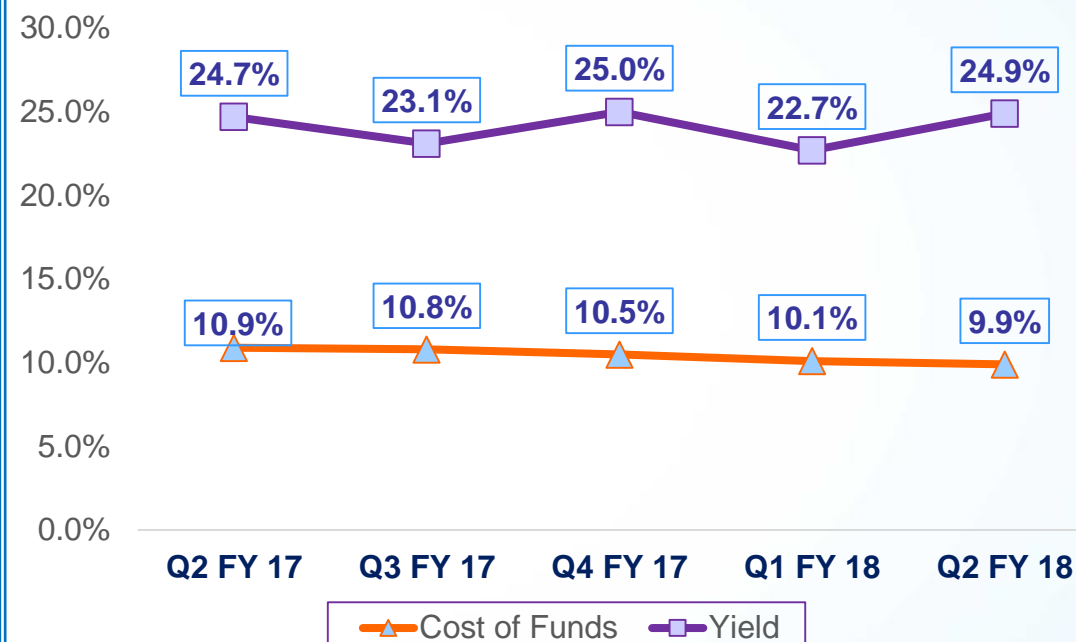
Composition of Yield



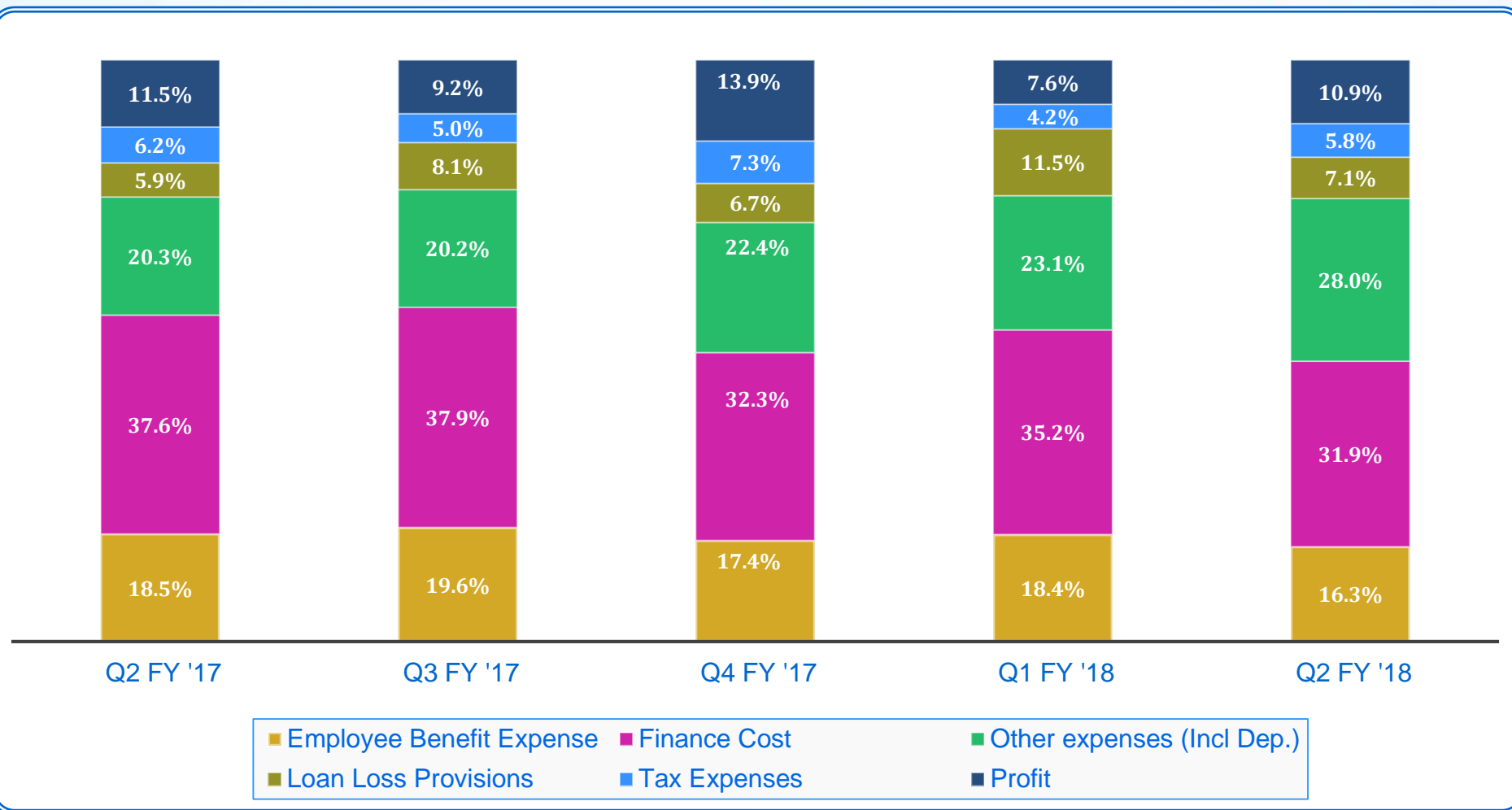
Composition of Cost



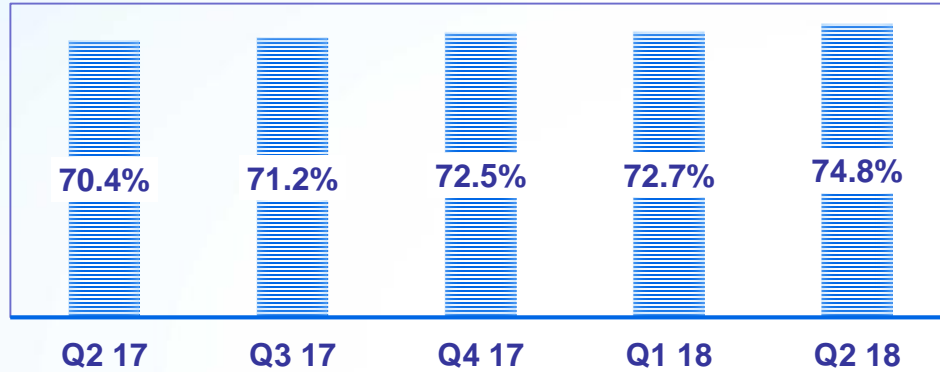
Cost of Funds, Yield & Spread



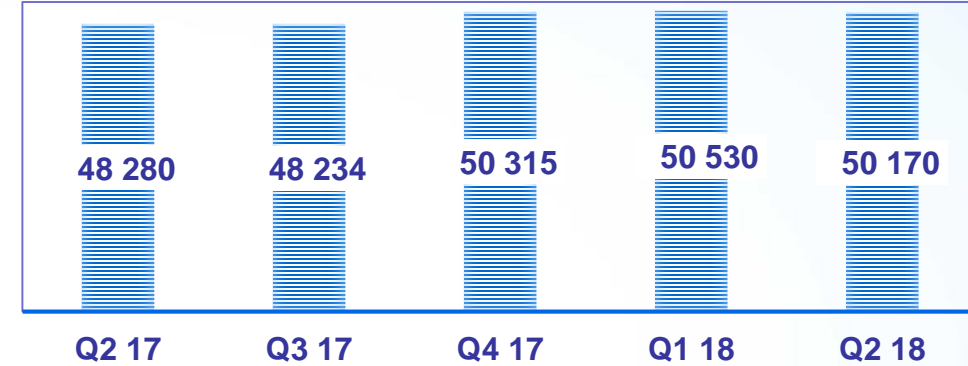
EXPENSE AS PERCENTAGE OF REVENUE - Q – o - Q



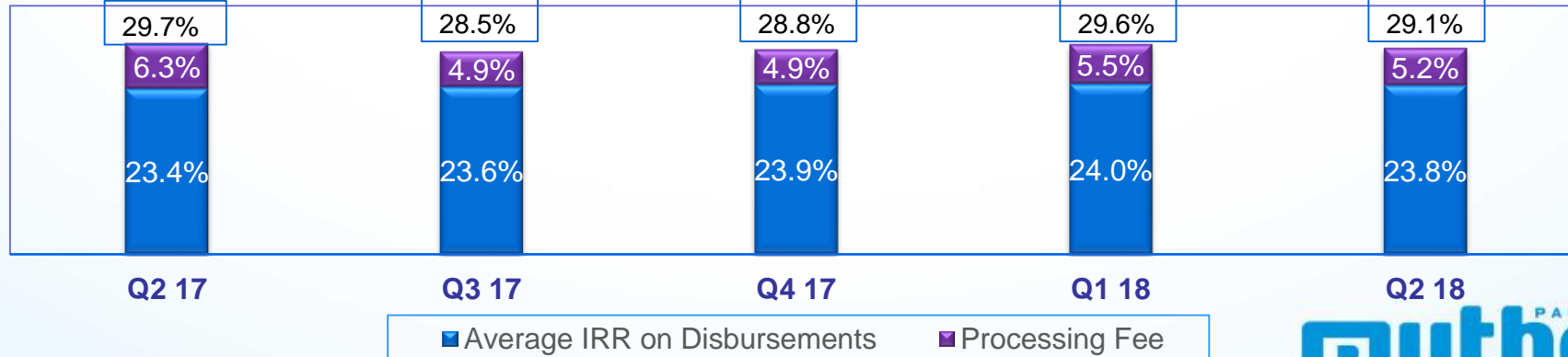
Average LTV



Average Ticket Size (in ₹)



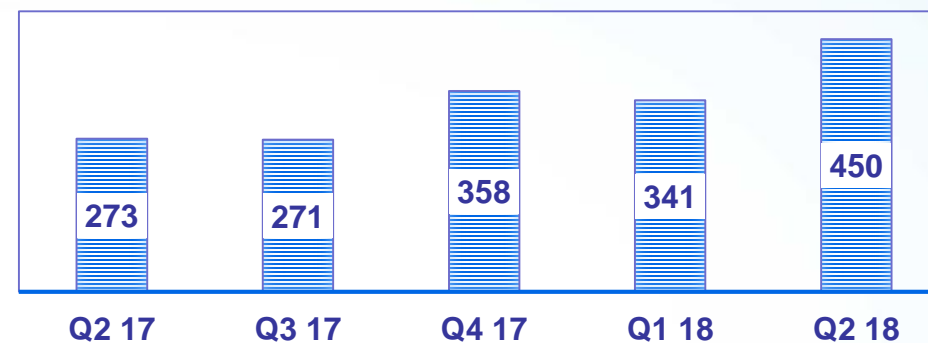
Avg. IRR & Processing Fee on Disbursement



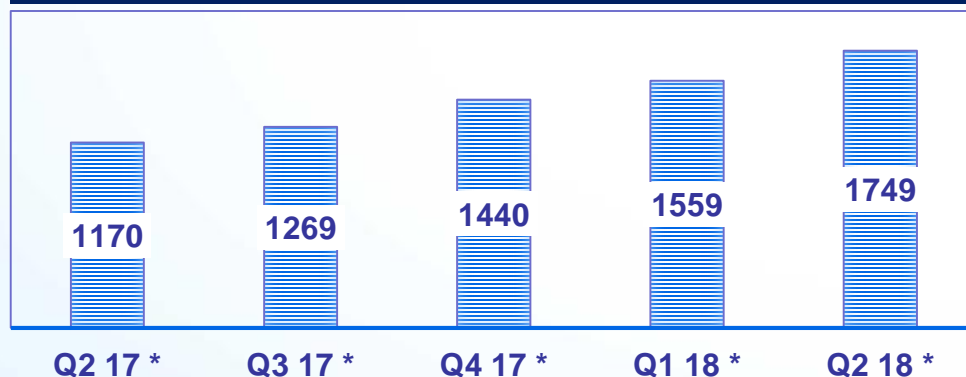
Disbursement Count (Hypo Loan)



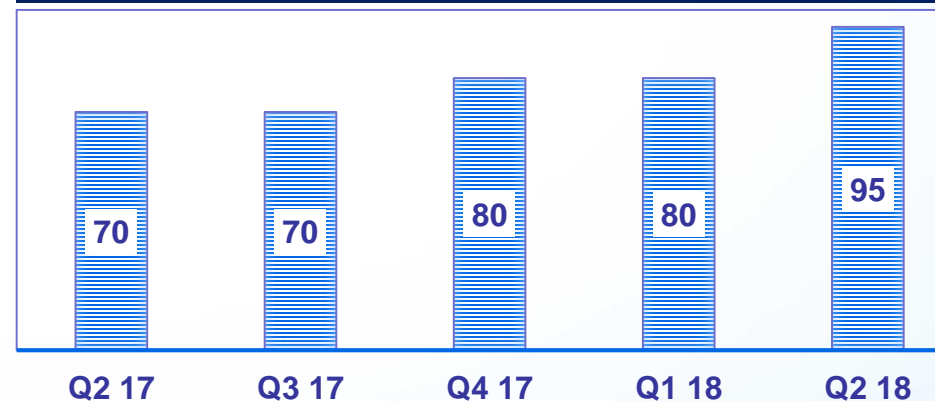
Disbursement - Hypo Loan (in ₹ crores)



Loan Book Size (in ₹ crores)



Revenue (in ₹ crores)

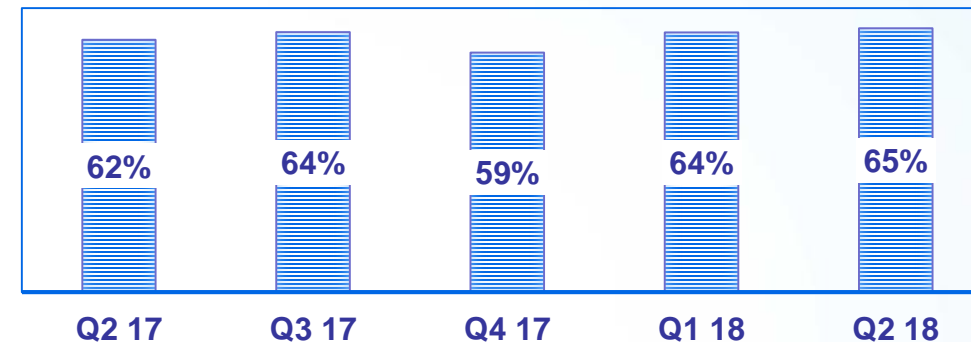


* Including managed portfolio

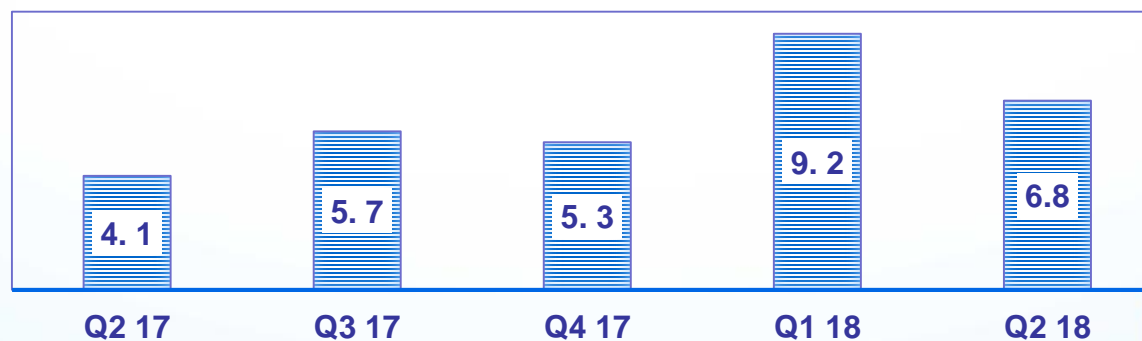
NII (₹ in Crores)



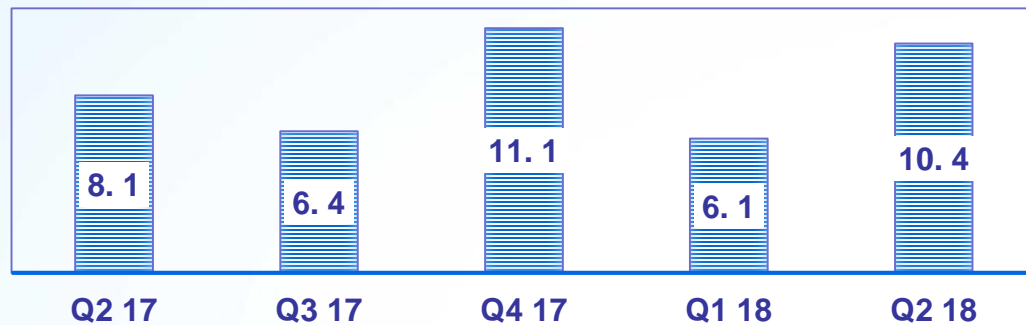
OPEX AS % OF NII



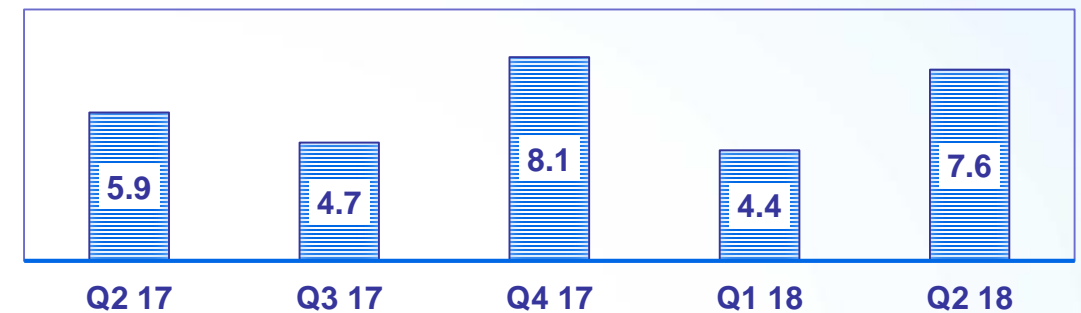
Loan Loss Prov. & Write Off (₹ in Crores)



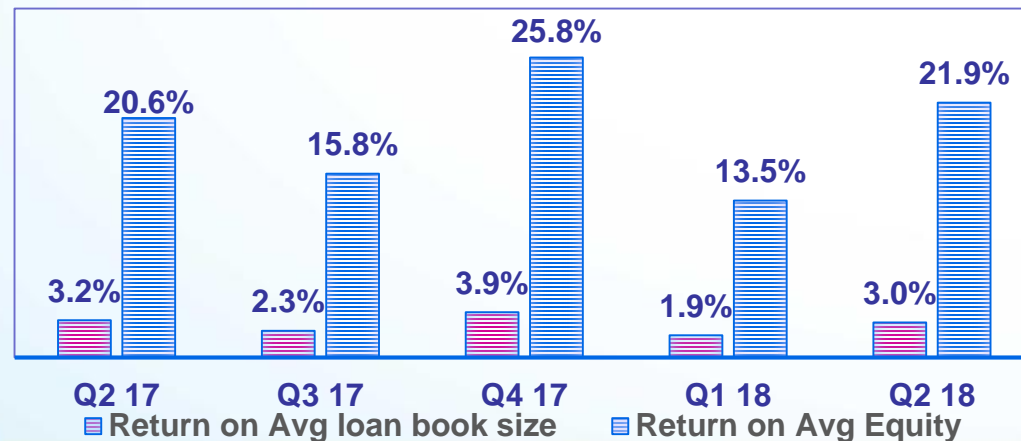
PAT (₹ in Crores)



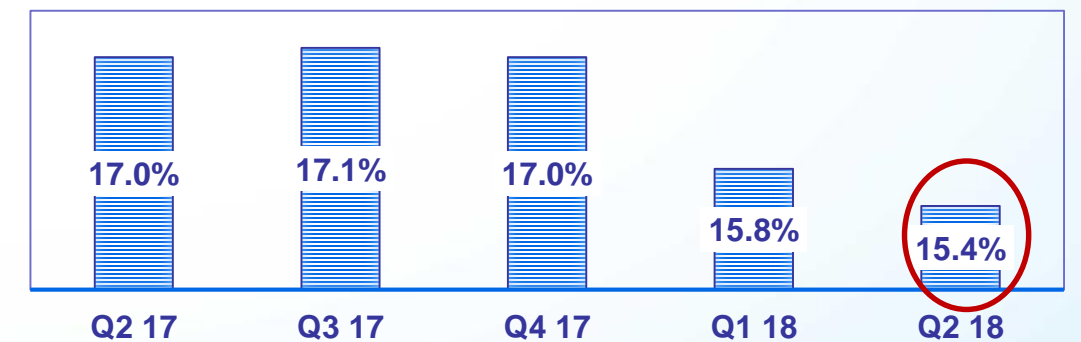
Earning per Share (in ₹)



ROA & ROE



Capital Adequacy Ratio



ASSET ANALYSIS

MCSL GEOGRAPHIC OVERVIEW - HYP

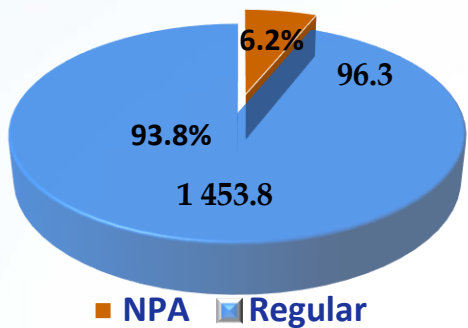
₹ in Crores

Zone	Active Clients	Regular	NPA	% of NPA
South India	4 09 923	1 250.43	83.33	6.2%
Western India	30 174	73.96	10.23	12.2%
North India	27 998	93.12	2.29	2.4%
East India	9 352	36.26	.47	1.3%
Overall *	4 77 447	1 453.76	96.33	6.2%

*Includes securitized portfolio

PORTFOLIO ANALYSIS

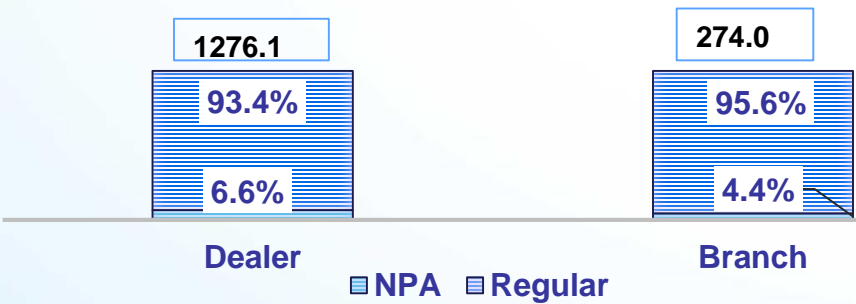
PORTFOLIO ANALYSIS



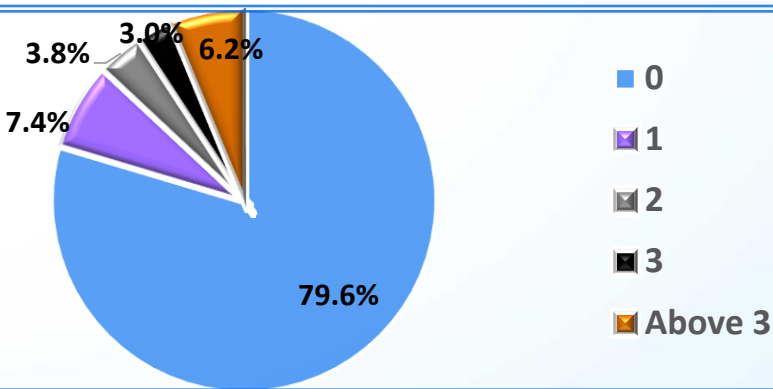
SEGMENT WISE ANALYSIS



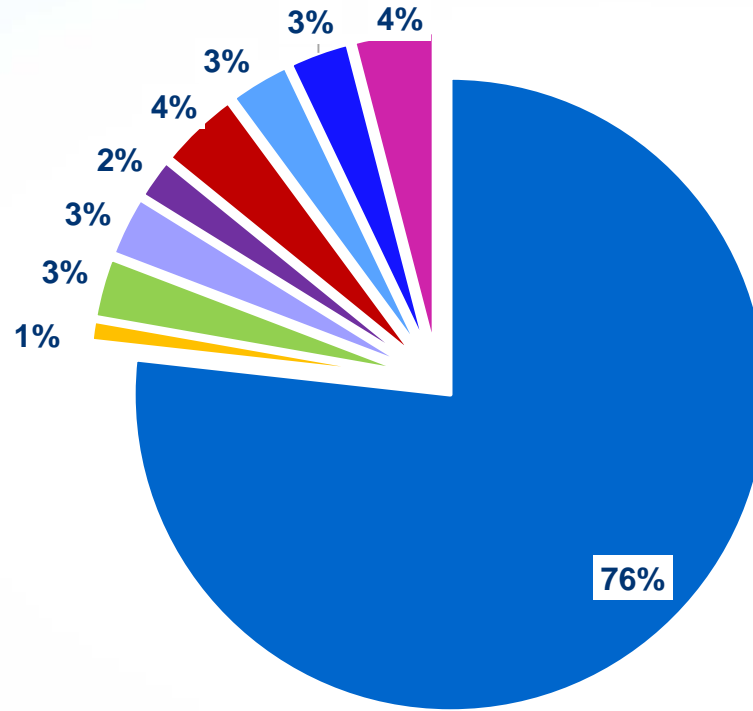
SOURCE WISE ANALYSIS



BUCKET WISE ANALYSIS



HYP PORTFOLIO SPLIT AS ON SEPTEMBER 30TH 2017



(In ₹ Crores)

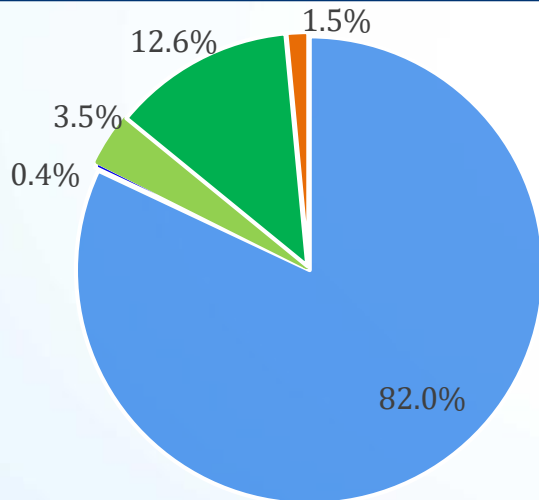
Owned Portfolio	1179.9
Sanada	16.9
Starling	43.2
Quetzal	44.7
Fire finch	37.9
Turaco	68.1
Andra DA	43.3
Toucan DA	51.4
Bran	64.6
Total Loan Book	1550.0

LIABILITY ANALYSIS

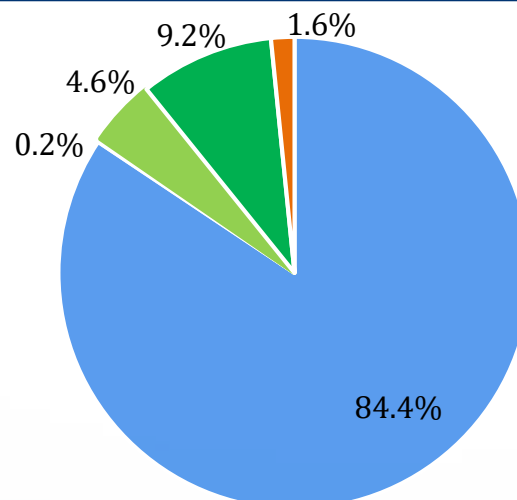
BORROWING PROFILE

₹ in Crores

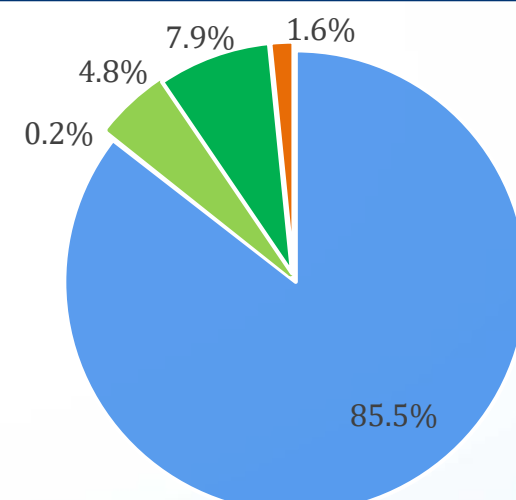
Particulars	Q2 FY '17		Q1 FY '18		Q2 FY '18	
	Amount	Cost	Amount	Cost	Amount	Cost
Bank Loan	736.5	11.1%	919.7	10.2%	1004.7	10.0%
Debenture/ICD	3.5	12.1%	2.6	10.8%	2.2	10.5%
Sub Debt	31.6	9.5%	50.6	11.8%	57.4	12.0%
Public Deposit	113.1	12.0%	99.6	8.8%	93.1	8.8%
Loan From Directors	13.6	11.9%	17.4	12.0%	17.4	12.0%
Total	898.3	10.9%	1 089.9	10.1%	1174.8	9.9%



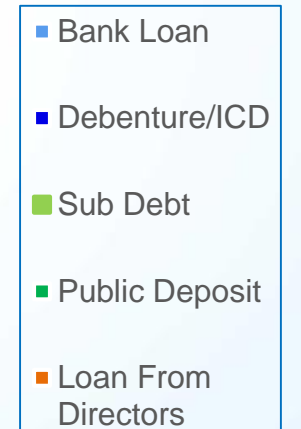
Q2 FY '17



Q1 FY '18



Q2 FY '18



SUMMARY – SECURITISATION / DIRECT ASSIGNMENT TRANSACTION

Particulars	1st	2nd	3rd	4th	5th	6th	7th	8th	Total
Nature of the transaction	PTC	PTC	PTC	PTC	PTC	DA	DA	PTC	
Investor Name	DCB & IFMR	Mahindra & Mahindra and IFMR	DCB & IFMR	Indo Star Capital Finance & IFMR	DCB & IFMR	Andhra Bank	SBM	DCB & IFMR	
Rating Agency	CRISIL	CRISIL	ICRA	CRISIL	ICRA	CRISIL	India Rating	ICRA	
Month of transaction	Aug-16	Dec-16	Feb-17	Mar-17	Jun-17	Aug-17	Sep-17	Sep-17	
Securitized pool	111.39	110.7	90.45	65.59	88.51	51.53	55.52	69.33	643.02
Fund received from Investors	104.15	101.84	83.21	60.34	81.43	47.96	49.97	65.86	594.76
MRR retained in MCSL books	7.24	8.86	7.24	5.25	7.08	3.57	5.56	3.47	48.27
Cash Collateral	2.23	2.21	1.81	1.31	1.77	Nil	Nil	1.39	10.72
Corporate Guarantee	5.14	8.81	3.17	3.8	2.88	Nil	Nil	3.46	27.26
Rate of interest	10.85%	10.57%	10.24%	10.16%	9.52%	9.85%	9.25%	9.30%	
Overall cost	11.14%	10.89%	10.51%	10.44%	9.78%	9.88%	9.43%	9.60%	

Note :Out of total fund received ₹ 594.8 crores, ₹. 325.23 crores invested by DCB Bank through 4 transactions.

HIGHLIGHTS – SECURITISATION / DIRECT ASSIGNMENT TRANSACTION

- Till date, over the last 1 year , the Company has done 6 Securitization /2 Direct Assignment transactions totaling to ₹ 594.8 crores (net of MRR) with following Investors, which has helped substantially grow the AUM.
- The weighted average interest cost of the last transaction is 9.30% (weighted average cost of first transaction was 10.85%), which is lower than the average bank fund cost of about 10.00% in September 2017 which helps in repaying high cost funds, to use funds for other disbursements and above all helps negotiate with lenders better.
- **Capital saving: An off balance sheet transaction, helps in the CRAR by 1.96% as on 30th September without reducing the net income that was generated earlier**
- Apart from the Credit Enhancements to be given, the risks are passed on to the Investor, which help lower Standard asset provisioning by 1.26 crores as on 30th September 2017, thereby improve profitability.
- The Company continues to earn income/interest spread on the securitized portfolio which improves the overall ROA. As on 30th September ROA increased by 0.40% due to securitization and direct assignment transaction.
- As the number of these transactions increase, which we intend to, the overall profitability as a % of Revenue and/or ROE and ROA will substantially improve.

MANAGEMENT DISCUSSION & ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS

- The Company continued its robust growth in disbursement, having a total disbursement of ₹ 477.2 crores in Q2 FY 18 v/s ₹ 371.8 crores Q1 FY 18 and ₹ 303.7 crores in Q2 FY17
- Compared to the corresponding quarter of the previous year, the growth was 65% with the dealer point growth at 66% and the MFL branch volume also going up by 65%. The new areas entered into in the previous year and half (North and East) saw huge growth
- After moving to a 3 month norm for recognition of the NPA in the previous quarter the Company has worked towards reducing the figure in the current quarter. With emphasis on the lower buckets to ensure that the same does not flow to the next bucket, the aim is to control NPA growth and also the cost of keeping the NPA low. While initial efforts have been at a higher cost, the Company expects control on the same as more and more accounts are in the lower bucket where collection costs are lower.
- Collection in the harder buckets with a total collection of ₹ 17.5 crores or 5.9% out of the ₹ 296.1 crores collected .
- **Strong action on arbitration front 29 893 files given to legal firms for filing petitions, 11 683 awards passed, about 6 073 cases settled and ₹ 38.76 crores collected directly from about 14 905 nos. of customers and through repossession and sale of their vehicles. Noting the satisfactory progress on the arbitrations, the Company restarted its action of giving files to arbitrators and that is and will continue to help business going forward.**

MANAGEMENT DISCUSSION & ANALYSIS GOING FORWARD...

- We did 1 more PTC/2 DA transactions of ₹ 65.9 crores (net of MRR) and ₹ 97.9 crores (net of MRR) respectively in this quarter with reputed banks ; CRAR at 15.4% (needs to be improved further) ; QIP a step in that direction. Till date, over the last 1 year , the Company has done 6 Securitization & 2 Direct Assignment transactions totaling to ₹ 594.8 crores (net of MRR), which has helped substantially grow the AUM. Many more transactions are expected to happen over the next 2 quarters.
- During the 2nd quarter of FY 18 the Company has been able to get additional funding of a total of ₹ 339 crores from various sources showing the confidence that the lenders / investors have in the Company - ₹ 164 crores from Bank sanctions, ₹ 163.8 crores from Securitisation, ₹ 11.2 crores from retail subordinated debts and Public Deposits etc. The interest costs of the Company also came down to 10.0% and with other banks also lowering the costs, expected to go down further in
- Monthly staff attrition has remained at same level of 3 % in Q2 FY '18 v/s attrition at 3% in Q1 FY 18; the concept of Marketing agents is also working well;
- In spite of high competition, dealer incentives have remained under control at 1.30% for Q2 FY18; interest and finance charges on an overall basis was slightly lower at 9.9% v/s 10.14% in Q1 FY '18.
- **Securitization has helped CRAR grow and also negotiate better for funds. Others means including Equity infusion would need to be looked at for sustained aggressive growth.**
- The business and financial softwares are fully implemented and going forward will be explored extensively for generating MIS and automating overall transactions.

MANAGEMENT DISCUSSION & ANALYSIS GOING FORWARD...

- The H1 FY 18 financials are better than the budget with a PAT of ₹ 16.5 crores v/s ₹14.4 crores budgeted. This is mainly on account of lower than budgeted NPA figures (hence lower provisioning), lower Finance costs and employee costs. Other expenses were higher on account of significantly higher collection costs. Plans are being worked out to see what would be the most effective way of controlling this cost.
- Geographical expansion –Network expansion on; 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 FY18.
- 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
- **Post demonetization 100% repayment for new customers through NACH; NACH repayment is at 55 % v/s 3% at end of September 16 quarter. Will help cut costs/ delinquencies in the medium term. The unlinked mandates is an area of concern, which is being attended to.**
- The launching of the QIP is being seen as a necessity for ensuring better CRAR and lowering the leverage. This will also help in better rating, getting lower cost funds by way of CP/ Short term debts, lower cost of funds from Bank etc. The Company hopes to succeed on this path going forward.
- **Are bullish about the future and hopeful of achieving the budget for FY 18 in terms of disbursement , Loan book and profitability. Looking at support from all the stakeholders**

THANK YOU