

Board Presentation dated 22nd October 2019

Quarter ended 30th September 2019



BLUE SOCH.
HELPING MILLIONS SHAPE
THEIR TOMORROW.



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No of States / UT
currently operating in
– 20

New Customers
75,192

Disb – ₹ 487.8 Cr

AUM – ₹ 2779 Cr
Live Customers –
724,101

SNAPSHOT

Quarter ended 30th September 2019

Additional Sanction
₹ 135 Cr.

Securitization sanctions
Q2 FY 20 -₹ 104 Cr

Own book (Ind AS)-
Stage 3 – 5.7%
Stage 3 (Net) – 3.3%

CRAR – 21.0%
D/E ratio (Ind AS):4.6

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 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%
Q2 FY20*					
AUM	1 851.52	162.67	87.65	80.89	151.92
EAD	972.45	97.39	55.45	52.56	151.92
PD	2.52%	15.75%	26.94%	38.08%	79.73%
LGD	51.65%	51.65%	51.65%	51.65%	51.65%
Provision	12.67	7.92	7.72	10.34	62.56
ECL %	0.68%	4.87%	8.81%	12.78%	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 30.09.2018

₹. In Crores

Particulars	Outstanding	Provision	ECL%	IGAAP* %
Total	2278.19	85.48	3.75%	2.72%
S1 and S2 (Std assets)	1868.09	36.10	1.93%	0.40%
S3 (NPA)	120.08	48.22	40.15%	38.85%
Other Loans	290.02	1.16	0.40%	0.40%

As on 30.06.2019

Particulars	Outstanding	Provision	ECL%	IGAAP* %
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%

As on 30.09.2019

Particulars	Outstanding	Provision	ECL%	IGAAP* %
Total	2640.73	102.77	3.89%	3.67%
S1 and S2 (Std assets)	2182.74	38.99	1.79%	0.40%
S3 (NPA)	151.92	62.56	41.18%	46.09%
Other Loans	306.07	1.22	0.40%	0.40%

*Based on the On Book AUM

TRANSITION IMPACT

₹. In Crores

	As on 31.03.2018	2018-19	Q1 FY 2019	Q1 FY 2020	Q2FY20
Reserve/PBT as per IGAAP	377.48	127.25	31.76	21.50	21.67
Expected Credit Loss addition	(27.24)	2.49	(1.57)	(0.30)	(2.48)
Provision for Direct assignment gain	0.00	(0.49)	0.00	(0.24)	0.00
ECL provision on Hypothecation Loan	(27.24)	2.98	(1.57)	(0.06)	(2.48)
EIR on financial receivables	(45.62)	(2.89)	(1.57)	(0.95)	0.09
HP management fee impact	(66.49)	(10.38)	(3.86)	(0.55)	(1.09)
Processing fee _ Income	(1.19)	(0.93)	(0.11)	(0.01)	0.27
Insurance		3.90	0.19	(0.68)	0.81
Transaction cost	22.06	4.51	2.20	0.28	0.10
Securitization	9.31	7.85	1.69	5.05	3.71
Assignment	11.08	(6.56)	(4.06)	1.94	(1.95)
Direct assignment income- service asset	11.08	(7.53)	(4.67)	2.16	(2.52)
Direct assignment expense _collection cost	0.00	0.97	0.60	(0.22)	0.57
EIR on Borrowings	1.76	4.40	0.76	(0.35)	1.48
Processing Fees Bank	1.41	2.74	0.14	(0.33)	1.61
Securitisatation Expense	0.36	1.66	0.62	(0.02)	(0.13)
Fair value changes on investments	(0.00)	0.37	(0.04)	0.01	0.00
Reserve/Profit before tax as per IND AS	326.78	132.89	26.95	26.89	22.53
Deferred Tax/(Liability)	17.72	-	-		
Reserve/Profit before tax as per IND AS	344.49	132.89	26.95	26.89	22.53

Quarterly Trend

₹. In Crores

Financial Statement Metrics	Q2 FY 20	Q1 FY 20	Q-o-Q	Q2 FY 19	Y-o-Y
Disbursement :					
Hyp Loans	463.2	451.3	3%	469.7	-1%
Other Loans	24.6	35.6	-31%	72.1	-66%
Total Disbursements	487.8	486.9	0.2%	541.8	-10%
AUM at the end of the period *	2672.1	2605.4	3%	2306.3	13%
Average AUM **	2588.4	2572.1	1%	2228.85	16%
Total Interest and Fee Income	145.0	144.0	1%	132.1	10%
Finance Expenses	57.9	55.6	4%	44.4	30%
Net Interest Income(NII)	87.1	88.3	-1%	87.7	-1%
Operating Expenses	48.9	44.5	10%	38.4	27%
Loan Losses & Provisions	15.7	17.0	-8%	16.1	-2%
Profit Before Tax	22.5	26.9	-16%	33.2	-32%
Profit After Tax***	14.0	13.6	3%	21.4	-34%

Half Year Trend

₹. In Crores

	H1 FY 20	H1 FY 19	Y-o-Y
	914.5	918.1	-0.4%
	60.2	109.2	-45%
	974.7	1027.3	-5%
	2672.1	2306.3	16%
	2580.3	2150.2	20%
	289.0	246.2	17%
	113.6	83.9	35%
	175.4	162.3	8%
	93.4	72.7	29%
	32.6	29.4	11%
	49.4	60.2	-18%
	27.6	38.9	-29%

Q2 FY 20

Q1 FY 20

Q2 FY19

H1 FY20

H1 FY19

Total Opex to NII

56.2%

50.4%

43.8%

53.3%

44.8%

Return on Avg. AUM

2.2%

2.1%

3.8%

2.1%

3.6%

Earnings per Share

8.5

8.3

13.0

16.8

23.7

* Total AUM including off book as on 30th Sep 19 is ₹ 2 779 crs (Q-o-Q- 0.7 % up) (Y-o-Y- 11%);** AUM and Avg AUM and 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 @ 29.12% in Q1FY20 & now recognized @ 25.17% in Q2FY20 the difference charged off to P&L A/C in Q2 FY20

STATEMENT OF SOURCES AND APPLICATION OF FUNDS - IND AS

₹. In Crores


Sources	30-Jun-19	30-Sep-19	Application	30-Jun-19	30-Sep-19
Share Capital	16.4	16.4	Fixed Assets	4.4	4.1
Reserve & Surplus	444.5	458.4	Investments	76.5	83.6
Shareholders Funds	460.9	474.8	Deffered Tax Assets	28.4	25.4
Bank Debts	1 414.9	1 532.4			
Securitizations	571.6	499.2			
Sub debt / Debentures	58.7	58.8	Hypothcation Loan	2 203.6	2 296.2
Public Deposit/ICD	62.0	58.7	Loan Buyout	39.7	49.9
Commercial Paper			Term Loans	278.7	243.1
Loan From Directors	10.2	10.2	Other Loans	11.6	9.3
Interest Accrued on Loans	15.3	15.0	Interest Accrued on Loans	24.3	26.2
Total Borrowings	2 132.7	2 174.3	Total Loans	2 557.9	2 624.7
Trade Payable	24.1	26.0	Cash & Cash Equivalents	31.4	40.2
Provisions	101.0	108.6	Other Financial Assets	26.0	25.6
Other Financial Liabilities	13.2	32.5	Other Non Financial Assets	10.5	16.6
Statutory dues Payable	3.2	3.2			
Derivative Financial Instruments		0.8			
Total	2 735.1	2 820.2	Total	2 735.1	2 820.2

Disbursement

Q1 FY 20 : ₹ 486.9 Cr
Q2 FY 20 : ₹ 487.8 Cr


 0.2%

Q2 FY 19 : ₹ 541.8 Cr
Q2 FY 20 : ₹ 487.8 Cr


 10%

Borrowing Cost

Q1 FY 20 : 10.3%
Q2 FY 20 : 10.3%


 0%

Q2 FY 19 : 9.4%
Q2 FY 20 : 10.3%

 10%

PAT (Ind AS)

Q1 FY 20 : ₹ 13.6 Cr
Q2 FY 20 : ₹ 14.1 Cr

 4%

Q2 FY 19 : ₹ 21.4 Cr
Q2 FY 20 : ₹ 14.1 Cr

 34%

Overall AUM

Q1 FY 20 : ₹ 2760 Cr
Q2 FY 20 : ₹ 2779 Cr

 0.6%

Q2 FY 19 : ₹ 2511 Cr
Q2 FY 20 : ₹ 2779 Cr

 11%

Stage 3 (Ind AS)

Q1 FY 20 : ₹ 135.6 Cr
Q2 FY 20 : ₹ 151.9 Cr

 12%

Q2 FY 19 : ₹ 120.1 Cr
Q2 FY 20 : ₹ 151.9 Cr

 20%

ROA- (Ind AS)

Q1 FY 20 : 2.1%
Q2 FY 20 : 2.2%


 5%

Q2 FY 19 : 3.8%
Q2 FY 20 : 2.2%


 42%

Revenue- (Ind AS)

Q1 FY 20 : ₹ 144.0 Cr
Q2 FY 20 : ₹ 145.0 Cr

 0.7%

Q2 FY 19 : ₹ 132.1Cr
Q2 FY 20 : ₹ 145.0 Cr

 10%

Loan Losses & Provision (Ind AS)

Q1 FY 20 : ₹ 17.0 Cr
Q2 FY 20 : ₹ 15.7 Cr

 8%

Q2 FY 19 : ₹ 16.1 Cr
Q2 FY 20 : ₹ 15.7 Cr


 3%

ROE- (Ind AS)

Q1 FY 20 : 11.1%
Q2 FY 20 : 12.0%

 8%

Q2 FY 19 : 20.2%
Q2 FY 20 : 12.0%

 41%

ASSET QUALITY AND PROVISION COVERAGE

₹. In Crores

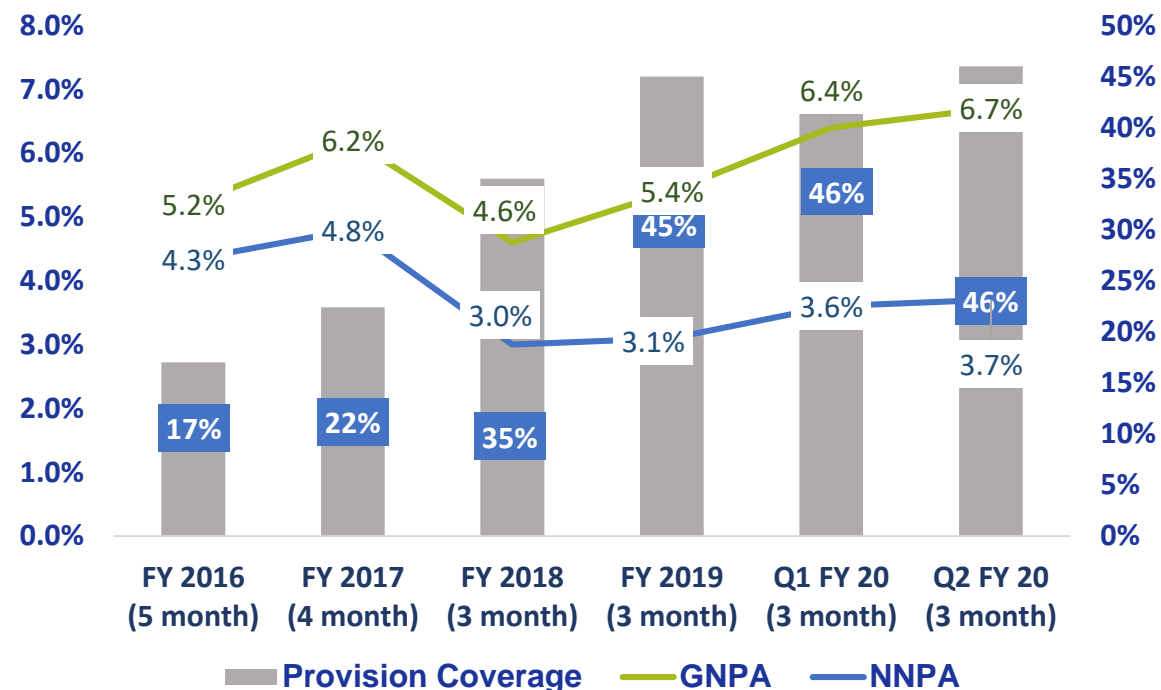
As Per IGAAP

	As on 30.09.2018	As on 30.06.2019	As on 30.09.2019
Own Book Portfolio	2092.5	2100.5	2211.2
GNPA	5.6%	6.4%	6.6%
NNPA	3.5%	3.6%	3.7%
Total Provision	54.7	70.1	76.1
Prov. as % of Loan Book	2.6%	3.3%	3.4%

₹. In Crores

As Per IND AS

	As on 30.09.2018	As on 30.06.2019	As on 30.09.2019
Own Book Portfolio	2306.3	2605.4	2672.1
Stage 3	5.1%	5.2%	5.7%
Stage 3 (Net)	3.1%	3.1%	3.3%
ECL Provision	85.5	94.4	102.8
Prov as % of Loan Book	3.7%	3.6%	3.8%

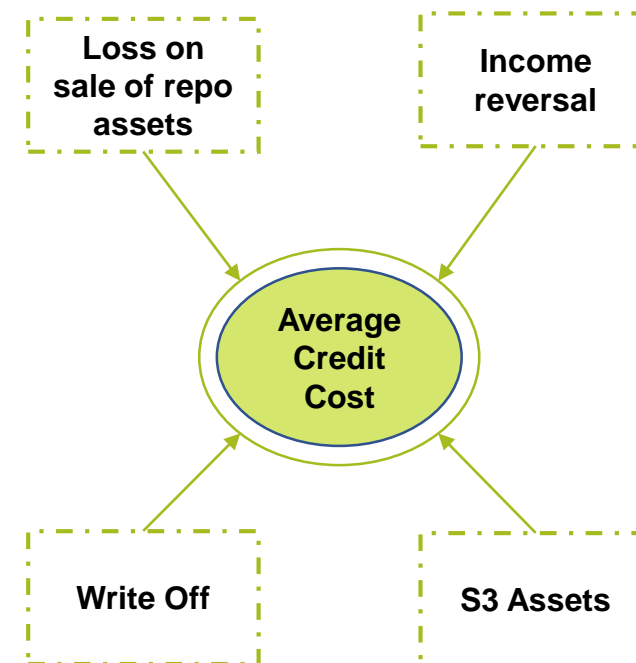
As Per IGAAP

* * NPA norm

MAIN FACTORS IMPACTING PROFITABILITY – DELINQUENCIES-(IGAAP)

₹. In Crores

Particulars	Q1 FY 19	Q2 FY 19	Q3 FY 19	Q4 FY 19	FY 19	Q1 FY 20	Q2 FY 20
Unrealized Income reversed	1.5	1.6	1.0	-0.7	3.4	2.3	1.9
Loss on sale + Provision for diminution in value of repo. Assets	3.8	5.2	6.0	5.2	20.2	5.7	7.3
S3 write off	0	0	0	7.8	7.8	-	-
S3 Provision	4.4	4.2	3.7	-6.1	6.2	5.9	5.5
Addl S3 Provision	3.5	3.8	2.4	4.4	14.1	5.1	-
Total	13.2	14.8	13.1	10.6	51.7	19.0	14.7
Avg AUM*	1959.4	1982.0	2083.3	2147.2	2042.6	2048.5	2131.9
% of Credit cost on Avg AUM (annualized)**	2.7%	3.0%	2.5%	2.0%	2.5%	3.7%	2.8%



*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%.

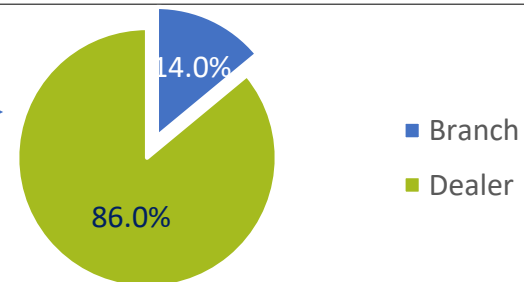
*** though MCSL moved over to IndAS, we continue to de recognize Unrealised income (as on 30th Sep 19 ₹19.6 crs)

ZONEWISE DISBURSEMENT (HYP LOANS) – H1 Y-o-Y

₹. In Crores

Zone	BRANCH				DEALER				TOTAL					Overall Share	
	H1 FY '20		H1 FY '19		H1 FY '20		H1 FY '19		H1 FY '20		H1 FY '19			H1 FY '20	H1 FY'19
	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Growth%		
South	18 751	110.4	22 935	128.7	81 420	520.1	98 813	556.8	100 171	630.5	121 748	685.5	-8%	69%	75%
West	2 485	13.2	3 098	14.3	9 414	56	11 302	57.5	11 899	68.7	14 400	71.8	-4%	8%	8%
North	910	5.1	1 338	6.3	19 108	103.8	20 792	99.7	20 018	108.6	22 130	106	2%	12%	12%
East	676	3.7	356	1.7	18 153	102.8	10 695	52.9	18 829	106.7	11 051	54.6	95%	12%	6%
Overall	22 822	132.4	27 727	151	128 095	782.7	141 602	766.9	150 917	914.5	169 329	917.9	3%	100%	100%

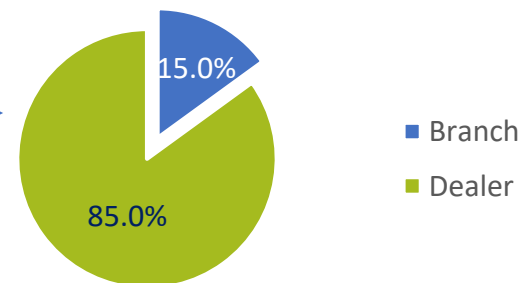
Share of Branch and Dealer of zone-wise
disbursement



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

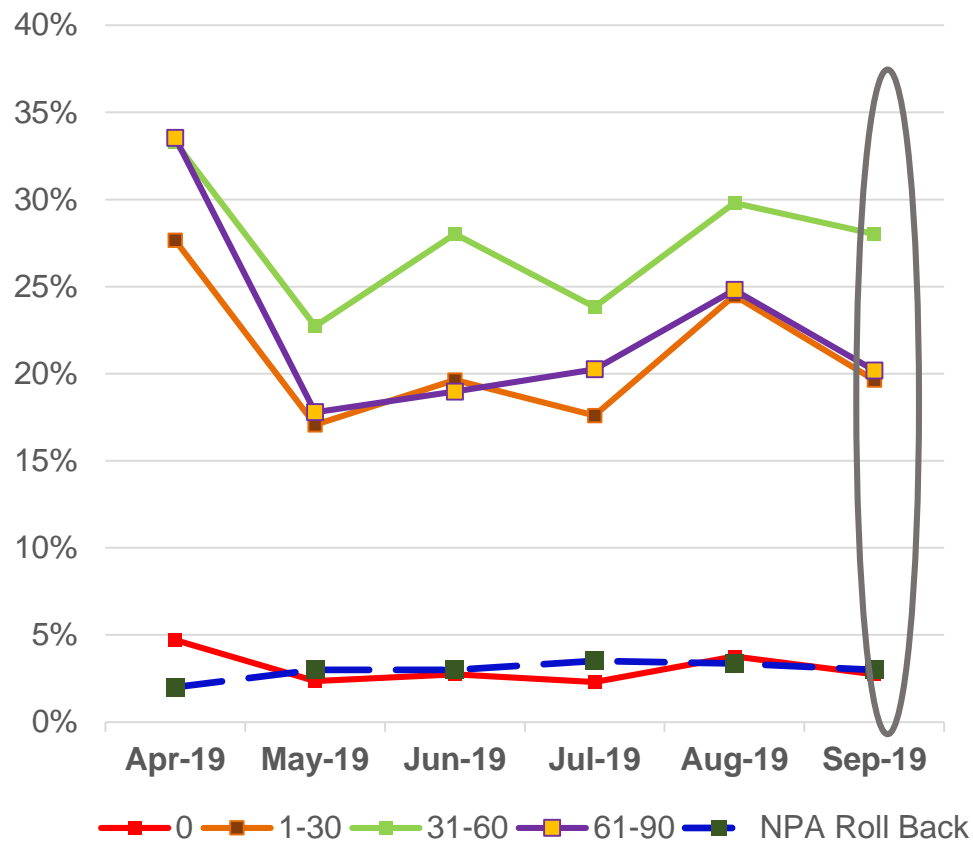
₹. In Crores

Zone	BRANCH		DEALER		TOTAL		Overall Share	
	Q2 FY '20		Q2 FY '19		Q2 FY '20		Q2 FY '20	Q2 FY '19
	Count	Value	Count	Value	Count	Value	Count	Value
South	9 891	59.0	11 205	64.5	40 524	264.2	49 708	288.7
West	1 272	6.6	1 641	7.7	4 689	28.8	5 740	29.8
North	506	2.7	665	3.2	9 250	50.4	10 155	49.5
East	381	2.1	155	0.8	8 679	49.4	5 024	25.5
Overall	12 050	70.4	13 666	76.2	63 142	392.8	70 627	393.5

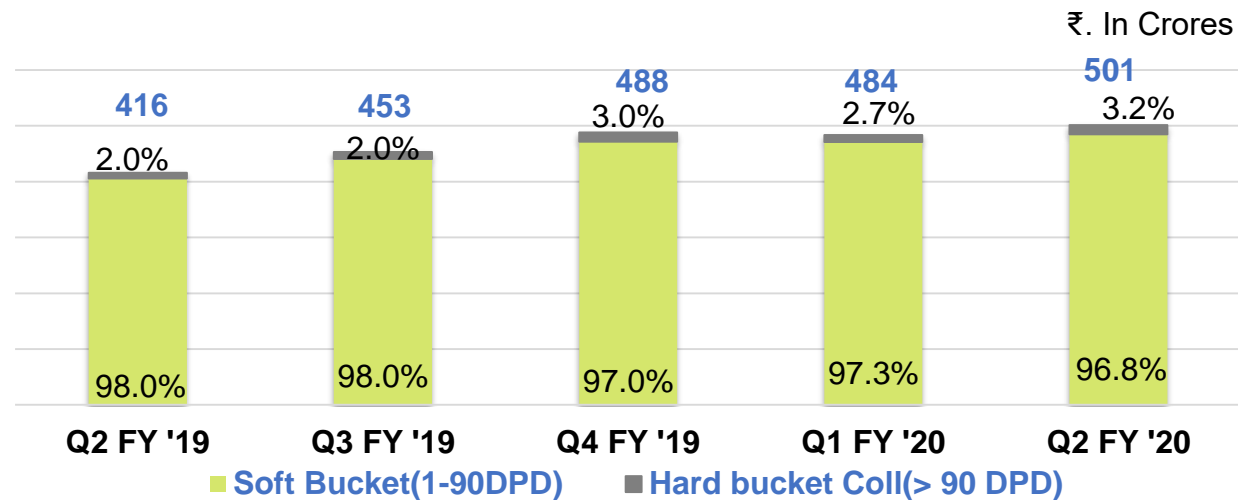
Share of Branch and Dealer of zone-wise
disbursement

COLLECTION PERFORMANCE MONITORING (HYP)

Bucket wise Flow



Collection Performance

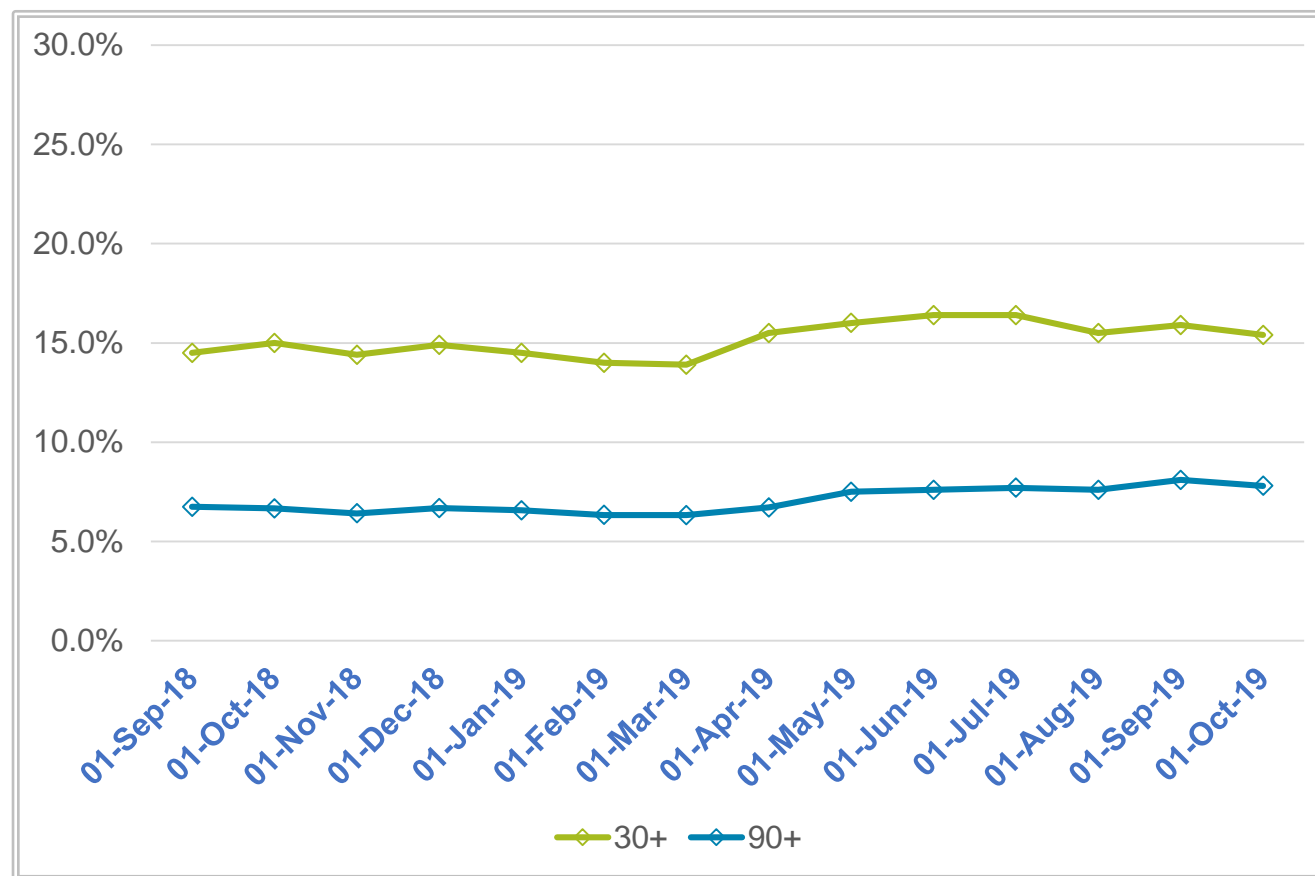


	₹. In Crores				
	Q2 FY 19	Q3 FY 19	Q4 FY 19	Q1 FY 20	Q2 FY 20
Soft Bucket (1-90)	405	441	471	471	485
Hard Bucket (>90)	11	12	17	13	16
Total	416	453	488	484	501

PORTFOLIO TREND – HYPOTHECATION LOANS- IGAAP

₹. In Crores

Month	Own book AUM	30+	90+	30+%	90+%
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	1 738.4	284.4	133.3	16.4%	7.7%
01-Aug-19	1 808.1	281.9	137.5	15.5%	7.6%
01-Sep-19	1 790.9	285.5	144.7	15.9%	8.1%
01-Oct-19	1 876.6	289.1	146.3	15.4%	7.8%



On an overall hyp book of ₹ 2441.9 Cr, 30+ is 13.6% & 90+ is 6.4%

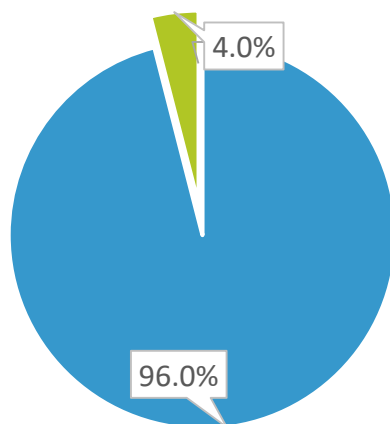
NPA MOVEMENT – HYP LOAN – Q2 FY 2020- IGAAP

₹. In Crores

Particulars	HP Nos	Own Book			PTC portfolio		Total Portfolio	Total Provision
		Principal	Provision	Unrealized	Principal	Provision		
Balance as on 30.06.2019	70 723	133.76	62.2	17.0	1.9	0.2	135.6	62.4
Add: Slipped to NPA during Jul 19 to Sep 19	14 619	36.4	3.0	2.2	3.8	0.3	40.2	3.3
Add: NPA recognised on sold-out portfolio bought back								
Add: Prov. Increased due to non payment of NPA	-	-	5.4	1.3	-	-		5.4
Add: Additional Prov. In the quarter	-	-	-	-	-	-	-	-
Sub total	85 342	170.1	70.6	20.5	5.7	0.5	175.8	71.1
Less: Rolled back from NPA/adjustments between Jul 19 to Sep 19	8 204	8.4	1.3	0.5	0.3	0.0	8.8	1.3
Repossessed Asset sold during Jul 19 to Sep 19	2 732	12.3	1.2	0.8	0.5	0.1	12.8	1.2
Amount collected from NPA Accounts for Jul 19 to Sep 19		2.7	0.3	0.2	0.1	-	2.7	0.3
Balance as on 30.09.2019 as per RBI & IGAAP	74 406	146.8	67.7	18.9	4.8	0.5	151.5	68.2

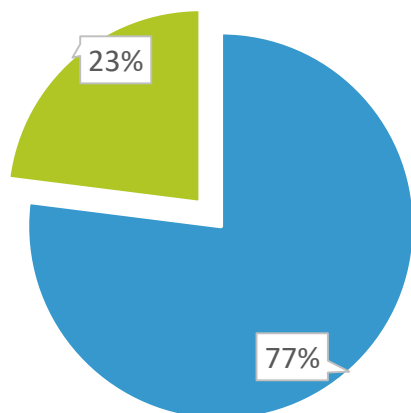
Overall Provision as on 30th Sep 2019	Provision
As per IGAAP based on RBI guidelines	76.1
As per IND AS	102.8

HYP PORTFOLIO SPLIT AS ON SEPTEMBER 30TH 2019



As per IND AS

■ On Book
■ Off Book



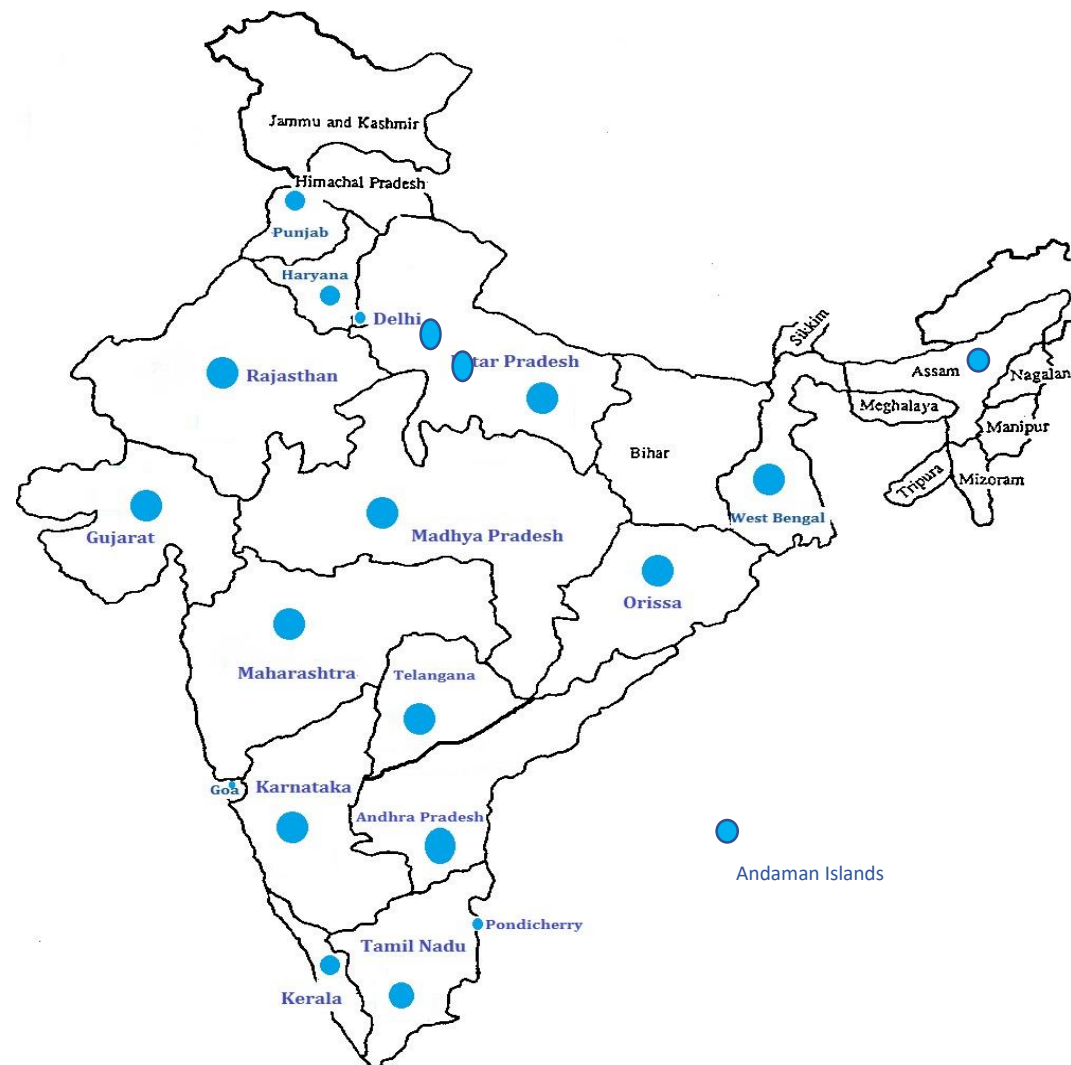
As Per IGAAP

■ On Book
■ Off Book

₹. In Crores

Transaction Type	No of Transactions	Amount	
PTC	9	458.1	
Direct Assignment	9	107.2	
		Ind AS	IGAAP
Off Book		107.2	565.3
On Book		2334.7	1876.6
Total Portfolio		2441.9	2441.9

MCSL GEOGRAPHIC OVERVIEW – HYP


SEP 30 2019

₹. In Crores

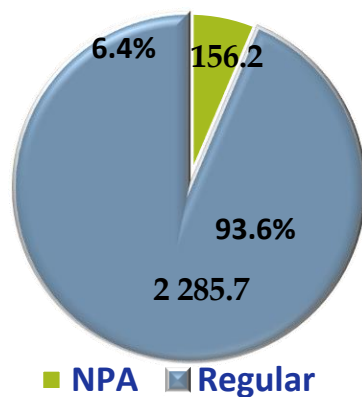
Zone	Active Clients	Regular	S3	Total	Zone wise AUM %	% of S3
South India	5 25 025	1 665.4	107.0	1 772.4	72.6%	6.0%
Western India	57 503	163.4	23.9	187.3	7.7%	12.7%
North India	86 335	242.4	20.8	263.1	10.8%	7.9%
East India	55 238	214.6	4.5	219.1	9.0%	2.1%
Overall *	7 24 101	2 285.7	156.2	2 441.9	100.0%	6.4%

*Includes securitized/ assigned portfolio

PORTFOLIO ANALYSIS

₹. In Crores

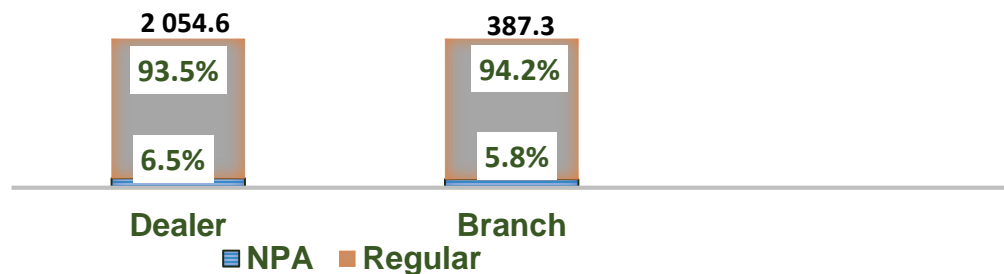
Portfolio Analysis



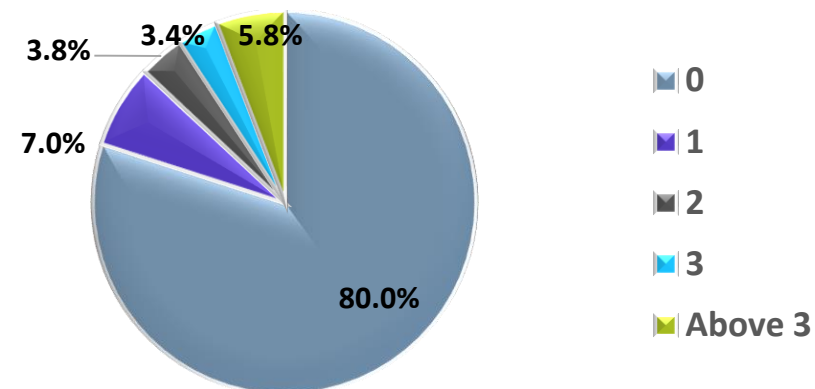
Segment – wise Analysis



Source - wise Analysis



Bucket – wise Analysis



SOURCES OF BORROWING

₹135 Cr

Additional bank sanctions
during the quarter

Total sanctions as on 30Sep 2019
amounting to ₹ 1985 Cr. with 1 new
relationships

₹104 Cr

Securitization/ DA done in
Q2 FY 20 (net of MRR)

- Mobilized ₹1927.6 Cr to date
through 24 transactions
- ₹565.3 Cr outstanding as on 30th
Sep 2019.

Securitization/ DA sanctions received
in Q2 FY 20 ₹104Cr

₹8.8 Cr

Collections of Public
Deposit

- Public Deposits collected ₹8.8 Cr.,
of which ₹6.7 Cr. Is renewal

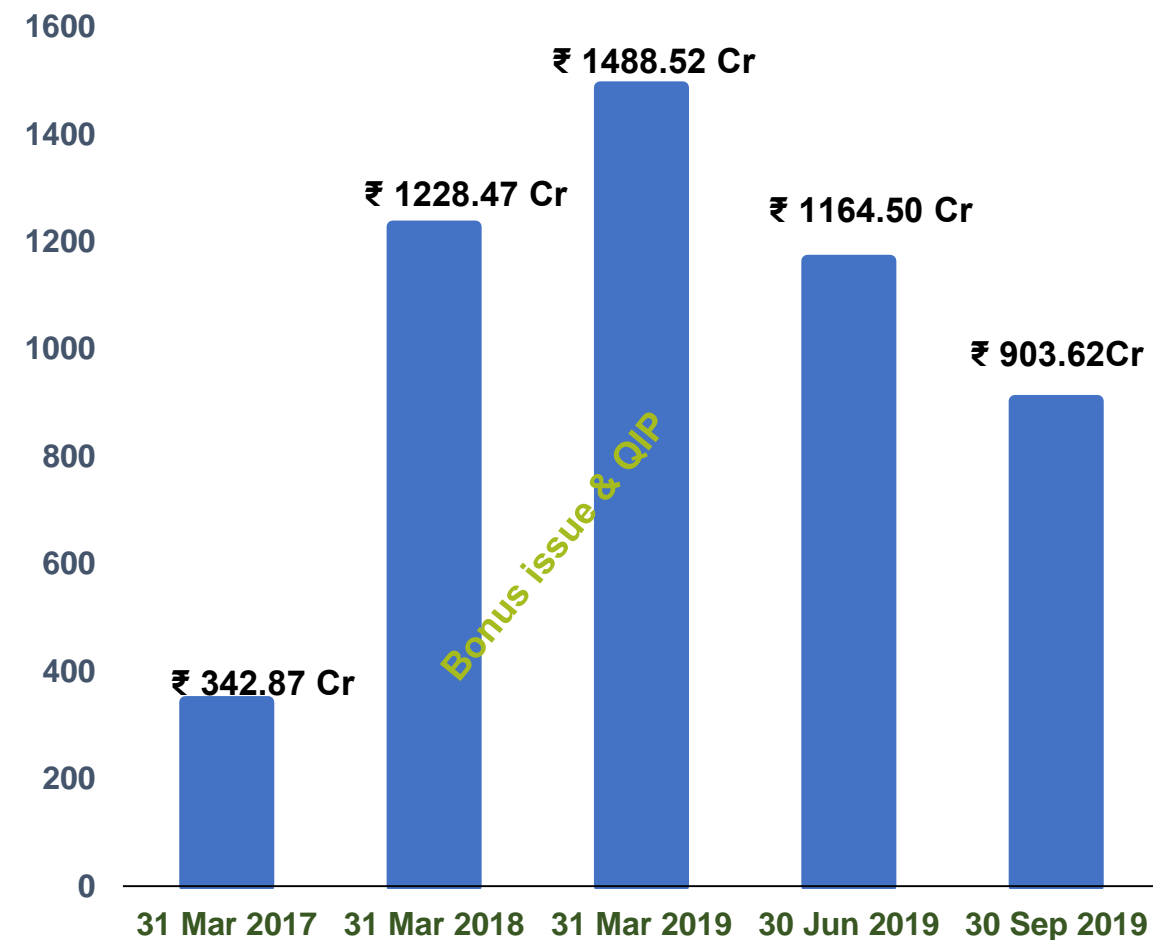
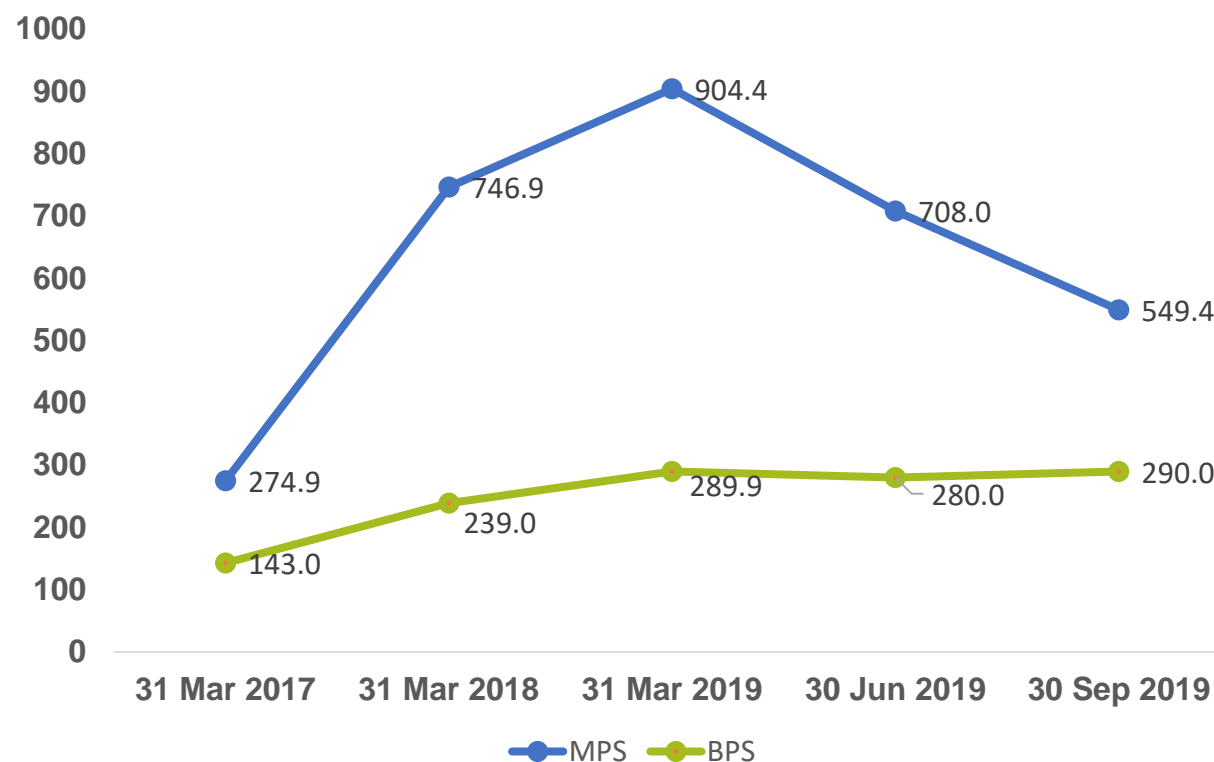
10.3%

Cost of borrowing for
Q2 FY 2019-20

Quarter on Quarter increase in cost of
borrowing

Bank funding - 69% of total borrowing as
on 30th Sep 2019

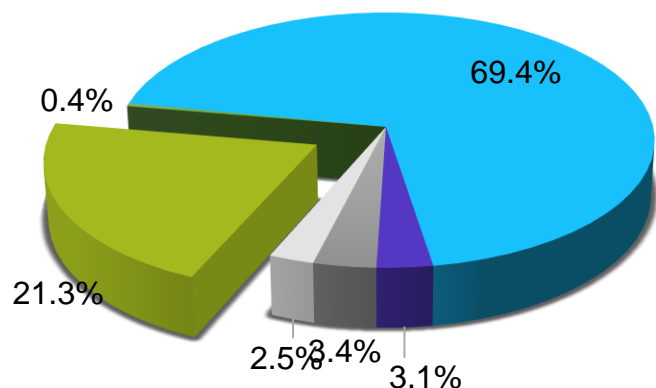
MARKET CAPITALIZATION

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

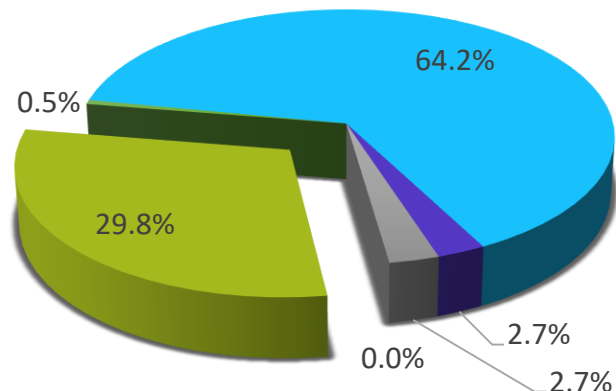
BORROWING PROFILE – by Instrument

₹. In Crores

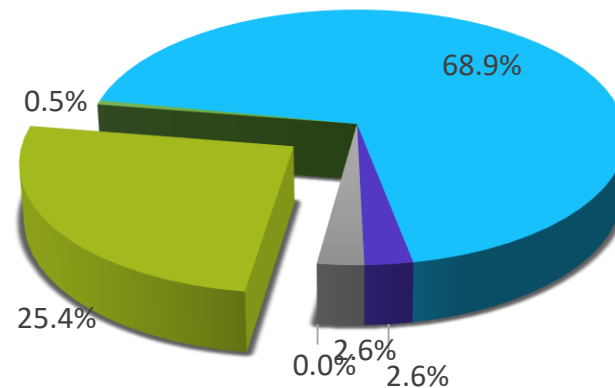
Particulars	Q2 FY '19		Q1 FY '20		Q2 FY '20	
	Amount	Cost*	Amount	Cost*	Amount	Cost*
Bank Loan	1379.4	9.4%	1416.3	10.3%	1536.3	10.3%
Sub debt	60.7	11.5%	58.7	11.4%	58.8	11.6%
Public Deposit	68.2	8.4%	60.3	8.3%	57.0	8.3%
Commercial Paper	49.1	8.7%	0.0			
Securitization	422.7	9.2%	657.7	10.3%	565.3	10.4%
Others	7.4	11.0%	11.9	11.4%	11.9	11.5%
Total	1987.5	9.4%	2204.9	10.3%	2229.3	10.3%



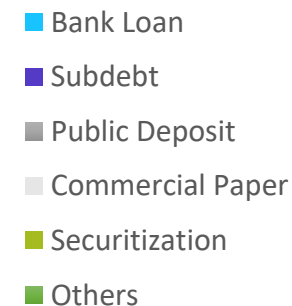
Q2 FY '19



Q1 FY '20



Q2 FY '20

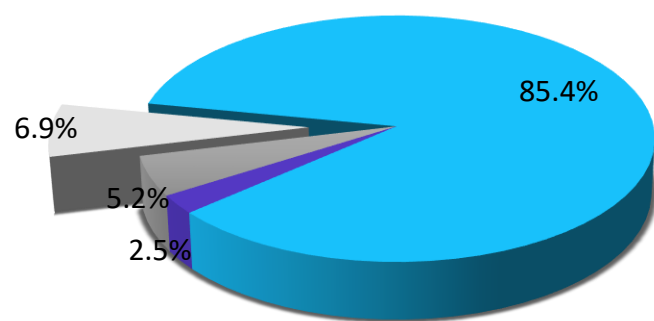


* Cost is interest cost only and doesnot include processing fee, brokerage etc.

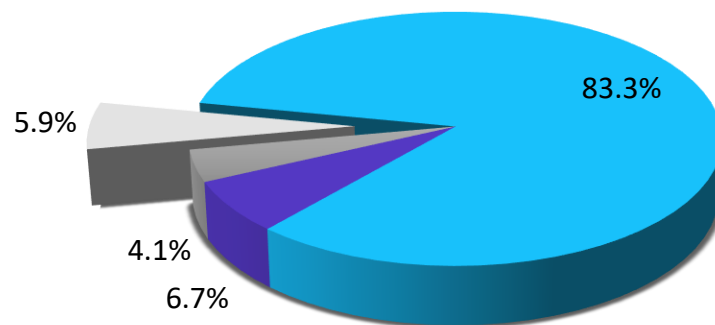
BORROWING PROFILE – by Investor Profile

₹. In Crores

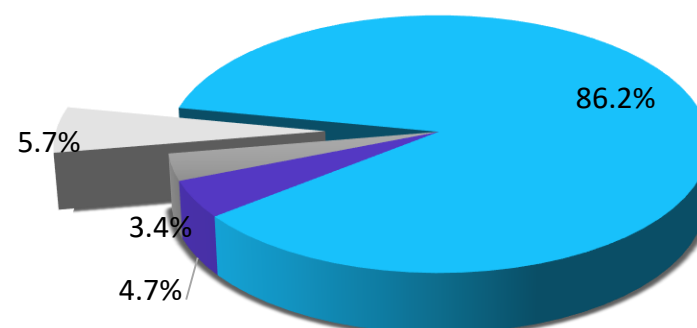
Particulars	Q2 FY '19		Q1 FY '20		Q2 FY '20	
	Amount	Cost	Amount	Cost	Amount	Cost
Banks	1698.3	9.5%	1837.5	10.3%	1922.1	10.5%
Mutual Funds	49.1	8.9%	146.8	11.2%	104.2	11.3%
NBFCs	103.9	12.1%	89.8	12.2%	75.4	12.6%
Others	136.2	9.4%	130.8	9.4%	127.7	9.6%
Total	1987.5	9.4%	2204.9	10.3%	2229.3	10.3%



Q2 FY '19



Q1 FY '20



Q2 FY '20

■ BANK
■ Mutual Fund
■ NBFC
■ Others

Disbursement & Collection

- The –ve growth in the sector has impacted the volumes of MCSL as well; Q2 FY20 shows the y-o-y volumes lower by 11%, and H1 FY20 lower by 11 % v/s the same period last year; though in both the cases disbursements were at the same level, due to higher ticket size and LTV due to higher cost of vehicles
- Industry saw a decline of 20% in Q2 FY20 V/s Q2FY19(16% decline -H1FY20 V/s H1 FY19), Q2 Non-South disb. share was 30%; South concentration reducing. Geographical derisking working well.
- Overall collections have been growing and was stable at ₹ 501Cr in Q2 FY20 v/s ₹ 484 Cr in Q1 FY 20, but delinquencies have seen a rise, floods in 3 states in Q2, overall stress in some states at the ground etc. Hoping for a better performance in Q3 and Q4 FY 20, for which several steps have been taken on the ground

NPA

- Company following 3M norm FY 18 has now moved to ECL model for provisioning;
- After Q1, when NPAs see a rise, Q2 sees a recovery, which was not there this quarter; issues in 2-3 states impacted overall performance; hopeful of a better Q3 and Q4.
- Emphasis on reducing NPA going forward, focusing on lower buckets and ensuring less flow to harder buckets ; Adopted new methods to control NPA figures; also emphasis on lower collection cost.
- Qtr end NPA (net of DA) ₹ 152 crs (5.7%) v/s ₹ 136 crs (5.2%) at the beginning of the qtr ; PCR was @ 46.1% under IGAAP on NPA; Under IND AS overall provision is @ 3.8% of On-book portfolio.

Arbitration/ Other Legal actions

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**Diversity in
Funding**

- In Q2 FY 20 got fresh sanctions of ₹ 239 crs; one new relationship.
- 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 Q2 FY20 remained @ 10.29%, while a bit lower in Sept 19. Going forward the cost is expected to be lower.

**Securitization/
DA**

- 1 PTC valuing ₹ 104 crs (net of MRR) done during Q2 FY20, 24 transactions so far, 6 closed. Total amount collected ₹ 1927.6 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. The Govt initiative on the Partial Guarantee scheme for pool buyouts would help substantially. Helps in overall cost and getting funds when other means dry up.

**Geographical
expansion**

- In spite of lower demand the roll out to new areas in the states where present has not stopped. But cautious not to get into areas, though opportunity exists, into area where the incumbent financier has vacated for operational reasons, including delinquency .
- New Products , new geographies and digitization seen as the way forward for the next few years. Used Car is spreading to other locations, albeit slowly; Consumer Durables to start in Q3 FY20.

**Staff attrition &
Cost Control**

- Monthly staff attrition at 2.96 % in Q2 FY '20 v/s 2.71 % in Q1 FY 20 – still a large number of Counter Sales Reps in the form of Marketing Agents & Off-roll employees;
- Dealer incentives rising steadily, @ 1.33% for Q2 FY 20; Demand for higher pay-out, on the back of low sales at dealer points; Current quarter has the impact of higher incentives on account of Onam targets
- Collections costs constantly rising with a aim to ensure that NPAs do not rise. Was at 4.02 % in Q2 FY20.

**Repayment
Mode**

- Post demonetization 100% repayment for new customers through NACH and significant collections through NACH – Q2 FY 20 collections were about 49.7 % of the total collections, rising M-O-M. Will help bring down costs and delinquencies over a period of time.
- Collection through the mobile app has been increasing steadily; Increased collection thru other means will help reduce costs over time.

**Overall
Profitability**

- Q2 FY20 PAT of ₹ 14.1 crores v/s ₹ 21.4 crores Q2 FY19 ; lower on account of overall lower volumes but increased costs and higher provisioning on account of higher NPA and movement to ECL model
- 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 hopeful that the troubled phase of FY 19 and first 2 quarters of this year is behind us & future will be better. With so many initiatives announced confident that going forward, volumes will be better and ground situation more buoyant.

THANK YOU