

Board Presentation dated 18th January 2019

Quarter ended 31st December 2018



BLUE SOCH.
HELPING MILLIONS SHAPE
THEIR TOMORROW.



1

**Performance
Analysis**

2

**Sales and
Collection
Analysis**

3

Asset Analysis

4

**Liability
Analysis**

5

**Analysis – 5
Quarters**

6

**Management
Discussion &
Analysis**

Additional borrowings
₹ 211 Cr.

New Customers –
84,626

AUM – ₹ 2596 Cr;
Disb – ₹ 502.1 Cr

No of States / UT
currently operating in
– 18

SNAPSHOT

Quarter ended 31ST December 2018

Live Customers –
686,372

Own book
GNPA – ₹122.8 Cr.
NNPA – ₹69.8 Cr.

Securitization in 2W
done in Q3 FY19-
₹ 151 Cr.

CRAR – 21.6%;
D/E ratio: 3.5

Quarterly Trend

For Nine Months ₹. In Crores

Financial Statement Metrics	Q3 FY 19	Q2 FY 19	Q-o-Q	Q3 FY 18	Y-o-Y	9M FY 19	9M FY 18	Y-o-Y
Disbursement :								
Hyp Loans	493.1	469.7	5%	485.8	2%	1411.2	1276.3	11%
Other Loans	9.0	72.1	-88%	40.2	-78%	118.2	98.7	20%
Total Disbursements	502.1	541.8	-7%	526.0	-5%	1529.4	1375.0	11%
AUM at the end of the period*	2157.6	2092.5	3%	1703.6	27%	2157.6	1703.6	27%
Average AUM **	2083.3	1982.0	5%	1579.7	32%	2008.4	1393.3	44%
Total Interest and Fee Income	142.3	132.1	8%	105.2	35%	398.6	279.3	43%
Finance Expenses	41.1	38.4	7%	32.1	28%	116.8	90.5	29%
Net Interest Income(NII)	101.2	93.7	8%	73.1	38%	281.8	188.8	49%
Operating Expenses	52.8	48.6	9%	41.7	26%	144.7	116.2	25%
Loan Losses & Provisions	***12.4	***13.8	-10%	7.1	75%	38.0	23.0	65%
Profit Before Tax	36.0	31.3	15%	24.3	48%	99.1	49.6	99%
Profit After Tax	23.3	20.1	16%	15.7	48%	64.1	32.2	99%
	Q3 FY 19	Q2 FY 19		Q3 FY 18		9M FY 19	9M FY 18	
Total Opex to NII	52.1%	51.9%		57.1%		51.3%	61.6%	
Loan Loss Prov. To Avg AUM	****2.4%	2.8%		1.8%		2.5%	2.2%	
Return on Avg. asset	4.3%	3.8%		4.0%		4.1%	3.1%	
Earnings per Share	14.2	12.2		10.4		39.0	19.6	

* Total AUM including managed portfolio of ₹ 438.3 Cr - ₹ 2 595.9 Cr (Q-o-Q-3 % up) (Y-o-Y- 31% up)

** Avg AUM including managed Portfolio for Qtr is ₹ 2 529.5 Cr (Q-o-Q- 6% up) (Y-o-Y 36% up).

*** includes additional provision made ₹ 3.5 Cr in Q1 FY 19, ₹ 3.8 Cr in Q2 FY 19, ₹ 2.4 Cr in Q3 FY 19 which resulted in increased PCR of 43.1% against 39.7% in Q2 FY 19 & 28.6 % IN Q3 FY18

**** Loan loss prov to avg AUM excluding additional Prov is 1.9% for Q3 FY 19

STATEMENT OF SOURCES AND APPLICATION OF FUNDS



₹. In Crores

Sources	As At			Applications	As At		
	31-Dec-17	30-Sep-18	31-Dec-18		31-Dec-17	30-Sep-18	31-Dec-18
Share Capital	16.4	16.4	16.4	Fixed assets	2.7	2.2	2.1
Reserves & Surplus	356.0	418.2	441.6	Investments*	31.0	43.1	45.0
Bank Borrowings	1066.5	1379.4	1475.5	Deferred Tax Assets	9.9	15.8	17.4
Debentures	0.3	0.1	-	Other Long term Loans & adv.	0.4	1.1	1.1
Sub Debt	60.0	60.7	58.5				
Public Deposit	90.2	68.2	62.0	Hypothecation Loan **	1488.0	1771.1	1872.6
Commercial Paper	46.0	49.1	-	Loan Buyout	0.6	7.9	6.8
Loan from Directors	4.8	5.8	5.8	Term Loans	184.2	265.1	224.6
Inter corporate Deposit	1.5	1.6	1.6	Other Loans	3.5	15.7	19.3
Interest. Accrued on Loans	14.9	15.7	15.4	Interest Accrued on Loans	27.3	32.7	34.3
Total Borrowings	1284.2	1580.6	1618.7	Total Loans	1703.6	2092.5	2157.6
Securitization Dues Payable	36.6	55.6	57.3	Cash and Cash Equivalents	1.7	6.1	4.7
Trade Payable	19.7	24.6	22.8				
Other Liabilities	34.1	34.5	36.4	Short Term Loans and Adv.	5.7	2.9	2.8
Provisions	33.6	58.9	62.9	Other Assets	25.6	25.1	25.4
Total	1780.6	2188.8	2256.1	Total	1780.6	2188.8	2256.1



* Includes Cash Collateral Deposit - ₹ 23.4Cr, SLR Deposit - ₹ 3.0Cr SLR Investments- ₹ 14.2Cr & Others - ₹ 4.3Cr as on 31.12.18

** Hyp Loan is Net of Off Book AUM (December 17 – ₹275.9Cr September 18 : ₹ 422.7Cr, December 18: ₹ 438.3Cr)



Disbursement

Q2 FY 19 : ₹ 541.8 Cr		7%
Q3 FY 19 : ₹ 502.1 Cr		
Q3 FY 18 : ₹ 526.0 Cr		5%
Q3 FY 19 : ₹ 502.1 Cr		



Gross AUM

Q2 FY 19 : ₹ 2515.2 Cr		3%
Q3 FY 19 : ₹ 2595.5 Cr		
Q3 FY 18 : ₹ 1979.5 Cr		31%
Q3 FY 19 : ₹ 2595.5 Cr		



Revenue

Q2 FY 19 : ₹ 132.1 Cr		8%
Q3 FY 19 : ₹ 142.3 Cr		
Q3 FY 18 : ₹ 105.2 Cr		35%
Q3 FY 19 : ₹ 142.3 Cr		

Borrowing Cost

Q2 FY 19 : 9.4%		3%
Q3 FY 19 : 9.7%		
Q3 FY 18 : 9.7%		0%
Q3 FY 19 : 9.7%		



Opex to NII

Q2 FY 19 : 51.9%		0.4%
Q3 FY 19 : 52.1%		
Q3 FY 18 : 57.1%		9%
Q3 FY 19 : 52.1%		



Loan Losses & Provision

Q2 FY 19 : ₹ 13.8 Cr		10%
Q3 FY 19 : ₹ 12.4 Cr		
Q3 FY 18 : ₹ 7.1 Cr		75%
Q3 FY 19 : ₹ 12.4 Cr		
(Additional Provision: Q2 FY 19- ₹ 3.8 Cr Q3 FY 19 - ₹ 2.4 Cr)		

NPA

Q2 FY 19 : ₹ 118.1 Cr		4%
Q3 FY 19 : ₹ 122.8 Cr		
Q3 FY 18 : ₹ 93.4 Cr		31%
Q3 FY 19 : ₹ 122.8 Cr		

PAT

Q2 FY 19 : ₹ 20.1 Cr		15%
Q3 FY 19 : ₹ 23.2 Cr		
Q3 FY 18 : ₹ 15.7 Cr		48%
Q3 FY 19 : ₹ 23.2 Cr		

ROA

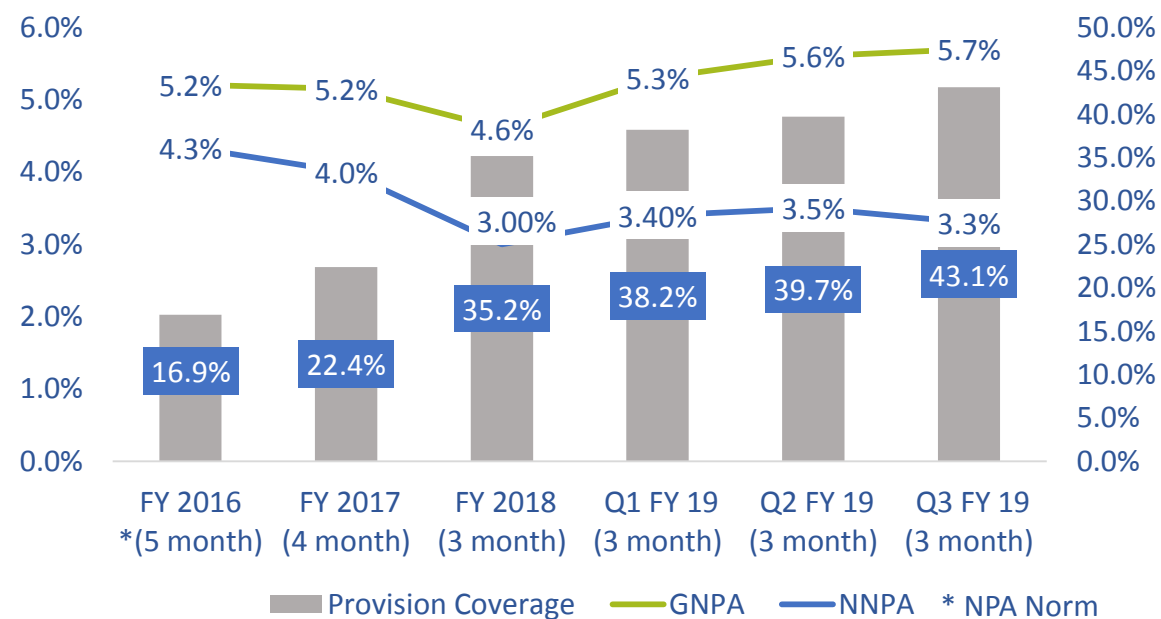
Q2 FY 19 : 3.8%		13%
Q3 FY 19 : 4.3%		
Q3 FY 18 : 4.0 %		8%
Q3 FY 19 : 4.3%		

ASSET QUALITY AND PROVISION COVERAGE

₹. In Crores

	As on 31.12.2017	As on 30.09.2018	As on 31.12.2018
Own Book Portfolio	1703.6	2092.5	2157.6
GNPA	5.5%	5.6%	5.7%
NNPA	4.0%	3.5%	3.3%
Provision	26.7	46.8*	*53.0
Coverage Ratio	28.6%	39.7%	43.1%

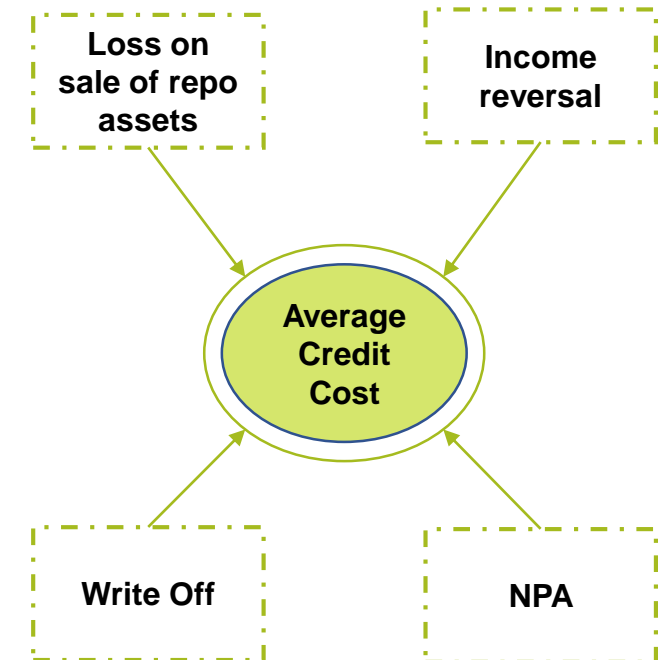
* Includes additional provision of ₹ 11.3Cr as on 30.09.2018 & ₹13.7Cr as on 31.12..2018
Additional provision made during the quarter is ₹ 2.4 Cr



MAIN FACTORS IMPACTING PROFITABILITY - DELINQUENCIES

₹. In Crores

Particulars	For FY 17	For FY 18 Q3	FY 18 Q4	FY 18 Q1	FY 19 Q2	FY 19 Q3	FY 19
Unrealized Income reversed	2.3	1.7	0.0	-0.4	1.5	1.6	1.0
Loss on sale + Provision for diminution in value of repo. assets	11.9	14.2	3.4	3.8	3.8	5.2	6.0
NPA write off	1.8	1.6	0	1.6	0	0	0
NPA Provision	7.6	10.3	2.6	0.2	4.4	4.2	3.7
Addl NPA Provision		4.0		4.0	3.5	3.8	2.4
Total	23.6	31.8	6.0	9.2	13.2	14.8	13.1
Avg AUM*	1046.0	1479.6	1579.7	1743.6	1959.4	1982.0	2083.3
% of Credit cost on Avg AUM (annualized)	2.2%	2.1%	1.5%	**2.1%	**2.7%	**3.0%	**2.5%



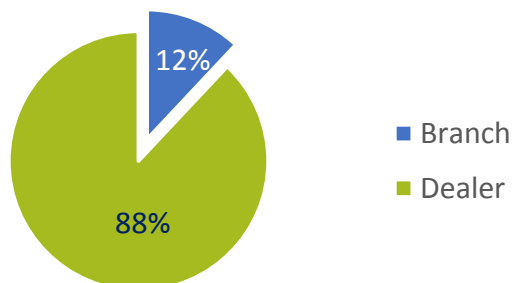
*Average AUM is excluding managed portfolio;

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

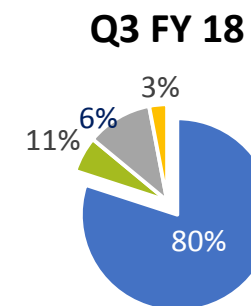
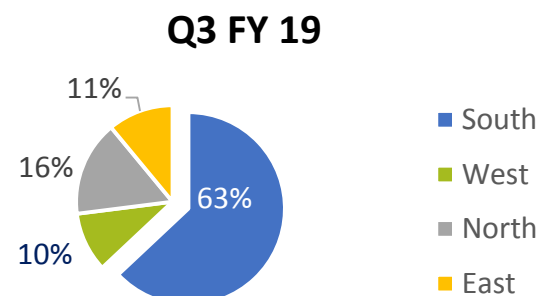
ZONEWISE DISBURSEMENT (HYP LOANS) – Q- o -Q

Zone	BRANCH				DEALER				TOTAL				Growth %	Overall Share	
	Q3 FY ' 19		Q3 FY '18		Q3 FY ' 19		Q3 FY '18		Q3 FY ' 19		Q3 FY '18			Q3 FY '19	Q3 FY '18
	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value			
South	8 565	50.4	14 957	85.2	43 207	262.1	55 161	301.5	51 772	312.5	70 118	386.7	-19%	63%	80%
West	1 548	7.8	1 789	7.9	7 672	43.4	4 846	22.6	9 220	51.2	6 635	30.5	68%	10%	6%
North	424	2.2	649	2.9	13 994	75.9	10 652	49.8	14 418	78.1	11 301	52.8	48%	16%	11%
East	196	1.1	105	0.5	9 020	50.2	3 281	15.4	9 216	51.3	3 386	15.9	222%	11%	3%
Overall	10 733	61.5	17 500	96.5	73 893	431.6	73 940	389.3	84 626	493.1	91 440	485.9	1%	100%	100%

Share of Branch and Dealer of zone-wise disbursement



Overall Share – Q3 FY 19 Vs Q3 FY 18

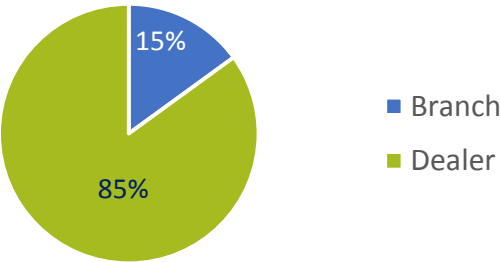


ZONEWISE DISBURSEMENT (HYP LOANS) – Y-o-Y

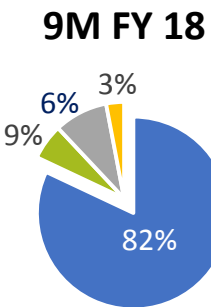
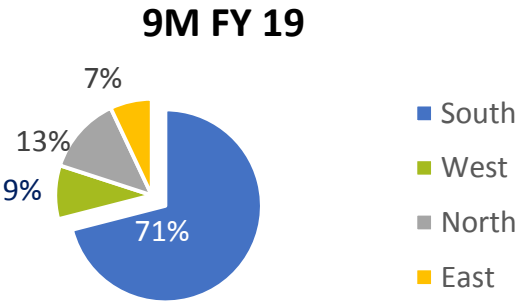
₹. In Crores

Zone	BRANCH				DEALER				TOTAL				Growth%	Overall Share	
	9M FY '19		9M FY '18		9M FY '19		9M FY '18		9M FY '19		9M FY '18			9M FY '19	9M FY '18
	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value			
South	31 500	179.2	37 604	208.7	1 42 020	818.9	1 57 657	837.9	1 73 520	998.0	1 95 261	1046.6	-5%	71%	82%
West	4 646	22.1	4 094	18.1	18 974	100.9	11 634	53.6	23 620	123.1	15 728	71.7	72%	9%	6%
North	1 762	8.6	1 519	6.8	34 786	175.6	24 644	111.6	36 548	184.2	26 163	118.4	56%	13%	9%
East	552	2.7	279	1.3	19 715	103.1	8 157	38.3	20267	105.9	8 436	39.6	168%	7%	3%
Overall	38 460	212.6	43 496	234.9	2 15 495	1 198.5	2 02 092	1041.4	2 53 955	1411.2	2 45 588	1 276.3	11%	100%	100%

Share of Branch and Dealer of zone-wise disbursement

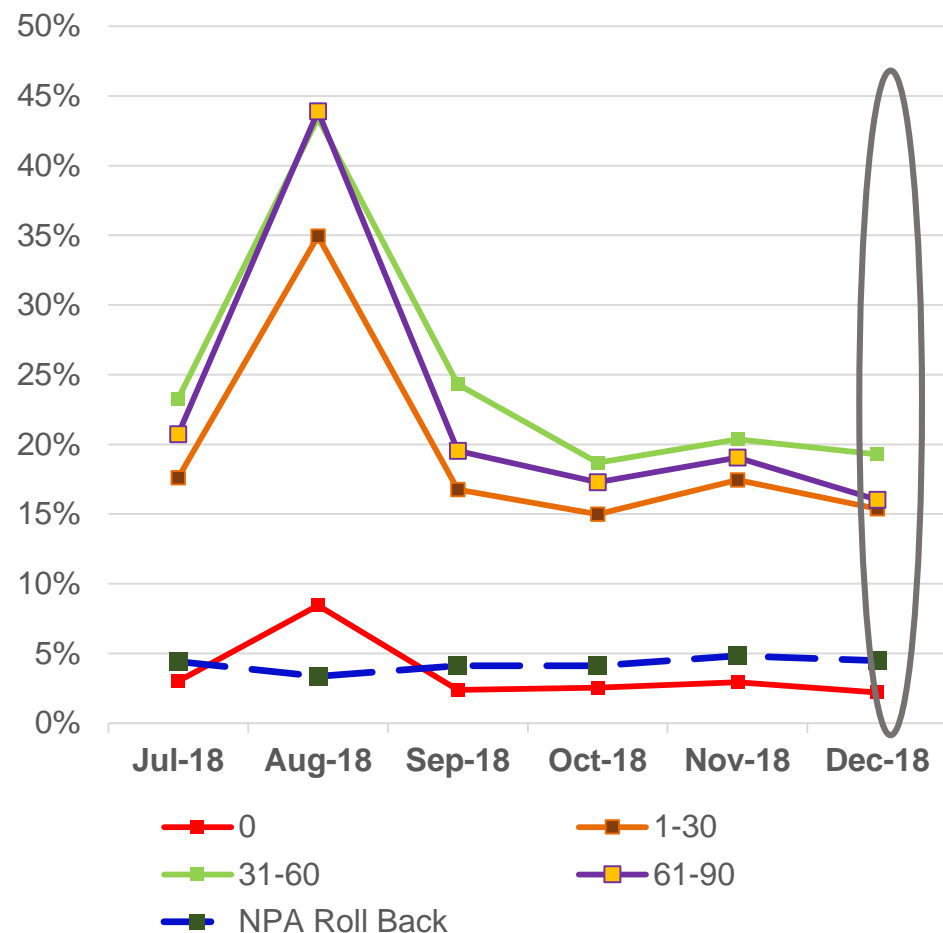


Overall Share – 9M FY 19 Vs 9M FY 18



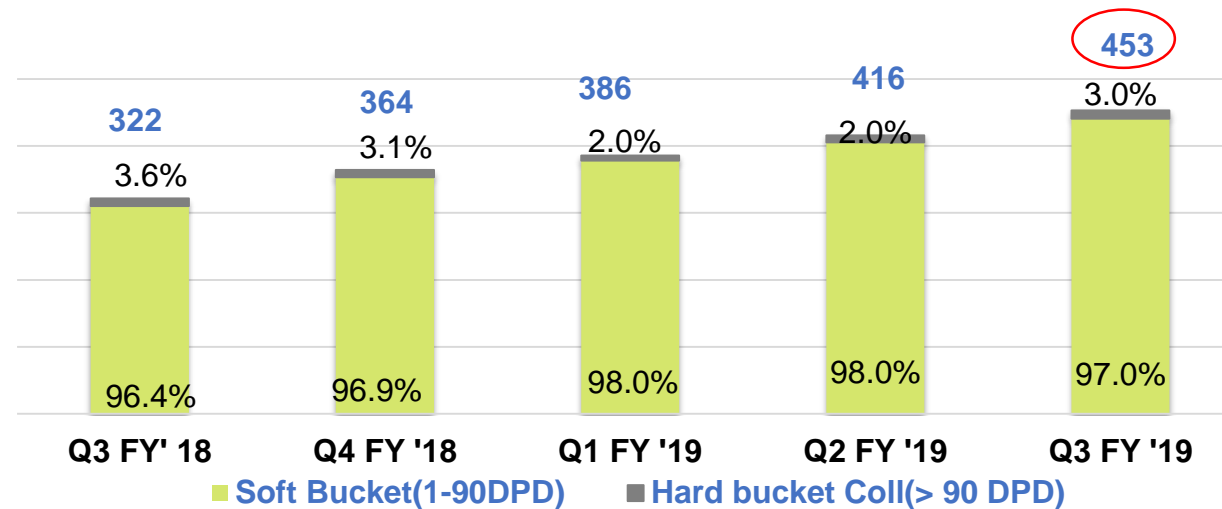
COLLECTION PERFORMANCE MONITORING (HYP)

Bucket-wise Flow



Collection Performance

₹. In Crores



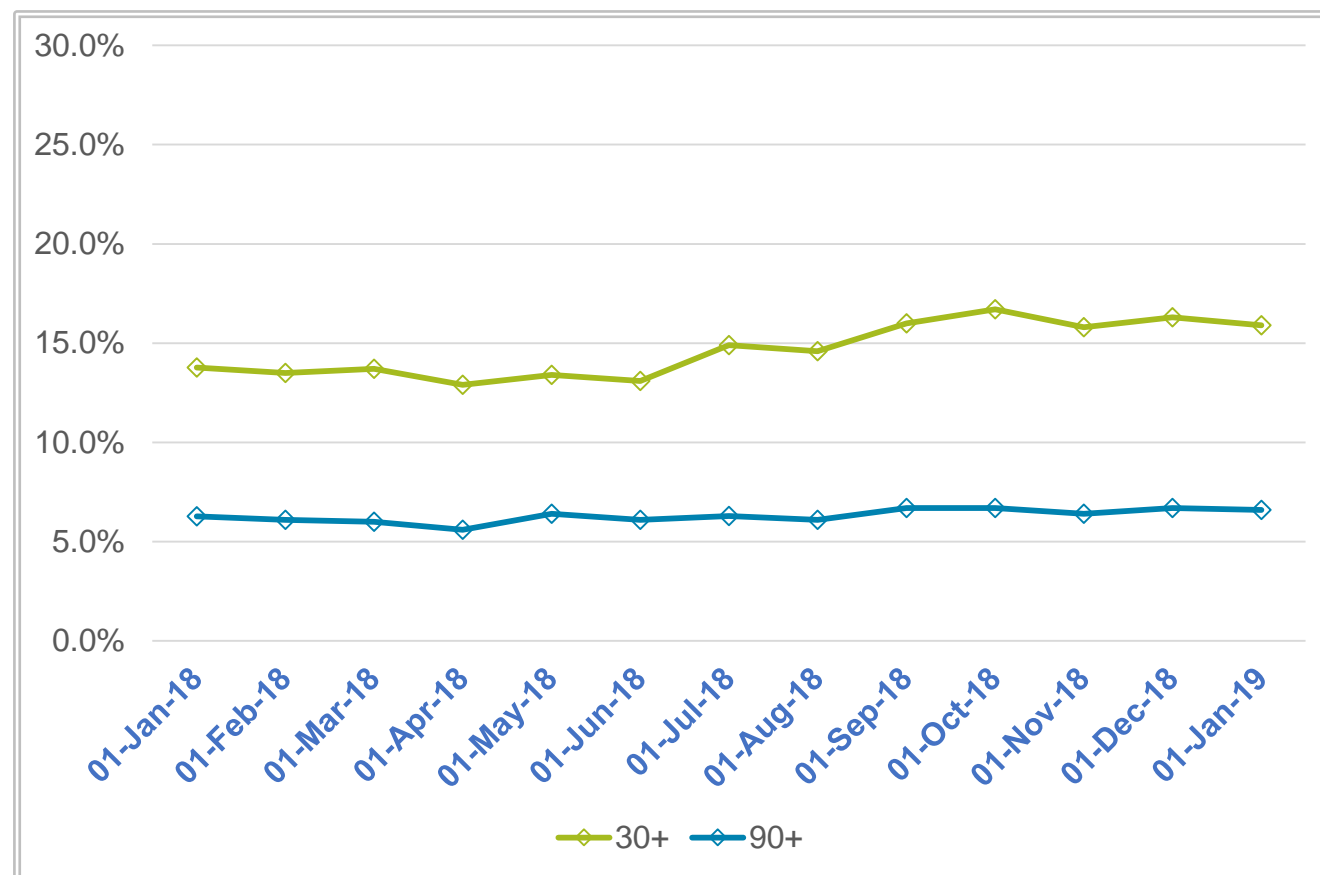
₹. In Crores

	Q3 FY 18	Q4 FY 18	Q1 FY 19	Q2 FY 19	Q3 FY 19
Soft Bucket (1-90)	310.2	353.1	378.1	405.3	440.6
Hard Bucket (>90)	11.7	11.2	7.8	10.3	12.4
Total	321.9	364.3	385.9	415.6	453.0

PORTFOLIO TREND – HYPOTHECATION LOANS

₹. In Crores

Month	Own book AUM	30+	90+	30+%	90+%
01-Jan-18	1 488.8	204.9	93.4	13.8%	6.3%
01-Feb-18	1 543.1	208.7	94.8	13.5%	6.1%
01-Mar-18	1 563.8	214.7	93.8	13.7%	6.0%
01-Apr-18	1 617.9	208.3	87.9	12.9%	5.6%
01-May-18	1 686.9	226.2	97.9	13.4%	5.8%
01-Jun-18	1 762.0	231.5	98.1	13.1%	5.6%
01-Jul-18	1 614.4	241.3	101.9	14.9%	6.3%
01-Aug-18	1 690.9	247.2	102.4	14.6%	6.1%
01-Sep-18	1 773.4	282.6	119.4	16.0%	6.7%
01-Oct-18	1 772.5	294.8	118.1	16.7%	6.7%
01-Nov-18	1 858.7	293.8	119.2	15.8%	6.4%
01-Dec-18	1 822.4	297.8	121.8	16.3%	6.7%
01-Jan-19	1 870.6	297.1	122.8	15.9%	6.6%
Growth	25.6%	45.0%	31.5%		



NPA MOVEMENT – HYP LOAN – Q3 FY 2019

₹. In Crores

Particulars	HP Nos	Principal	Provision	Unrealized
Balance as on 30.09.2018	62 658	118.1	46.7	14.6
Add: Slipped to NPA for the month of Oct 18 to Dec 18	14 068	28.1	2.5	1.7
Add: Provision up due to movement of Asset Classification	-	-	3.8	0.9
Add: Additional Provision provided in the quarter	-	-	2.4	-
Sub total	76 726	146.2	55.4	17.2
Less: Rolled back from NPA between Oct 18 to Dec 18	6 891	10.4	1.4	0.7
Reposessed Asset sold during Oct 18 to Dec 18	2 409	10.3	1.4	0.8
Amount collected from NPA Accounts for Oct 18 to Dec 18	-	2.7	0.4	0.3
Balance as on 31.12.2018	67 426	122.8	52.2	15.4

NPA MOVEMENT – HYP LOAN – ACROSS 9 QUARTERS

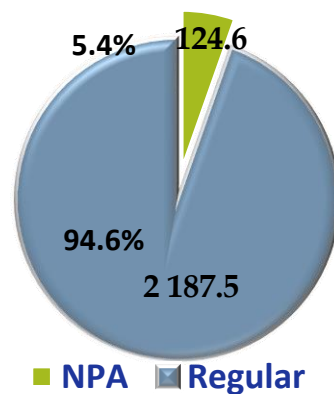
₹. In Crores

Particulars	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
Opening Balance	66.5	78.1	74.2	96.9	94.3	93.4	87.9	101.9	118.1
Slippage due to NPA Policy change	-	-	29.8	-	-	-	-	-	-
Fresh slippages during the period	20.1	13.9	16.1	15.4	14.2	12.7	24.3	30.7	26.7
NPA recognised on soldout portfolio bought back	-	-	-	-	0.9	-	1.0	-	1.4
Sub Total	86.6	92.0	120.1	112.3	109.3	106.1	113.2	132.6	146.2
Less: NPA Rolled Back	3.3	8.9	14.8	8.5	8.0	8.0	4.1	6.7	10.4
Less: Repossessed assets sold	3.2	4.8	3.6	6.7	4.9	5.9	5.3	5.4	10.3
Less: Write off	-	1.7	-	-	-	1.6	-	-	-
Less: Amount collected but not rolled back out of NPA	2.0	2.4	4.8	2.8	2.9	2.7	1.9	2.4	2.7
Closing Balance	78.1	74.2	96.9	94.3	93.4	87.9	101.9	118.1	122.8

PORTFOLIO ANALYSIS - HYP

₹. In Crores

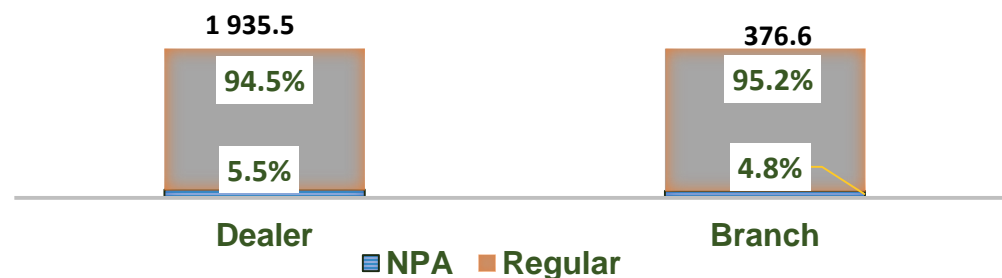
Portfolio Analysis



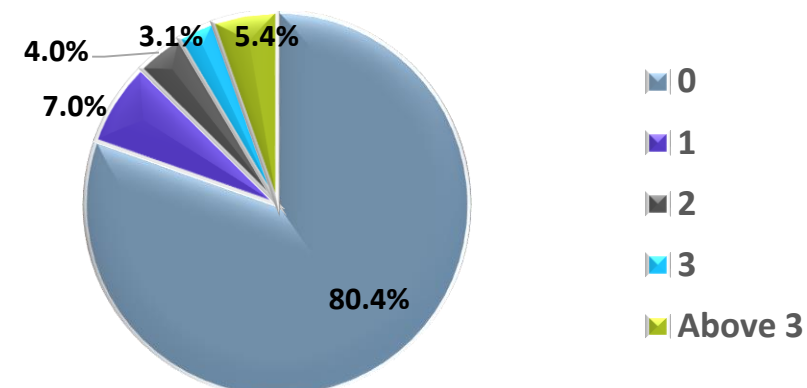
Segment – wise Analysis



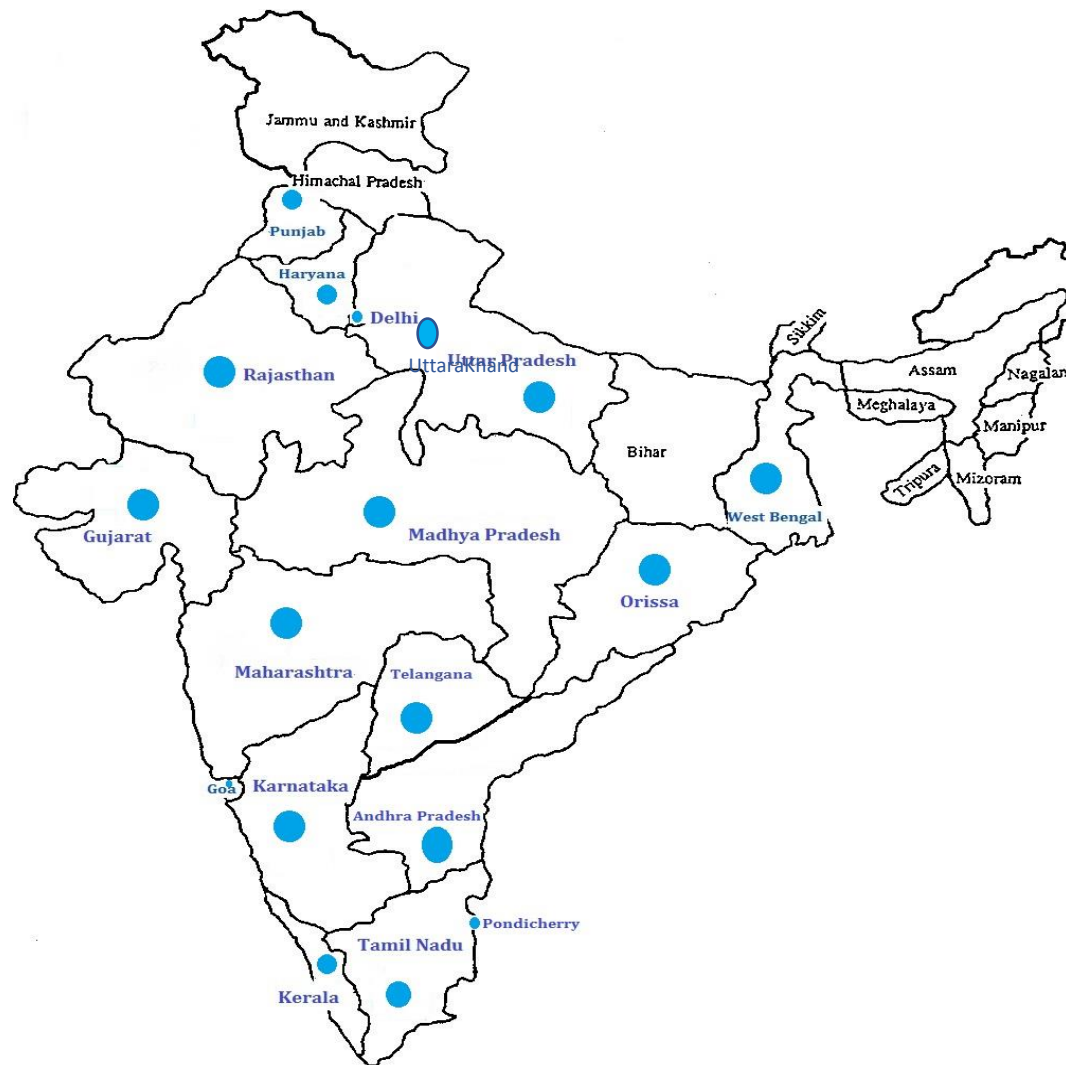
Source - wise Analysis



Bucket – wise Analysis



MCSL GEOGRAPHIC OVERVIEW - HYP

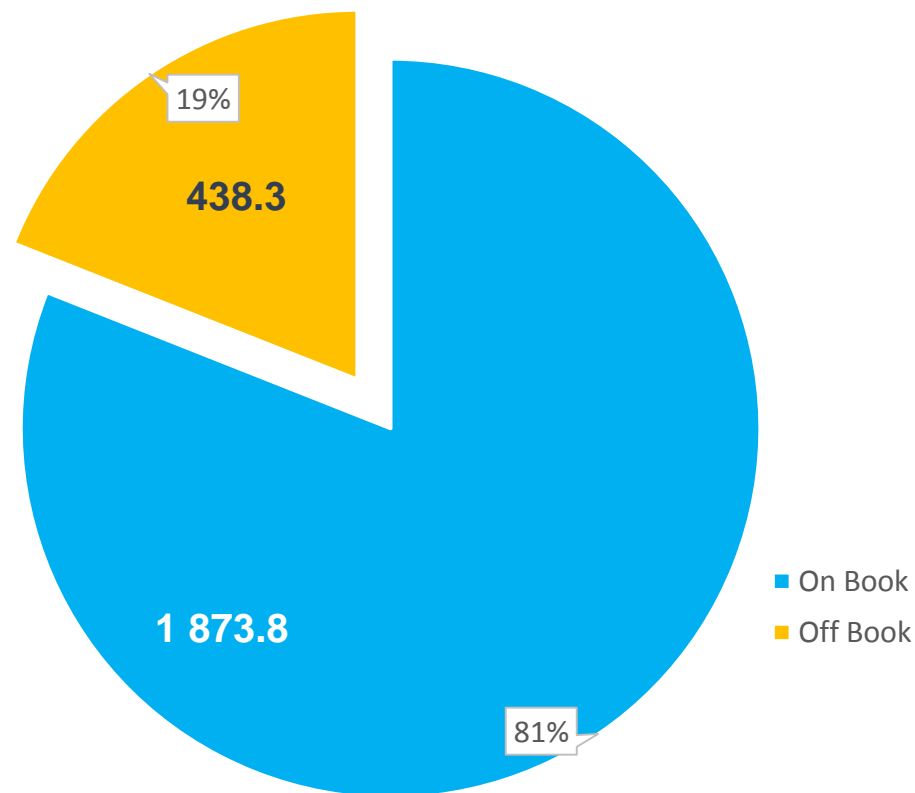

DEC 31 2018

₹. In Crores

Zone	Active Clients	Regular	NPA	Total	Zone wise AUM %	% of NPA
South India	5 27 338	1 673.2	98.0	1 771.2	76.6%	5.5%
Western India	52 125	159.1	13.4	172.5	7.5%	7.7%
North India	72 710	228.5	11.1	239.6	10.4%	4.6%
East India	34 199	126.7	2.1	128.8	5.5%	1.6%
Overall *	6 86 372	2 187.5	124.6	2 312.1	100.0%	5.4%

*Includes securitized portfolio

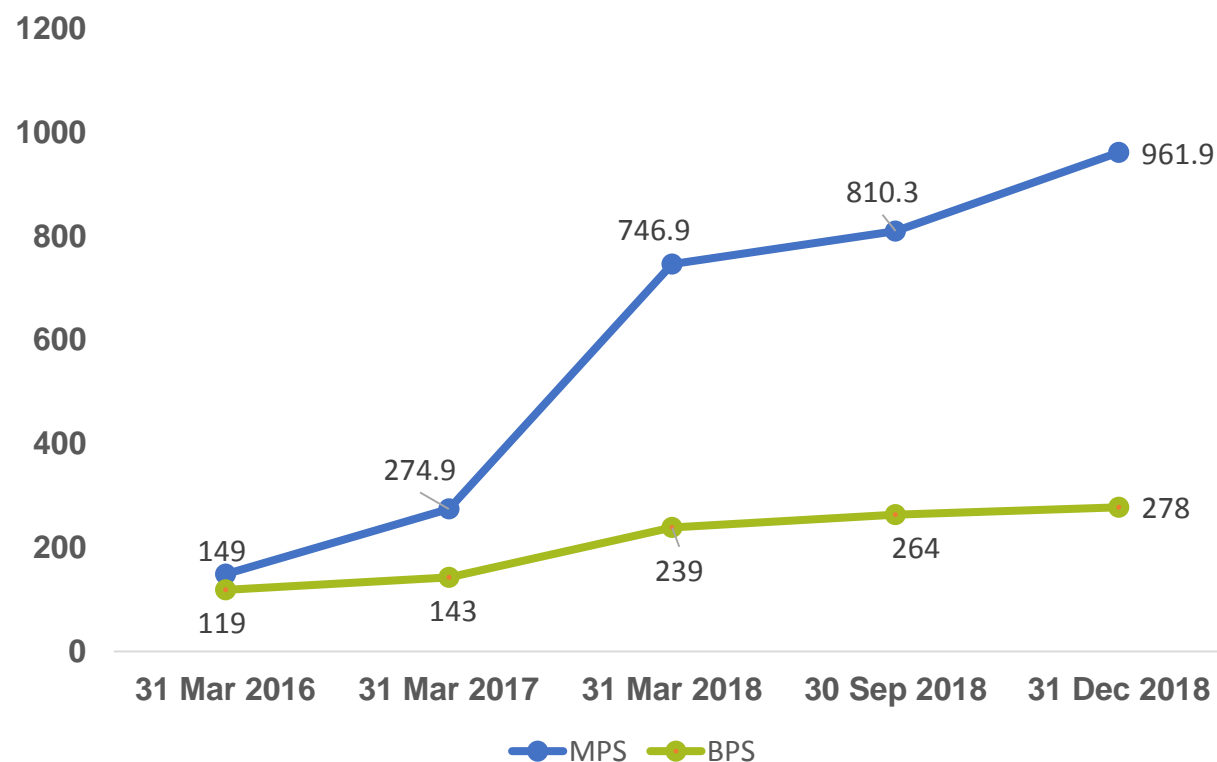
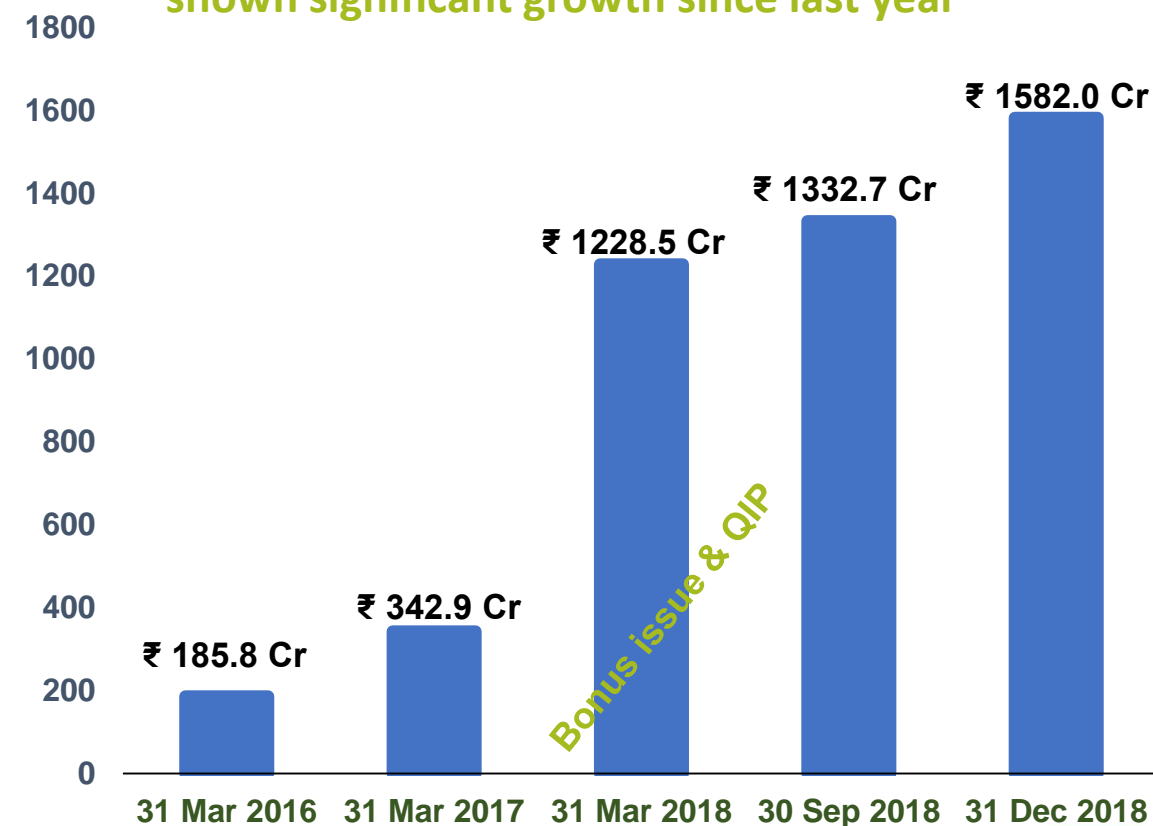
HYP PORTFOLIO SPLIT AS ON DECEMBER 31ST 2018



₹. In Crores

Turaco (DCB)	4.5
Andhra DA	8.0
Toucan DA (SBM)	6.1
Bran (DCB)	6.8
Ellaria (CSB)	18.0
Andhra DA 2	12.9
Dneiper (LVB-1)	20.7
Dnyapro (LVB-2)	19.5
Pratab (DCB)	40.3
Rancis (IDFC& HLF)	103.5
Cassius (LVB)	65.8
Merin(CSB)	40.5
Carolina(DCB)	91.7
Off Book	438.3
On Book	1873.8
Total Loan Book	2312.1

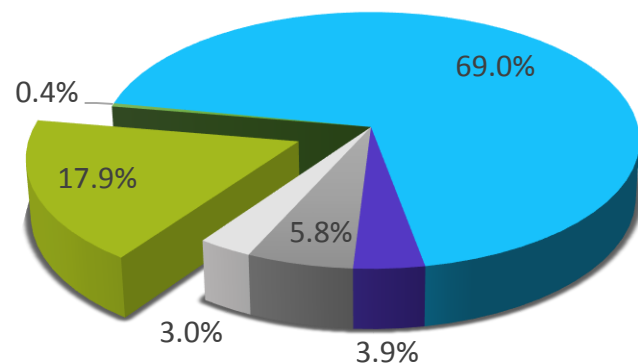
MARKET CAPITALIZATION

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

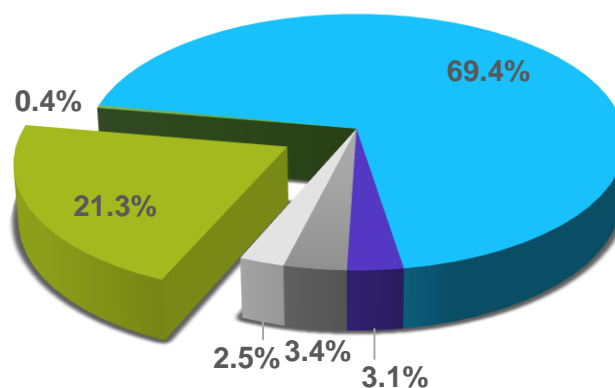
BORROWING PROFILE

₹. In Crores

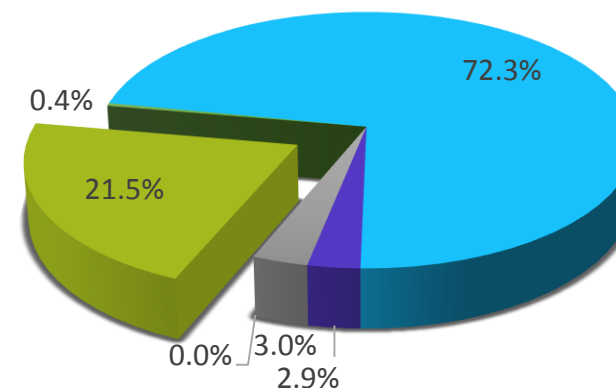
Particulars	Q3 FY '18		Q2 FY '19		Q3 FY '19	
	Amount	Cost	Amount	Cost	Amount	Cost
Bank Loan	1066.5	9.5%	1379.4	9.4%	1475.5	9.8%
Sub debt	60.0	11.7%	60.7	11.5%	58.5	11.4%
Public Deposit	90.2	9.0%	68.2	8.4%	62.0	8.2%
Commercial Paper*	46.0	8.7%	49.1	8.7%	*0.0	8.7%
Securitization	275.9	9.7%	422.7	9.2%	438.3	9.5%
Others	6.6	11.4%	7.4	11.0%	7.4	11.0%
Total	1545.2	9.6%	1987.5	9.4%	2041.7	9.7%



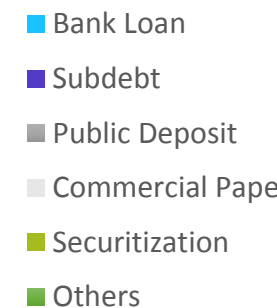
Q3 FY '18



Q2 FY '19



Q3 FY '19



* Commercial paper redeemed on 13.12.2018

HIGHLIGHTS – SECURITISATION / DIRECT ASSIGNMENT TRANSACTION

Augmented Growth

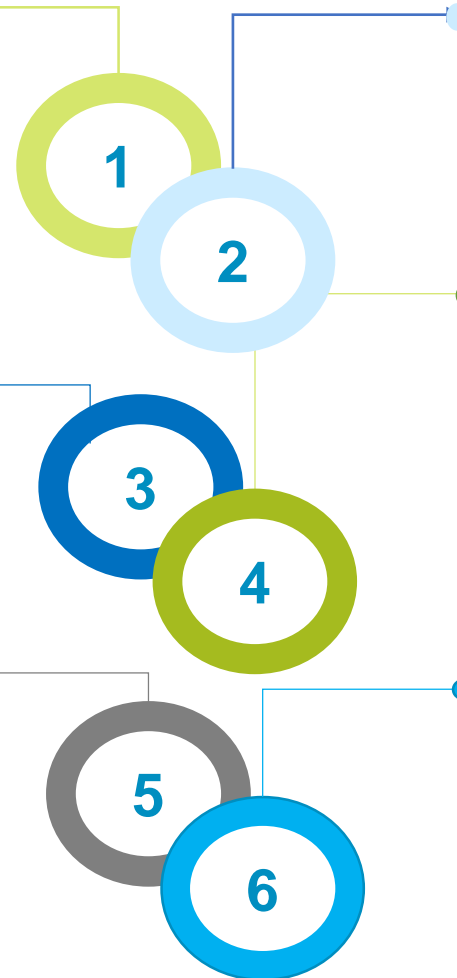
- Done 9 Securitization / 8 Direct Assignment transactions totaling to ₹ 1260.44 crores (net of MRR) to date
- Helped substantially grow the AUM
- Out of 9 securitization four transaction closed as of December 2018
- Last two PTC transactions got higher rating AA- for the first investor.

Lower Costs

- The interest cost of the last transaction – 10.30% (cost of first transaction was 10.85%) - reduced cost of PTC / DA helps to reduce the overall cost.

Risks passed on

- Apart from the Credit Enhancements to be given, the risks are passed on to the Investor
- Lower Standard asset provisioning by ₹ 0.60 Cr during the quarter Q3 FY 2019 improves profitability



Capital saving:

An off balance sheet transaction, helps in the CRAR by 3.19% as on 31st December 2018 without reducing the net income that was generated earlier

Efficient use of funds

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

Improved profitability

- Company continues to earn income/interest spread on the securitized portfolio
- Improves the overall ROA
- During the quarter ROA increased by 0.73% due to securitization and direct assignment transaction.

SPREAD ANALYSIS

₹. In Crores

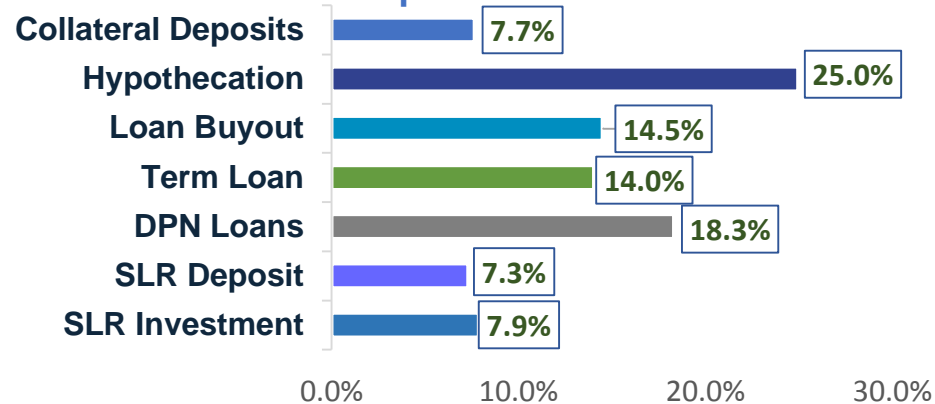
Analysis on Avg loan book size	Dec-17		Mar-18		Jun-18		Sep-18		Dec-18	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Avg Loan Book Size	1579.7		1743.6		1959.4		1982.0		2083.3	
Revenue from operations	104.7	26.5%	118.3	27.1%	123.7	25.3%	131.5	26.5%	141.9	27.2%
Direct exp.	40.8	10.3%	40.0	9.2%	44.7	9.1%	46.6	9.4%	49.6	9.5%
Gross Spread	63.9	16.2%	78.3	18.0%	79.0	16.1%	84.9	17.1%	92.3	17.7%
Personnel Expenses	15.9	4.0%	18.1	4.2%	17.7	3.6%	19.0	3.8%	20.1	3.9%
OPEX (incl. depreciation)	17.1	4.3%	17.2	3.9%	18.2	3.7%	21.5	4.3%	24.2	4.7%
Total Expenses	33.0	8.4%	35.3	8.1%	35.9	7.3%	40.5	8.2%	44.3	8.5%
Pre Provision Profits	30.8	7.8%	43.0	9.9%	43.1	8.8%	44.4	9.0%	48.0	9.2%
Loan Loss and provisions	7.1	1.8%	**10.6	2.4%	**11.8	2.4%	**13.8	2.8%	**12.4	2.4%
Net Spread	23.8	6.0%	32.4	7.4%	31.2	6.4%	30.6	6.2%	35.6	6.8%

*Excluding managed portfolio; Income excluding income from SLR investments

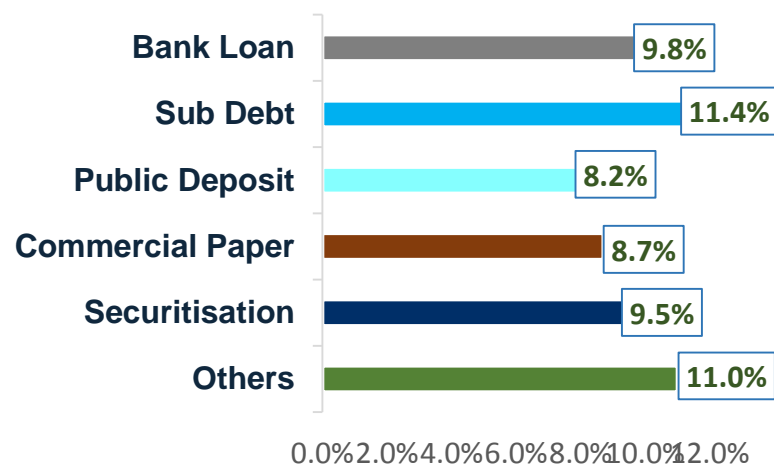
** Inclusive of additional provision ₹4.0 Cr (Q4 FY 18) , ₹ 3.5 Cr (Q1 FY19) ₹ 3.8 Cr (Q3 FY 19) & ₹ 2.4 Cr made during the quarter.

ANALYSIS OF COST & YIELD

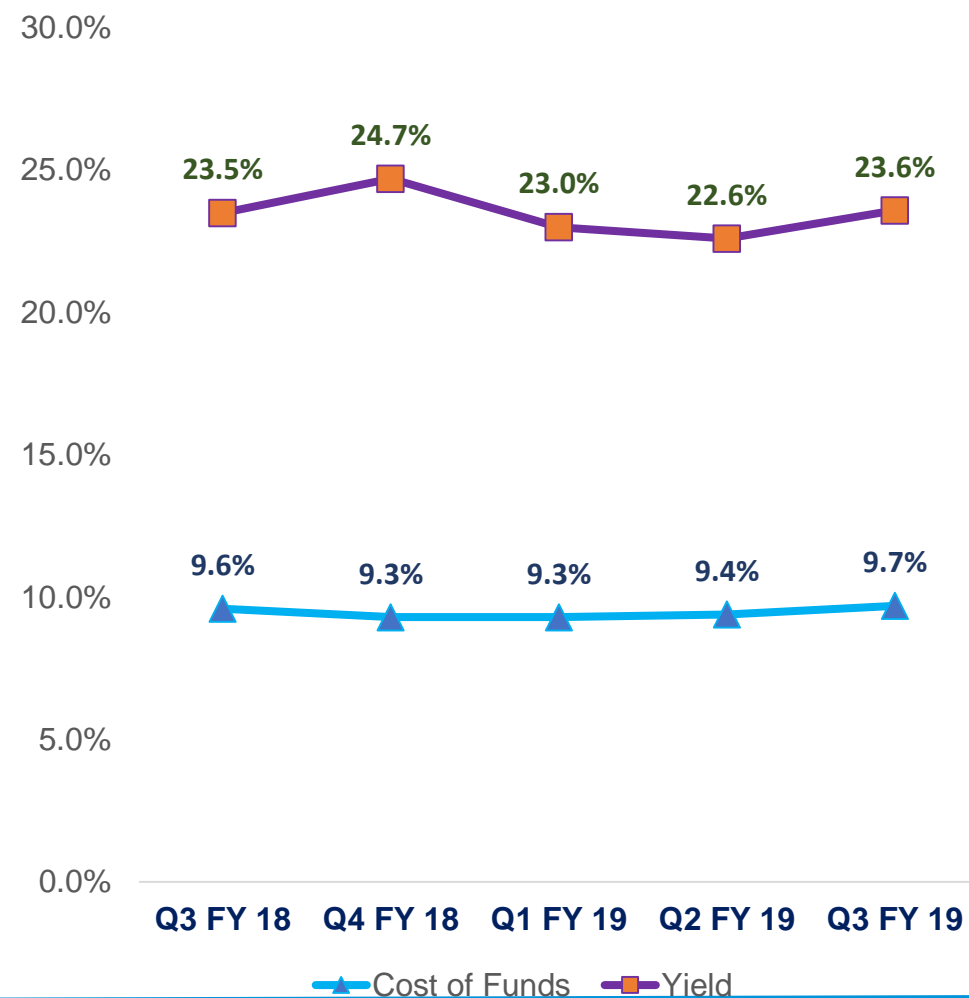
Composition of Yield



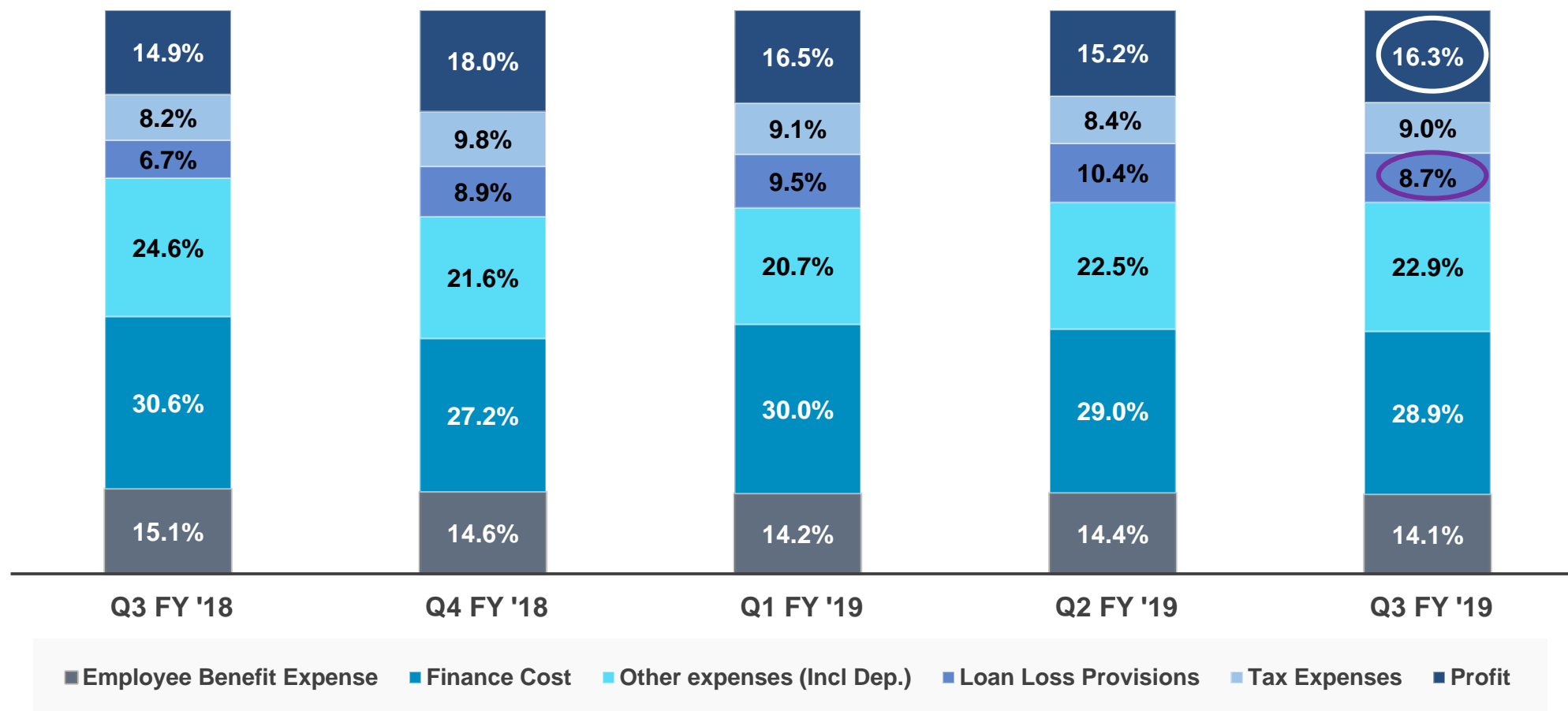
Composition of Cost



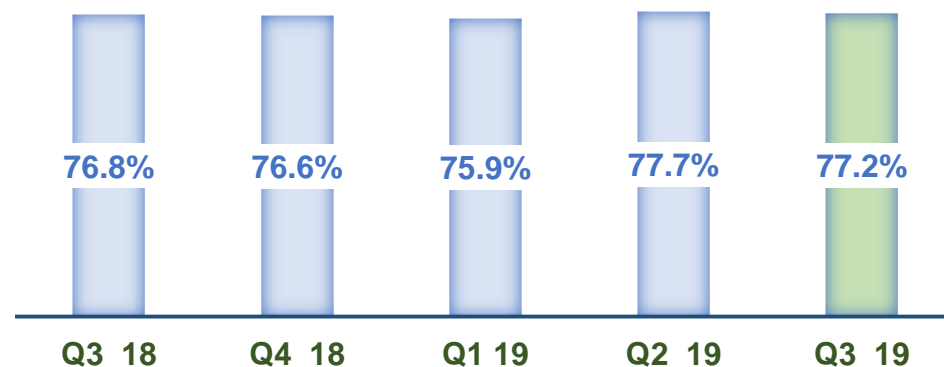
Cost of Funds, Yield & Spread



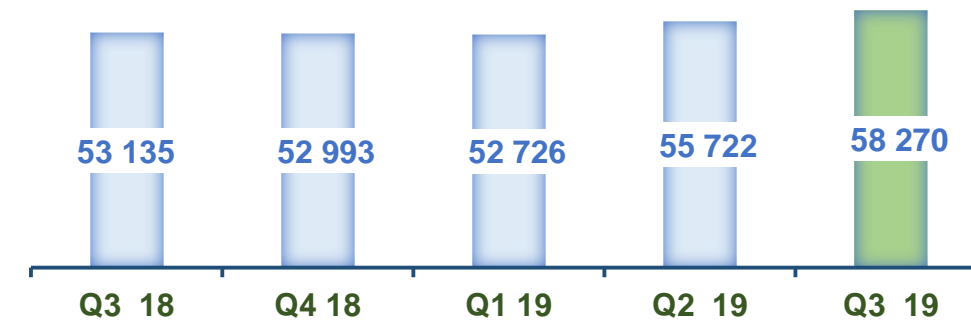
EXPENSE AS A % OF REVENUE – Q-o-Q



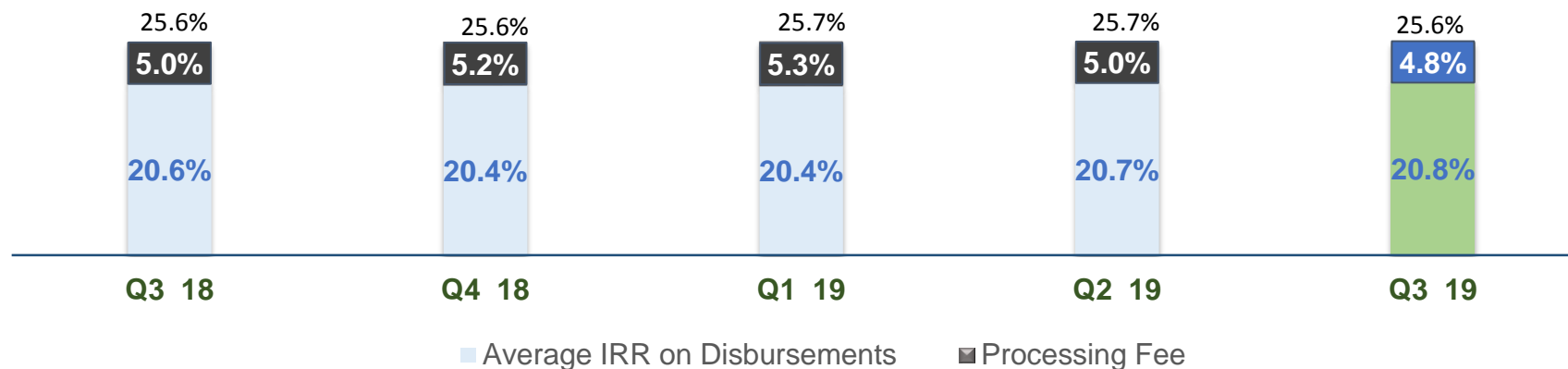
Average LTV



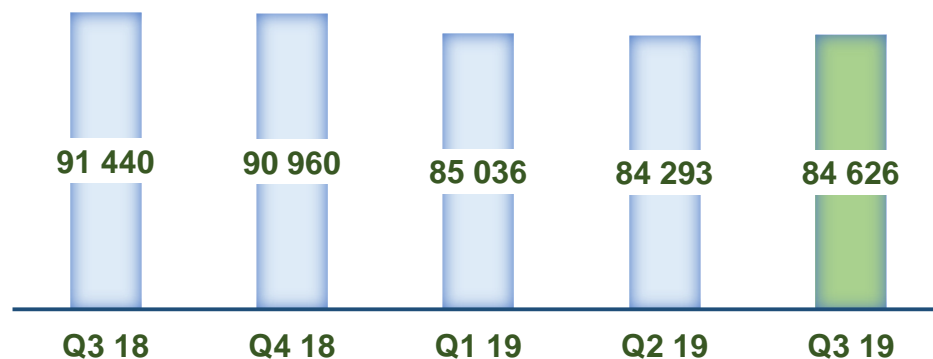
Average Ticket Size



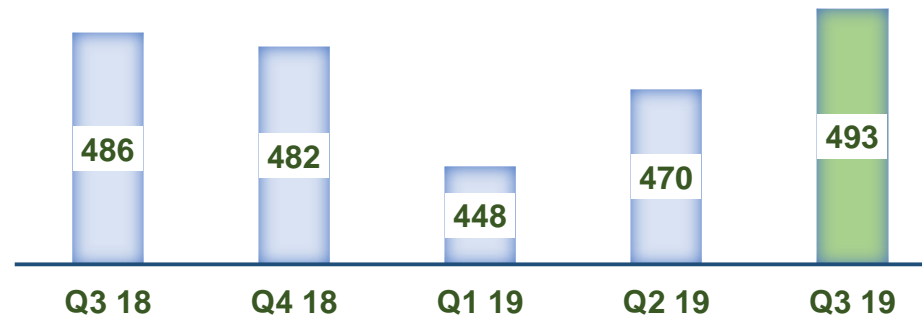
Average IRR and Processing fee on disbursement



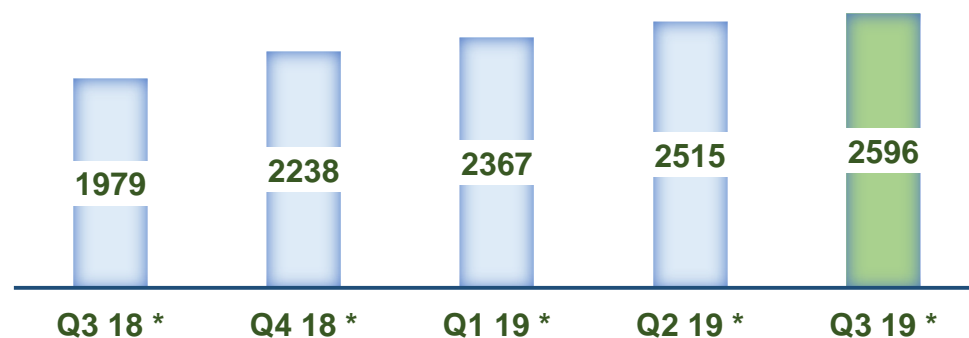
Disbursement Count (Hypo Loan)



Disbursement - Hypo Loan (in ₹ crores)

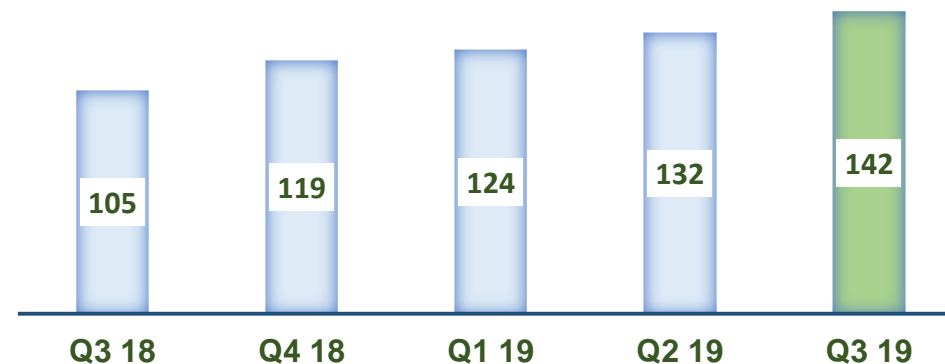


Loan Book Size (in ₹ crores)

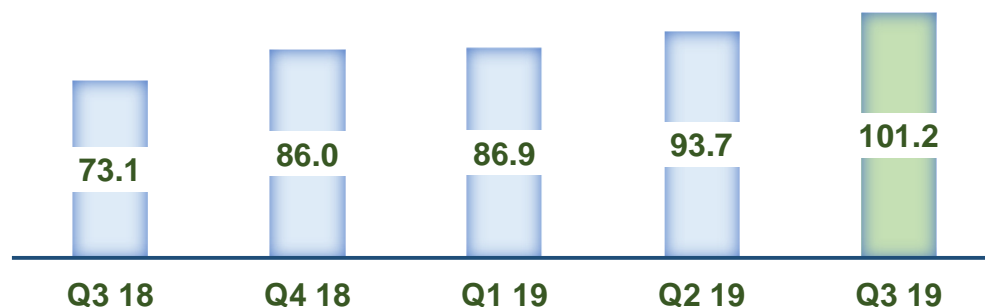


* Including managed portfolio

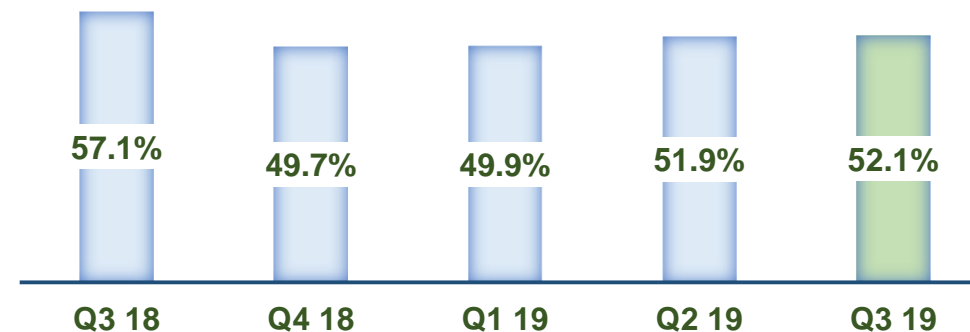
Revenue (in ₹ crores)



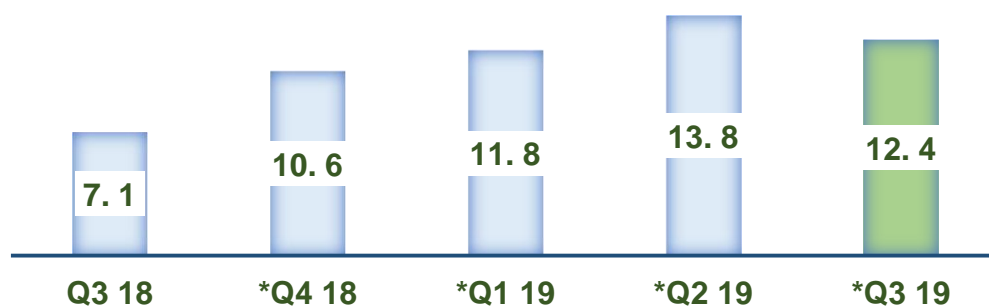
Net interest income (in Crores)



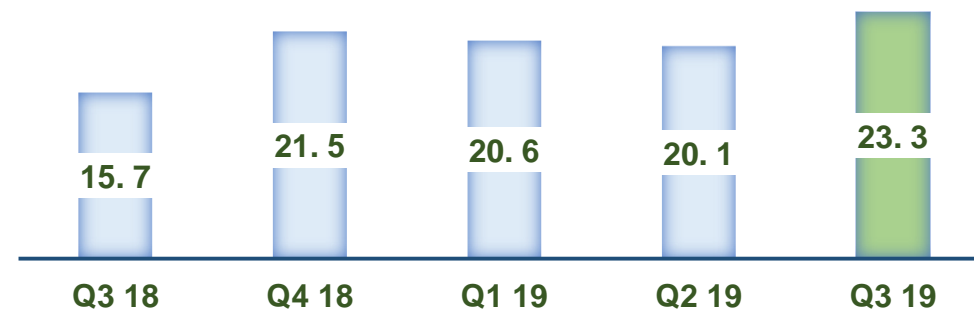
OPEX as a % of NII



Loan Loss Provisions and Write offs (in Crores)

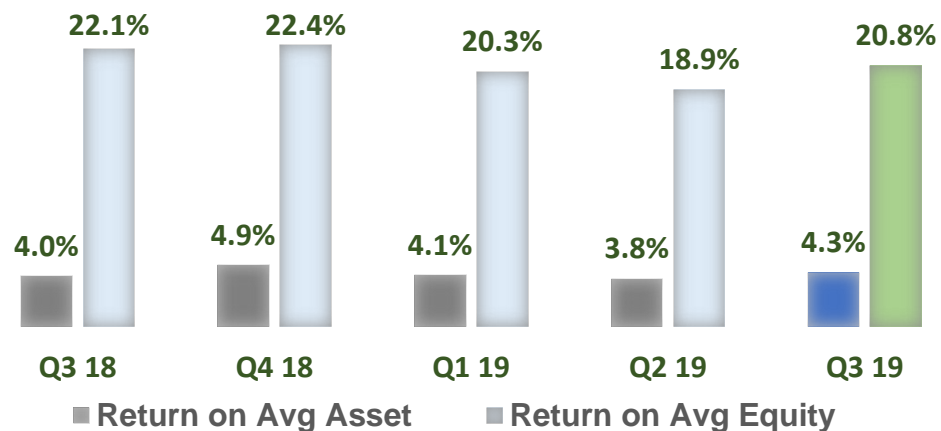


Profit after tax (in Crores)

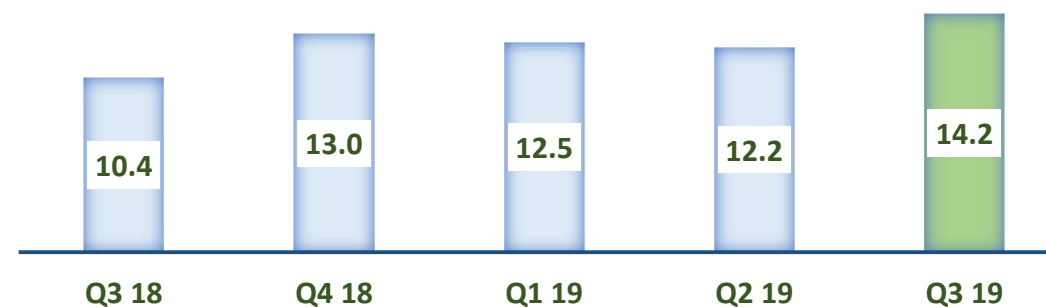


* Additional provision of ₹4 Cr (Q4 FY 18) , ₹ 3.5 Cr (Q1 FY 19) , ₹3.8 Cr (Q2 FY 19) & ₹ 2.4 Cr (Q3 FY 19)

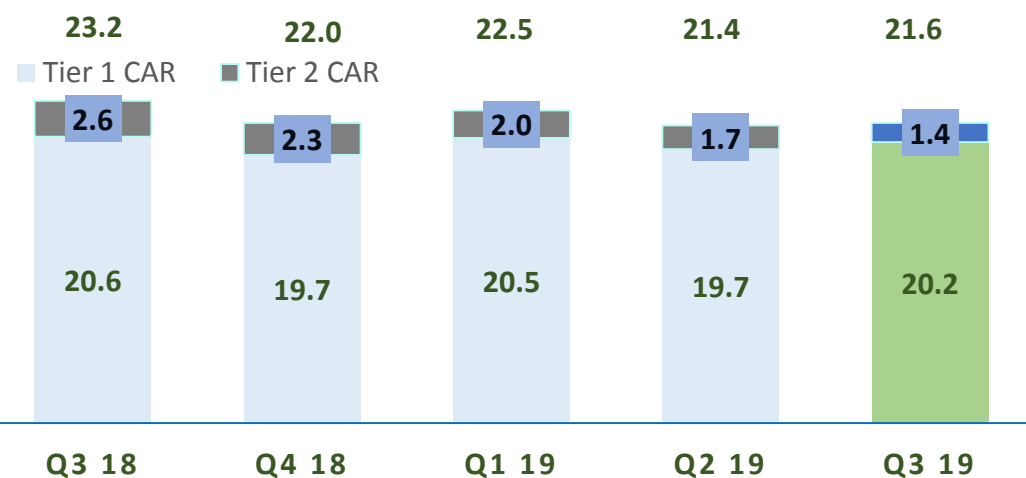
ROA and ROE



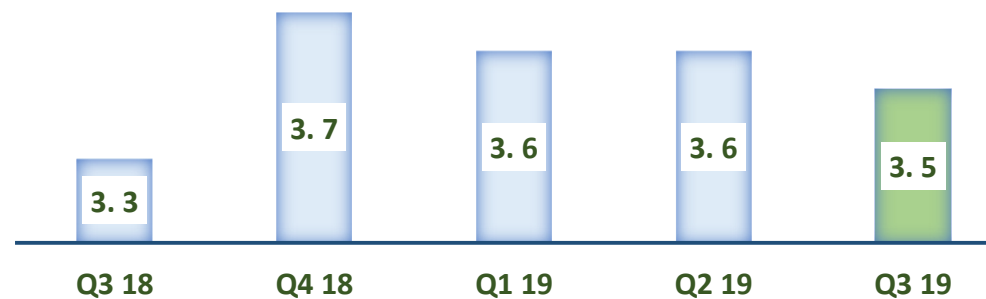
Earning per Share (in ₹)



Capital Adequacy



Debt Equity Ratio



A pause in Disb. growth but Collection on track

- Hyp. loans had 11 % growth Y-o-Y for 9 month period; While Kerala was back to normal, issues in the 2 W segment due to price rise and other issues in the NBFC space made us cautious and hence disbursements lowered
- Hyp. Disb. in non-south saw huge growth. In Q3 FY 19; Non-South disb. share was 37%;(Q3 FY 18- 20 %) . South concentration reducing. West, North and East grew 68%, 48% and 222% resp.
- Collections have grown to ₹ 453 crs in Q3 FY19 v/s ₹ 416 crs in Q2 FY 19; but not hard bucket collection ; NACH collection was 45.7% of the total v/s 44.5 % in Q2 FY 19, which will drive costs lower in future.

NPA

- Current Qtr. saw a marginal rise in NPA after huge rise in the previous qtr. ; Kerala flood related NPA reduced but there was marginal increase in other states.
- Quarter end NPA excluding off-books was at ₹ 122.8 crores v/s ₹ 118 crs at the beginning of the qtr.; plans made for reduction by end of FY 19.

Arbitration

- Strong action on arbitration/ legal front; Files given to legal firms – 30 704 and Awards passed –14 441 and cases settled – 7 488
- ₹ 46.41 crores collected directly from about 15 624 nos. of customers and through repossession and sale of their vehicles; major step to push customers for settlement.; currently new cases not being handed over and looking for direct settlements.

Funding in Q 3

- The QIP that was done in Q3 FY18 and the overall profitability has significantly improved CRAR (21.6), reduced D/E ratio (3.5) and made the company attractive to all forms of lenders/ investors; helped maintain interest rate/cost low in an interest hardening qtr.; with lenders unwilling to lend the Company had its movement of anxiety but saw off the quarter with additional sanctions of ₹ 211 crs and several more in the pipeline

Diversity in Funding

- Dependence on Banks/ Securitization for funds helped in a troubled quarter; Good quality of the securitized pool helped get 2 big securitization transaction completed in the quarter.
- Speaking to new segment of investors for term loans/ securitization etc., with banks now in the 'wait and watch' mode for new sanctions all out focus on securitization where the performance has been excellent.
- Pushing for getting funds through Public Deposit where there is significant head room available.

Borrowing Mix

- During the quarter the Company has been able to get additional sanctions from Securitization Transaction- ₹ 151 crs
- With hardening of the interest rates, our overall Interest costs also went up to 9.70 % and expected to go up with banks / other players finding it tougher to fund at the earlier rates and with other lenders and money market borrowings becoming very expensive.

Securitization/ DA

- 1 DA & 1 PTC transaction valuing ₹ 151 Crore (net of MRR) done during Q3 FY19 –17 transactions so far, 4 closed. During these times when banks have restriction in funding to the sector,
- Helped in ploughing back funds into the business and growing the AUM ; More transactions expected to happen in future as well. Helps check overall pricing and keep CRAR above 20% and DE Ratio below 4.

Geographical expansion

- Penetration in present states in South and West and in the new and existing areas in North and East helped growth ; hope for better and improved performance in FY19. Dependence on South seen reducing;
- New Products , new geographies and digitization seen as the way forward for the next few years. As a cautious approach, reduced disbursements in Q3 FY 19. A lot of that would be covered in Q4 FY 19

**Staff attrition &
Cost Control**

- Monthly staff attrition was lower at 3.3 % in Q3 FY '19 v/s 4.21 % in Q2 FY 19 - The concept of Marketing agents is also working well. In North & East Outsourced FTEs as a concept working very well; Overall staff nos at 2381 v/s 2127 at the beginning of the year. Including out sourced staff, total employee strength 3209.
- Dealer incentives have remained under control at 1.32 % for Q3 FY19; interest and finance charges on an overall basis was slightly higher at 9.70 % v/s 9.37% in Q2 FY '19 .

**Repayment
Mode**

- Post demonetization 100% repayment for new customers is through NACH and significant collections through NACH – Helps cut delinquencies. Q3 FY 19 NACH collections were about 45.7 % of the total collections, rising M-O-M.
- NACH repayment mode is at 86% v/s 26 % at end of Mar'17 quarter. The unlinked mandates is an area of concern, which is being attended to. E-NACH would sort out most of these issues.

**Overall
Profitability**

- Q3 FY 19 PAT of ₹ 23.2 crores actual v/s ₹ 21.9 crores budgeted; is the highest Quarterly PAT figures of the Company
- While the NPA has risen marginally significantly, lower Finance and employee costs have helped contain the overall expenses. Other expenses were higher on account of higher collection costs but have still led to higher than budgeted profitability.

Way Forward

- With stress seen in the money market and lenders being vary, Q3 was used to rebuilt the pipeline of fresh fund infusion at reasonable cost. Much of it would materialize in Q4.
- We hope to see the current turbulence settle down during Q4 FY 19 and growth picking up; having taken a conscious call to cut disbursements in Q3, Company hopes to recover what is lost IN Q3, in Q4.
- The Company expects Q4 to be better than Q3 with some signs of improvement being seen

THANK YOU