

Board Presentation dated 25th January 2020

Quarter ended 31st December 2019



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No of States / UT
currently operating in
– 20

Disb – ₹ 465.8 Cr

New Customers
74,950

AUM – ₹ 2751 Cr
Live Customers –
727,533

SNAPSHOT

Quarter ended 31st December 2019

Own book (Ind AS)-
Stage 3 –6.0 %
Stage 3 (Net) –3.6 %

Securitization sanctions
Q3 FY 20 -₹ 278 Cr

CRAR –21.5 %
D/E ratio (Ind AS): 4.5

Quarterly Trend

₹. In Crores

Financial Statement Metrics	Q3 FY 20	Q2 FY 20	Q-o-Q	Q3 FY 19	Y-o-Y
Disbursement :					
Hyp Loans	460.7	463.2	-1%	493.1	-7%
Other Loans	5.1	24.6	-79%	9.0	-43%
Total Disbursements	465.8	487.8	-5%	502.1	-7%
AUM at the end of the period *	2677.7	2672.1	0.2%	2402.1	11%
Average AUM	2678.8	2588.4	3%	2327.7	15%
Total Interest and Fee Income	150.9	145.0	4%	135.2	12%
Finance Expenses	58.0	57.9	0%	46.4	25%
Net Interest Income(NII)	92.9	87.1	7%	88.8	5%
Operating Expenses	51.8	48.9	6%	42.7	21%
Loan Losses & Provisions **	15.6	15.7	0%	8.1	93%
Profit Before Tax	25.5	22.5	13%	38.0	-33%
Profit After Tax***	19.0	14.0	36%	24.5	-22%

9 Month Trend

₹. In Crores

	9M FY 20	9M FY 19	Y-o-Y
	1375.2	1411.2	-3%
	65.4	118.2	-45%
	1440.6	1529.4	-6%
	2677.7	2402.1	11%
	2613.2	2209.6	18%
	439.9	381.3	15%
	171.5	130.3	32%
	268.4	251.0	7%
	145.2	115.4	26%
	48.2	37.5	28%
	75.0	98.1	-24%
	46.6	63.5	-27%

Q3 FY 20

Q2 FY 20

Q3 FY 19

9M FY 20

9M FY 19

Total Opex to NII	56.0%	56.0%	48.0%
Return on Avg. AUM	2.8%	2.2%	4.2%
Earnings per Share	11.5	8.5	14.9

54.0%

46.0%

2.4%

3.8%

28.3

38.6

• Total AUM including off book as on 31st Dec 19 is ₹ 2 751 crs (Q-o-Q- 1 % down) (Y-o-Y- 6% up)

** Includes additional Provision of ₹ 2.5 Crores

*** The tax computed for 9MF Y20 is 25.17% and 34..944% for 9M FY19 . The hit of deferred tax on account of rate reduction has been considered during 9M FY20.



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PAAPACHAN

CAPITAL

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STATEMENT OF SOURCES AND APPLICATION OF FUNDS - IND AS

₹. In Crores

Sources	30-Sep-19	31-Dec-19	Application	30-Sep-19	31-Dec-19
Share Capital	16.4	16.4	Fixed Assets	4.1	3.9
Reserve & Surplus	458.4	477.4	Investments	83.6	103.6
Shareholders Funds	474.8	493.8	Deferred Tax Assets	25.4	24.5
Bank Debts	1532.4	1547.8			
Securitized	438.1	541.4	Hypothecation Loan	2296.2	2359.6
Sub debt / Debentures	65.7	66.7	Loan Buyout	49.9	39.3
Public Deposit/ICD	62.3	55.7	Term Loans	243.1	200.9
Loan From Directors	10.2	10.2	Other Loans	9.3	7.2
Interest Accrued on Loans	4.5	3.5	Interest Accrued on Loans	26.2	25.3
Total Borrowings	2113.4	2225.3	Total Loans	2624.6	2632.3
Assigned Dues Payable	79.5	88.1			
Trade Payable	26.0	26.4	Cash & Cash Equivalents	40.2	158.8
Provisions	108.6	114.0	Other Financial Assets	25.6	25.5
Other Financial Liabilities	14.0	15.5	Other Non Financial Assets	16.6	18.7
Other Non Financial Liabilities	3.2	3.0			
Derivative Financial Instruments	0.8	1.2			
Total	2820.2	2967.3	Total	2820.2	2967.3

Disbursement

Q2 FY 20 : ₹ 487.8 Cr
Q3 FY 20 : ₹ 465.8 Cr



Q3 FY 19 : ₹ 502.1Cr
Q3 FY 20 : ₹ 465.8Cr



Borrowing Cost

Q2 FY 20 : 10.3%
Q3 FY 20 : 10.3%



Q3 FY 19 : 9.7%
Q3 FY 20 : 10.3%



PAT (Ind AS)

Q2 FY 20 : ₹ 14.0 Cr
Q3 FY 20 : ₹ 19.0 Cr



Q3 FY 19 : ₹ 24.5 Cr
Q3 FY 20 : ₹ 19.0 Cr



Overall AUM

Q2 FY 20 : ₹ 2779.3 Cr
Q3 FY 20 : ₹ 2751.4 Cr



Q3 FY 19 : ₹ 2593.6Cr
Q3 FY 20 : ₹ 2751.4Cr



Stage 3 (Ind AS)

Q2 FY 20 : ₹ 151.9 Cr
Q3 FY 20 : ₹ 161.3 Cr



Q3 FY 19 : ₹ 122.6Cr
Q3 FY 20 : ₹ 161.3 Cr



ROA- (Ind AS)

Q2 FY 20 : 2.2%
Q3 FY 20 : 2.8%



Q3 FY 19 : 4.2 %
Q3 FY 20 : 2.8 %



Revenue- (Ind AS)

Q2 FY 20 : ₹ 145.0 Cr
Q3 FY 20 : ₹ 150.7 Cr



Q3 FY 19 : ₹ 135.2Cr
Q3 FY 20 : ₹ 150.7Cr



Loan Losses & Provision (Ind AS)

Q2 FY 20 : ₹ 15.7 Cr
Q3 FY 20 : ₹ 15.6 Cr



Q3 FY 19 : ₹ 8.1Cr
Q3 FY 20 : ₹ 15.6Cr



ROE- (Ind AS)

Q2 FY 20 : 12.0%
Q3 FY 20 : 15.4 %



Q3 FY 19 : 23.8 %
Q3 FY 20 : 15.4 %



ASSET QUALITY AND PROVISION COVERAGE

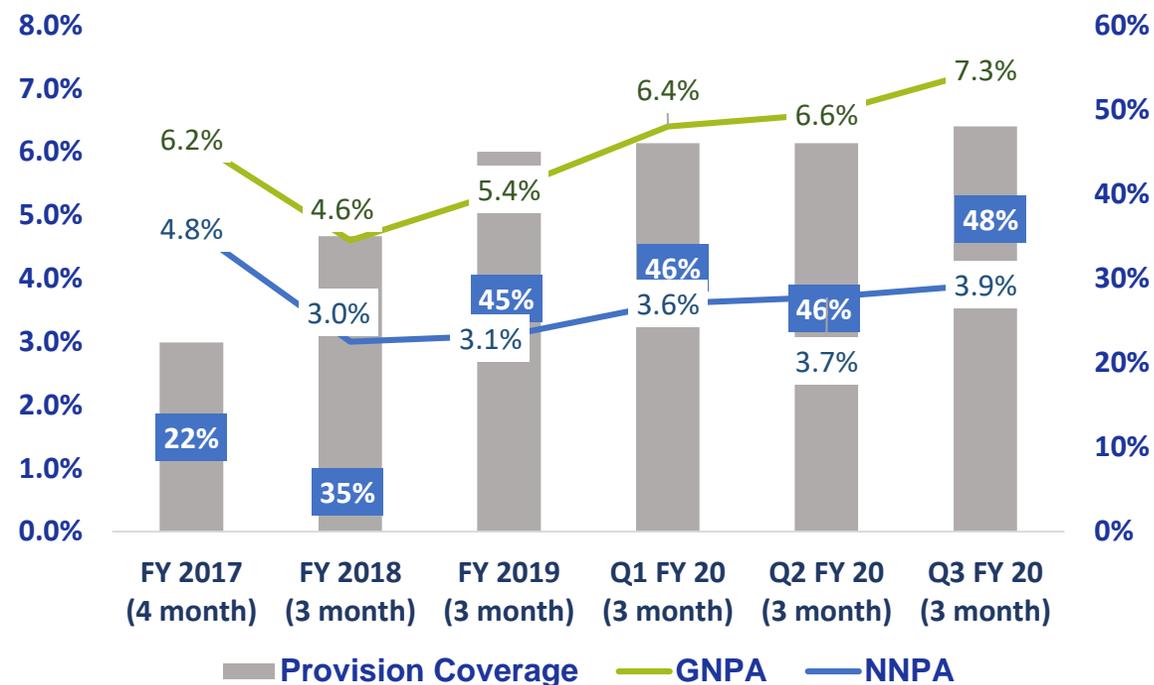
₹. In Crores

<u>As Per IGAAP</u>	As on 31.12.2018	As on 30.09.2019	As on 31.12.2019
Own Book Portfolio	2157.6	2211.2	2105.6
GNPA	5.7%	6.6%	7.3%
NNPA	3.3%	3.7%	3.9%
Total Provision	61.1	76.1	83.0
Prov. as % of Loan Book	2.8%	3.4%	3.9%

₹. In Crores

<u>As Per IND AS</u>	As on 31.12.2018	As on 30.09.2019	As on 31.12.2019
Own Book Portfolio	2402.1	2672.1	2677.7
Stage 3	5.1%	5.7%	6.0%
Stage 3 (Net)	3.1%	3.3%	3.6%
ECL Provision	87.4	102.8	108.8
Prov as % of Loan Book	3.6%	3.8%	4.1%

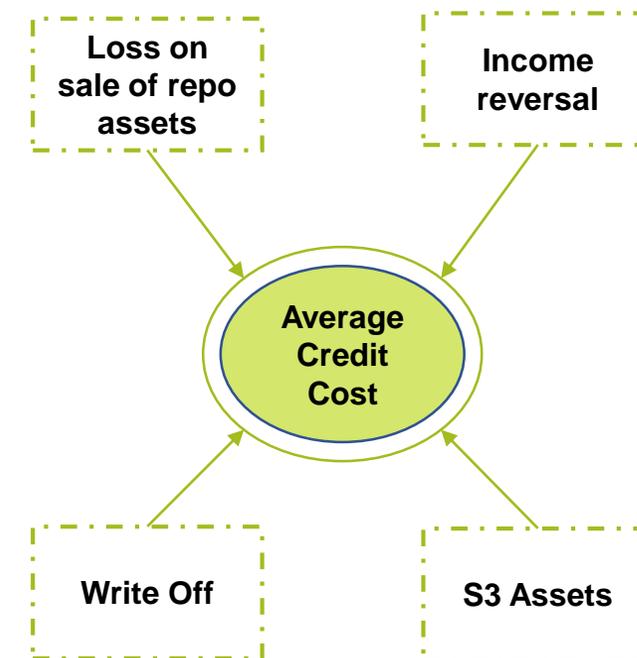
As Per IGAAP



MAIN FACTORS IMPACTING PROFITABILITY – DELINQUENCIES-(IGAAP)

₹. In Crores

Particulars	Q2 FY 19	Q3 FY 19	Q4 FY 19	FY 19	Q1 FY 20	Q2 FY 20	Q3 FY 20
Unrealized Income reversed	1.6	1.0	-0.7	3.4	2.3	1.9	1.5
Loss on sale + Provision for diminution in value of repo. Assets	5.2	6.0	5.2	20.2	5.7	7.3	8.9
S3 write off	0	0	7.8	7.8	-	-	-
S3 Provision	4.2	3.7	-6.1	6.2	5.9	5.5	6.1
Addl S3 Provision	3.8	2.4	4.4	14.1	5.1	-	-
Total	14.8	13.1	10.6	51.7	19.0	14.7	16.5
Avg AUM*	1982.0	2083.3	2147.2	2042.6	2048.5	2131.9	2169.7
% of Credit cost on Avg AUM (annualized)**	3.0%	2.5%	2.0%	2.5%	3.7%	2.8%	3.0%



*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 31st Dec 19 ₹20.4 crs)

EXPECTED CREDIT LOSS (ECL)

As on 31.12.2018

₹. In Crores

Particulars	Outstanding	Provision	ECL%	IGAAP* %
Total	2370.39	87.43	3.69%	2.83%
S1 and S2 (Std assets)	1995.92	37.19	1.86%	0.40%
S3 (NPA)	122.60	49.23	40.15%	43.15%
Other Loans	251.87	1.01	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%

As on 31.12.2019

Particulars	Outstanding	Provision	ECL%	IGAAP* %
Total	2644.16	108.81	4.11%	3.94%
S1 and S2 (Std assets)	2232.52	38.71	1.74%	0.40%
S3 (NPA)	161.3	**68.58	42.5%	48.54%
Other Loans	250.34	**1.52	0.61%	0.40%

*Based on the On Book AUM. **₹ 2 crore additional provision in S3 and 0.50crs in Other loans

TRANSITION IMPACT

₹. In Crores

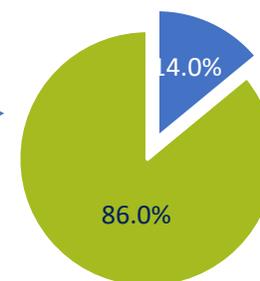
	As on 31.03.2018	2018-19	Q1 FY 2020	Q2FY20	Q3FY20
Reserve/PBT as per IGAAP	377.48	127.25	21.50	21.67	16.88
Expected Credit Loss addition	(27.24)	2.49	(0.30)	(2.48)	0.36
Provision for Direct assignment gain	0.00	(0.49)	(0.24)	0.00	0.00
ECL provision on Hypothecation Loan	(27.24)	2.98	(0.06)	(2.48)	0.36
EIR on financial receivables	(45.62)	(2.89)	(0.95)	0.09	0.86
HP management fee impact	(66.49)	(10.38)	(0.55)	(1.09)	1.25
Processing fee _ Income	(1.19)	(0.93)	(0.01)	0.27	0.30
Insurance		3.90	(0.68)	0.81	(0.03)
Transaction cost	22.06	4.51	0.28	0.10	(0.66)
Securitization	9.31	7.85	5.05	3.71	7.58
Assignment	11.08	(6.56)	1.94	(1.95)	(1.29)
Direct assignment income- service asset	11.08	(7.53)	2.16	(2.52)	(1.68)
Direct assignment expense _collection cost	0.00	0.97	(0.22)	0.57	0.39
EIR on Borrowings	1.76	4.40	(0.35)	1.48	1.15
Processing Fees Bank	1.41	2.74	(0.33)	1.61	(0.12)
Securitisatation Expense	0.36	1.66	(0.02)	(0.13)	1.27
Fair value changes on investments	(0.00)	0.37	0.01	0.00	0.00
Reserve/Profit before tax as per IND AS	326.78	132.89	26.89	22.53	25.54
Deferred Tax/(Liability)	17.72	-			
Reserve/Profit before tax as per IND AS	344.49	132.89	26.89	22.53	25.54

ZONEWISE DISBURSEMENT (HYP LOANS)

₹. In Crores

Zone	BRANCH				DEALER				TOTAL				Growth%	Overall Share	
	Apr-Dec19		Apr-Dec18		Apr-Dec19		Apr-Dec18		Apr-Dec19		Apr-Dec18			Apr-Dec19	Apr-Dec18
	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value			
South	27 037	158.50	31 500	179.15	118 730	763.28	142 020	818.89	145 767	921.77	1 73 520	998.04	-8%	67%	71%
West	4 087	21.35	4 646	22.12	15 067	90.29	18 974	100.91	19 154	111.64	23 620	123.03	-9%	8%	9%
North	1 255	6.76	1 762	8.57	30 594	168.17	34 786	175.62	31 849	174.93	36 548	184.19	5%	13%	13%
East	1 045	5.84	552	2.81	28 052	161.04	19 715	103.12	29 097	166.87	20 267	105.93	58%	12%	8%
Overall	33 424	192.45	38 460	212.65	1 92 443	1182.78	2 15 495	1 198.54	2 25 867	1375.23	2 53 955	1411.19	-3%	100%	100%

Share of Branch and Dealer of zone-wise
disbursement



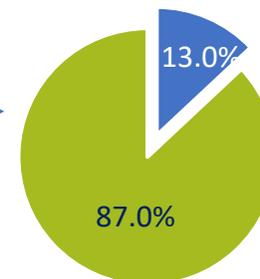
■ Branch
■ Dealer

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

₹. In Crores

Zone	BRANCH				DEALER				TOTAL				Growth%	Overall Share	
	Q3 FY '20		Q3 FY '19		Q3 FY '20		Q3 FY '19		Q3 FY '20		Q3 FY '19			Q3 FY '20	Q3 FY '19
	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value			
South	8 286	48.1	8 565	50.4	37 310	243.2	43 207	262.1	45 596	291.3	51 772	312.5	-7%	63%	63%
West	1 602	8.5	1 548	7.8	5 653	34.3	7 672	43.4	7 255	42.9	9 220	51.2	-16%	9%	10%
North	345	1.9	424	2.2	11 486	64.4	13 994	75.9	11 831	66.3	14 418	78.1	-15%	14%	16%
East	369	2.0	196	1.1	9 899	58.1	9 020	50.2	10 268	60.2	9 216	51.3	17%	13%	10%
Overall	10 602	60.6	10 733	61.5	64 348	400.1	73 893	431.6	74 950	460.7	84 626	493.1	-7%	100%	100%

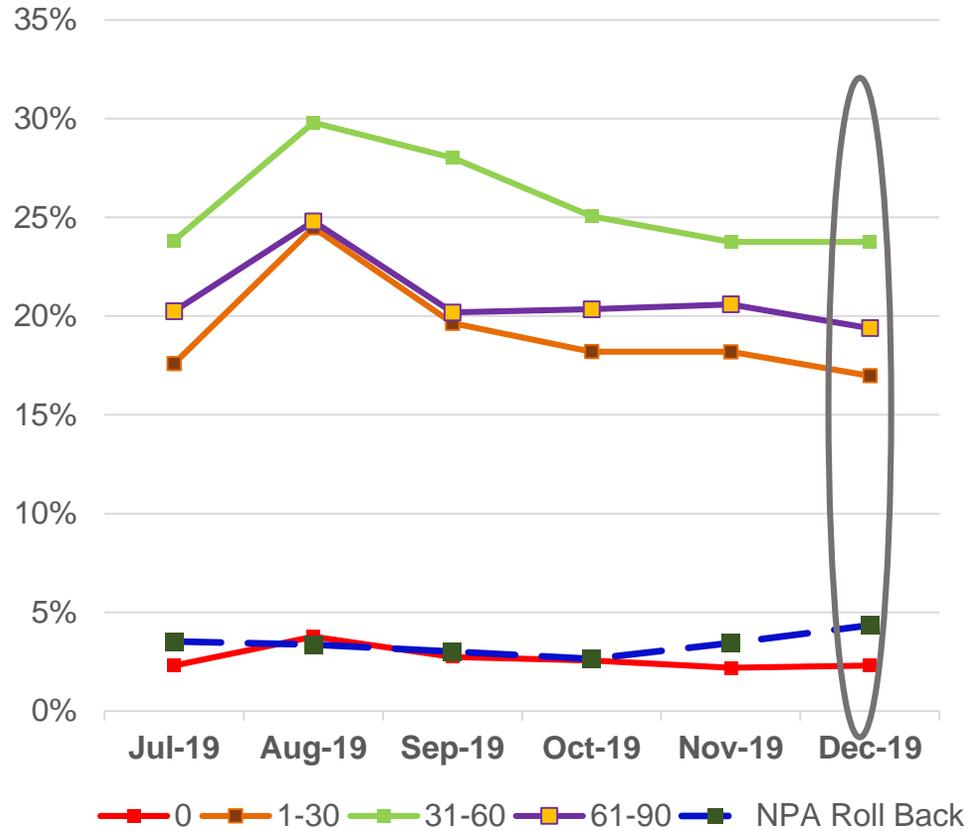
Share of Branch and Dealer of zone-wise
disbursement



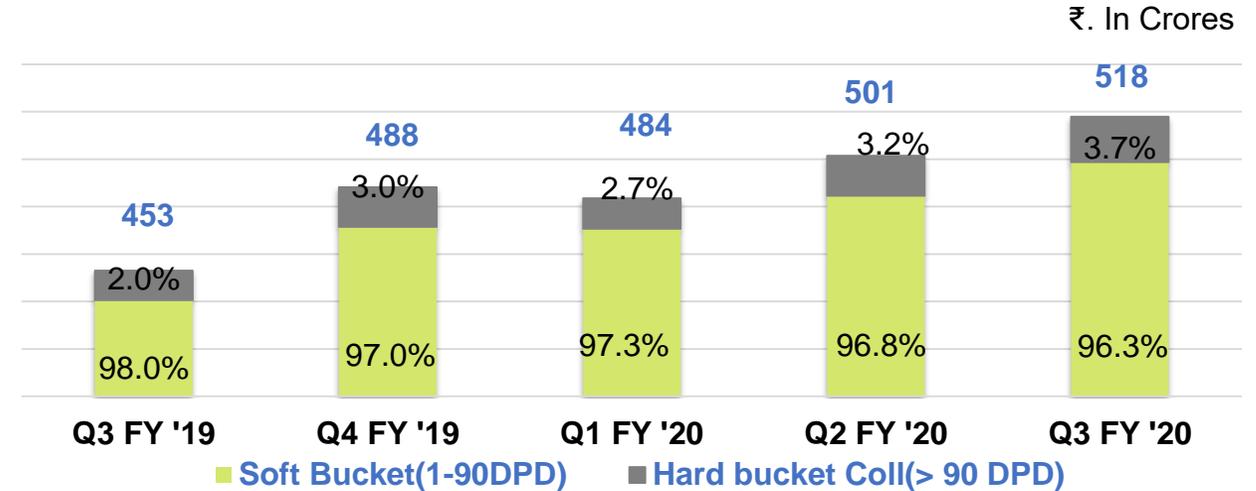
■ Branch
■ Dealer

COLLECTION PERFORMANCE MONITORING (HYP)

Bucket- wise Flow



Collection Performance

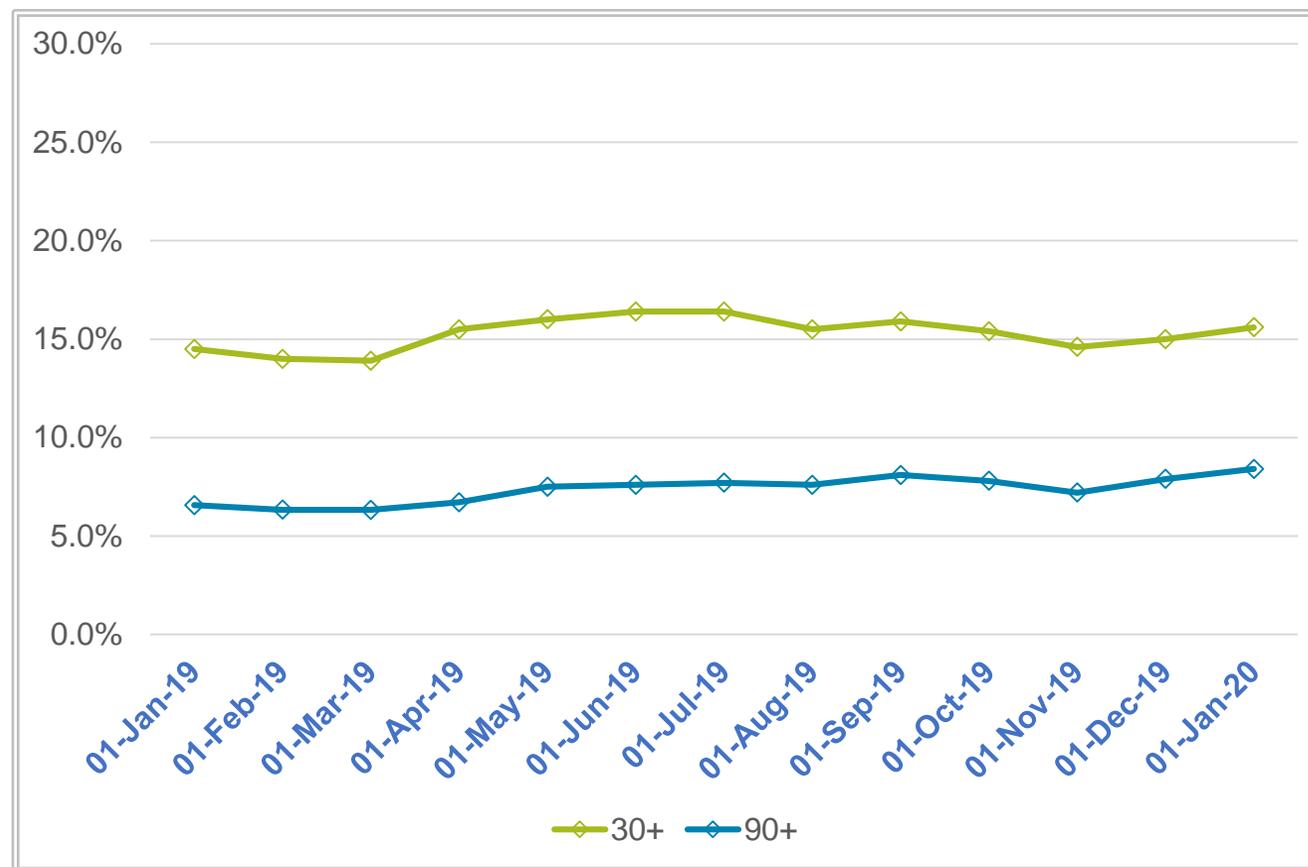


	Q3 FY 19	Q4 FY 19	Q1 FY 20	Q2 FY 20	Q3 FY 20
Soft Bucket (1-90)	441	471	471	485	499
Hard Bucket (>90)	12	17	13	16	19
Total	453	488	484	501	518

PORTFOLIO TREND – HYPOTHECATION LOANS- IGAAP

₹. In Crores

Month	Own book AUM	30+	90+	30+%	90+%
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%
01-Nov-19	1 995.1	291.2	143.9	14.6%	7.2%
01-Dec-19	1 922.5	289.1	152.8	15.0%	7.9%
01-Jan-20	1 826.9	284.3	153.1	15.6%	8.4%



On an overall hyp book of ₹ 2467.8 Cr, 30+ is 13.4% & 90+ is 6.7%

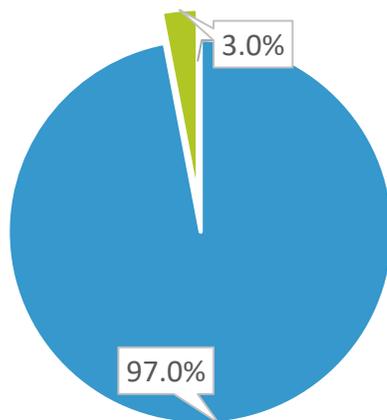
NPA MOVEMENT – HYP LOAN – Q3 FY 2020- IGAAP

₹. In Crores

Particulars	OWN Book				PTC		Total	
	HP Nos	Balance stock	Provision	Unrealised Income	Balance stock	Provision	Balance stock	Provision
Balance as on 30.09.2019	75 039	146.95	67.70	18.99	4.08	0.41	151.03	68.11
Add: Addition during Oct to Dec 2019	12 796	31.46	2.66	1.91	4.99	0.45	36.91	3.11
Provision increased due to non payment of NPA a/cs during the Qtr		-	6.93	1.38	-	0.01	-	6.94
	87 835	178.41	77.29	22.28	9.07	0.87	187.94	78.16
Less: Moved out from NPA	8 516	10.23	1.46	0.65	0.69	0.07	10.92	1.53
Less: Repossessed vehicle sold during Oct to Dec-19	2 851	12.4	1.63	1.02	0.71	0.02	13.02	1.65
Less: Amount collected during Oct to Dec-19		2.72	0.38	0.25	0.13	0.01	2.85	0.40
Balance as on 31.12.2019	76 468	153.06	73.82	20.36	7.55	0.77	161.15	74.58

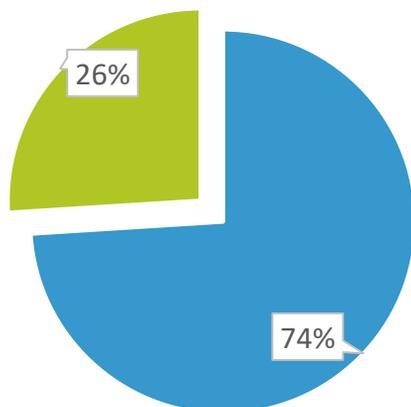
Overall Provision as on 31 st Dec 2019	Provision
As per IGAAP based on RBI guidelines	83.0
As per IND AS	108.8

HYP PORTFOLIO SPLIT AS ON DECEMBER 31ST 2019



As per IND AS

■ On Book
■ Off Book



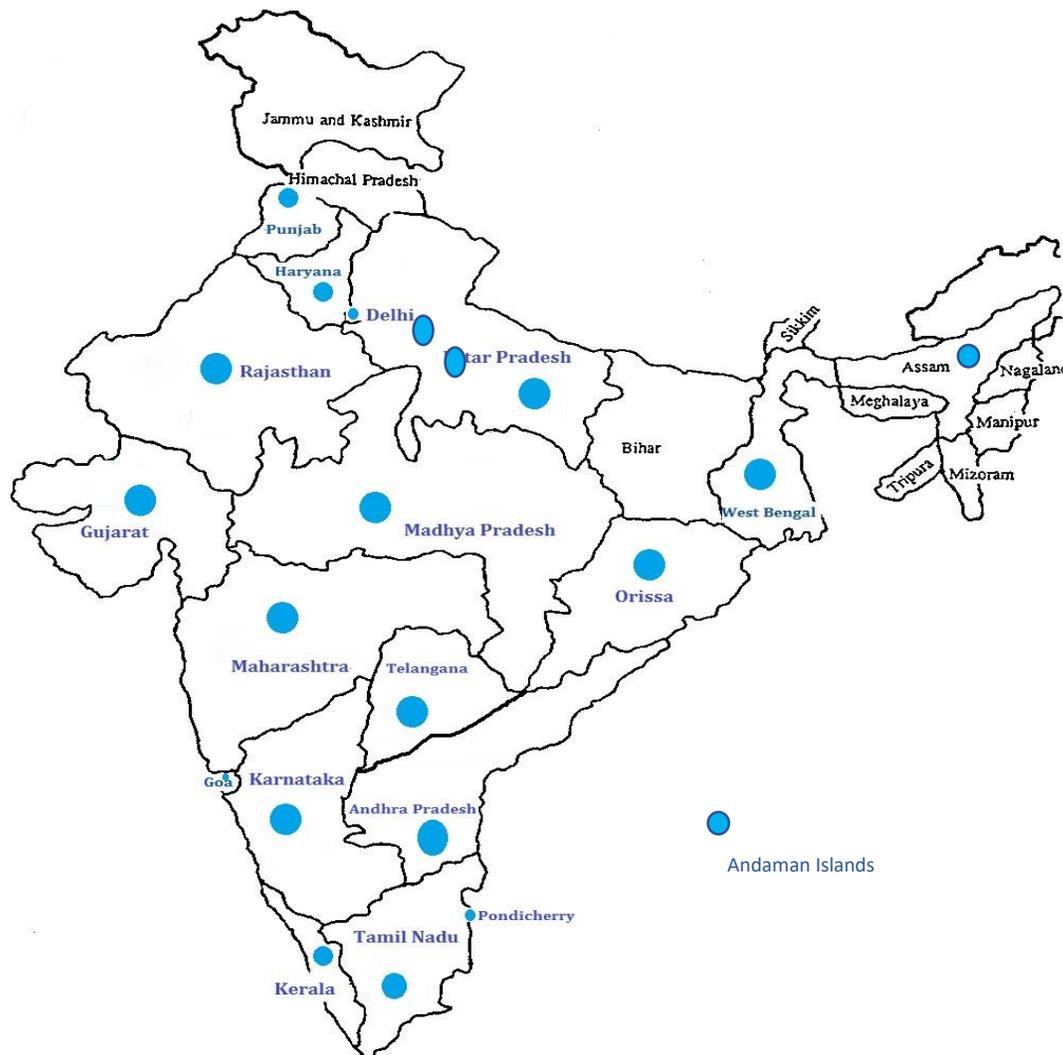
As Per IGAAP

■ On Book
■ Off Book

₹. In Crores

Transaction Type	No of Transactions	Amount	
PTC	11	567.3	
Direct Assignment	9	73.7	
		Ind AS	IGAAP
Off Book		73.7	640.9
On Book		2394.2	1826.9
Total Portfolio		2467.8	2467.8

MCSL GEOGRAPHIC OVERVIEW – HYP


DEC 31 2019

₹. In Crores

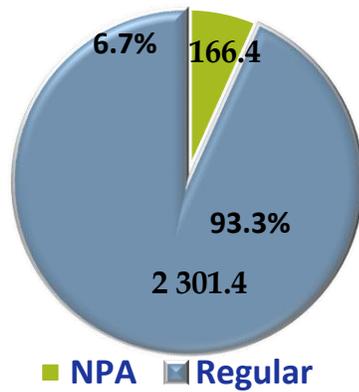
Zone	Active Clients	Regular	S3	Total	Zone wise AUM %	% of S3
South India	5 16 263	1 637.4	106.0	1 743.5	71.0%	6.1%
Western India	59 558	171.2	27.9	199.1	8.0%	14.0%
North India	89 726	253.1	26.3	279.4	11.0%	9.4%
East India	61 986	239.7	6.2	245.9	10.0%	2.5%
Overall *	7 27 533	2 301.4	166.4	2 467.8	100.0%	6.7%

*Includes securitized/ assigned portfolio

PORTFOLIO ANALYSIS - HYP

₹. In Crores

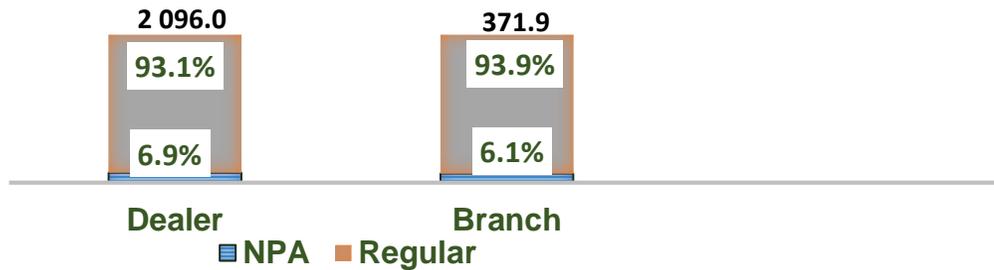
Portfolio Analysis



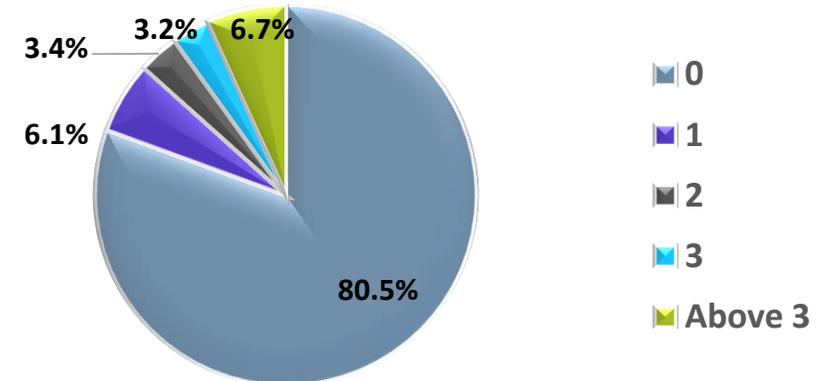
Segment – wise Analysis



Source - wise Analysis



Bucket – wise Analysis



SOURCES OF BORROWING

₹2.6 Cr

Collections of Public
Deposit

- Public Deposits collected ₹2.6 Cr., of which ₹1.5 Cr. Is renewal

₹ 278 Cr

Securitization/ DA done in
Q3 FY 20 (net of MRR)

- Mobilized ₹2205.6 Cr to date through 27 transactions
- ₹640.9 Cr outstanding as on 31st Dec 2019.

10.3%

Cost of borrowing for
Q3 FY 2019-20

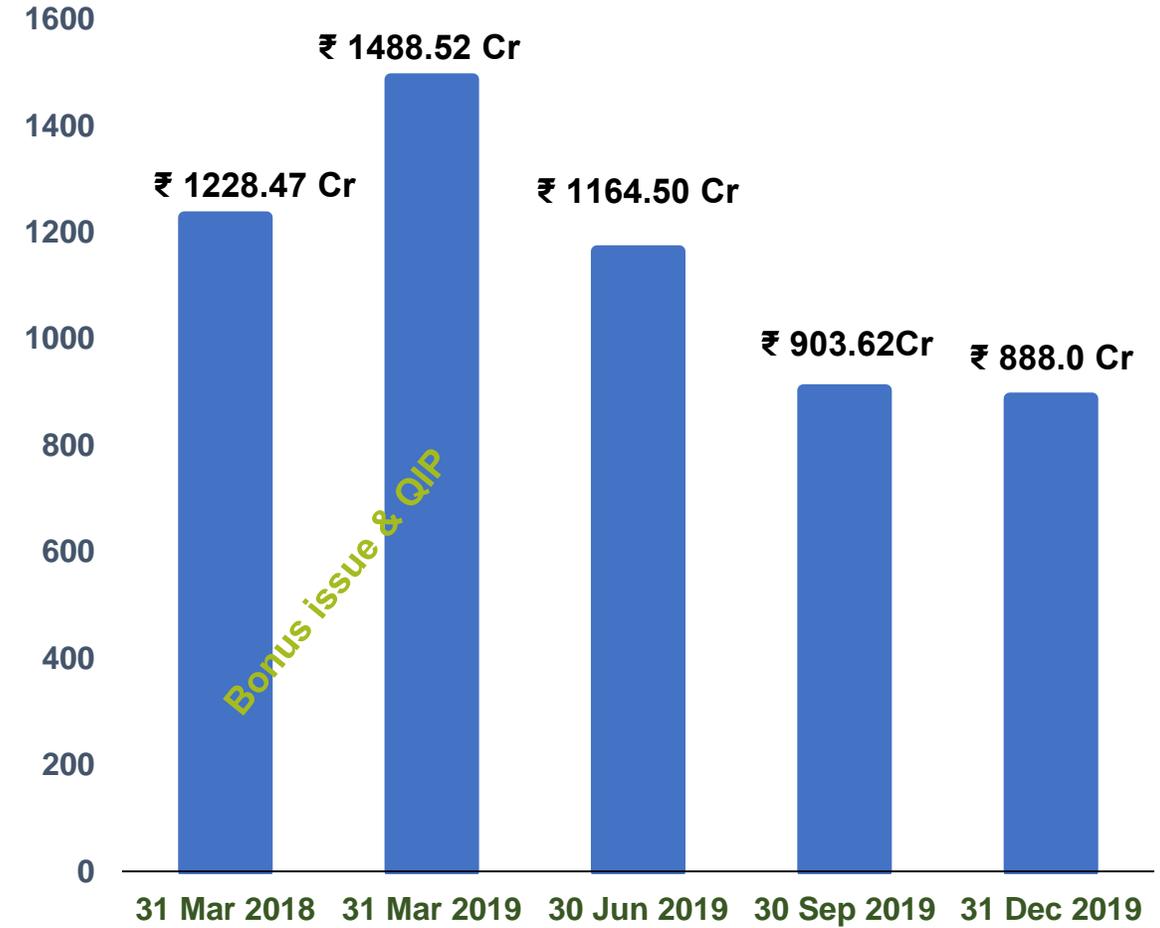
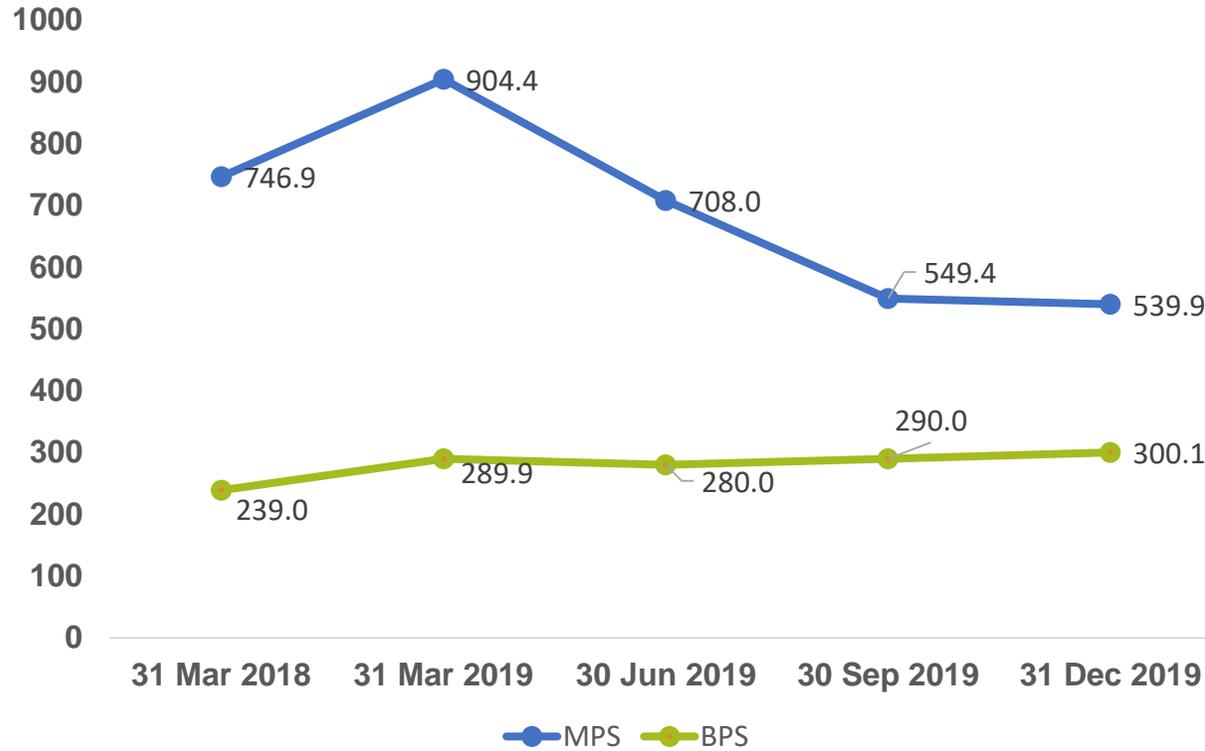
Quarter on Quarter no increase in cost of borrowing

Bank funding - 67% of total borrowing as on 31st Dec 2019

Securitization/ DA sanctions received in Q3 FY 20 ₹ 278 Cr

MARKET CAPITALIZATION

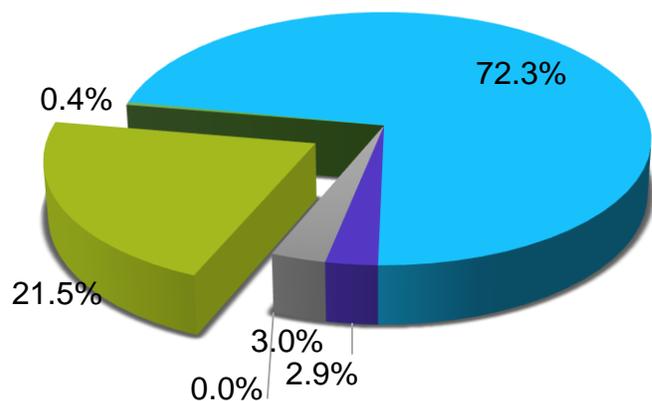
Movement of Market Price per Share (MPS) vs. Book Value per Share (BPS)



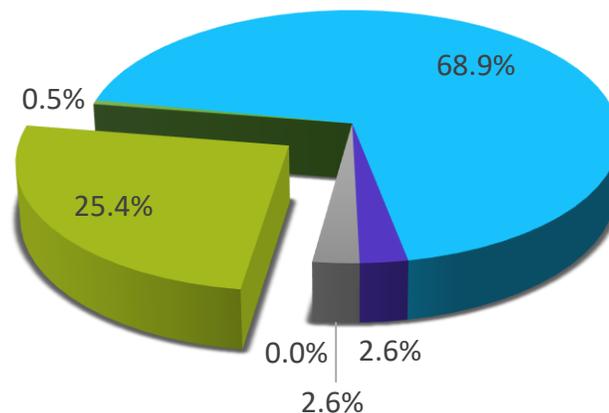
BORROWING PROFILE – by Instrument

₹. In Crores

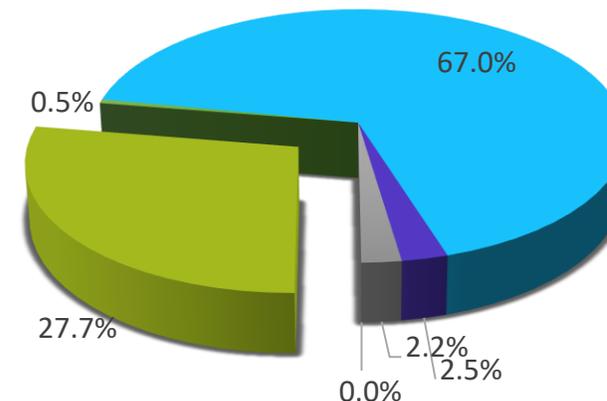
Particulars	Q3 FY '19		Q2 FY '20		Q3 FY '20	
	Amount	Cost*	Amount	Cost*	Amount	Cost*
Bank Loan	1475.5	9.8%	1536.3	10.3%	1551.0	10.2%
Sub debt	58.5	11.4%	58.8	11.6%	58.8	11.5%
Public Deposit	62.0	8.2%	57.0	8.3%	50.7	8.2%
Commercial Paper		8.7%				
Securitization	438.3	9.5%	565.3	10.4%	640.9	10.5%
Others	7.4	11.0%	11.9	11.5%	11.9	11.5%
Total	2041.7	9.7%	2229.3	10.3%	2313.3	10.3%



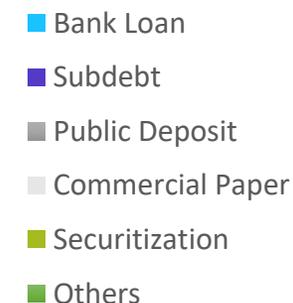
Q3 FY '19



Q2 FY '20



Q3 FY '20

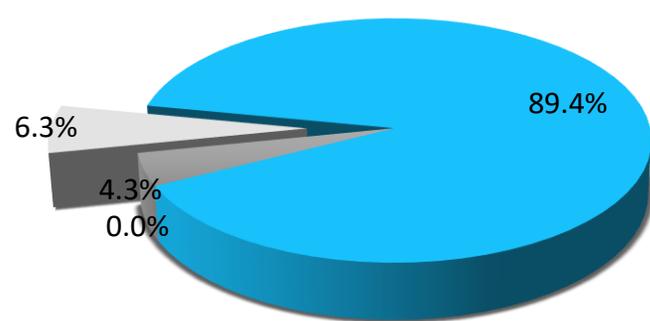


* Cost is interest cost only and doesnot include processing fee, brokerage etc.

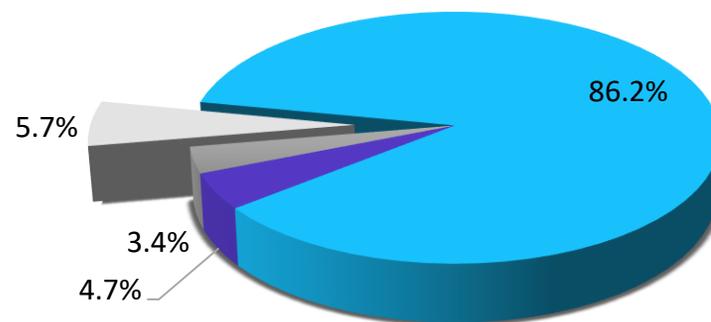
BORROWING PROFILE – by Investor Profile

₹. In Crores

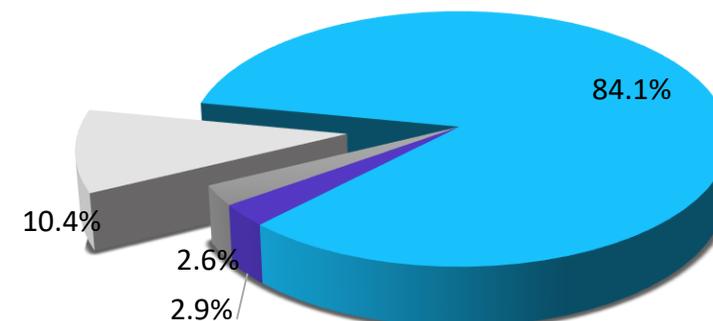
Particulars	Q3 FY '19		Q2 FY '20		Q3 FY '20	
	Amount	Cost	Amount	Cost	Amount	Cost
Banks	1825.3	9.9%	1922.1	10.5%	1946.2	10.2%
Mutual Funds		8.9%	104.2	11.3%	66.3	11.3%
NBFCs	88.6	10.4%	75.4	12.6%	60.7	10.6%
Others	127.8	10.0%	127.7	9.6%	240.2	10.3%
Total	2041.7	9.7%	2229.3	10.3%	2313.3	10.3%



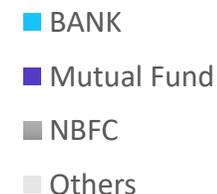
Q3 FY '19



Q2 FY '20



Q3 FY '20



Disbursement & Collection

- The –ve growth in the sector and economy has impacted MCSL as well; Q3 FY20 shows the y-o-y volumes lower by 11 %, and 9M FY20 lower by 11 % v/s the same period last year; Disbursements at same level, due to higher ticket size and LTV
- Industry saw a decline of 16 % in Q3 FY20 V/s Q3 FY19(16% decline -9M FY20 V/s 9M FY19), 9M Non-South disb. share was 33 %; South concentration reducing. Geographical derisking working well.
- Overall collections have been growing and was stable at ₹ 518 Cr in Q3 FY20 v/s ₹ 501 Cr in Q2 FY 20, but delinquencies have seen a rise, overall stress in some states at the ground etc. Hoping for a better Q4.

NPA

- Company following 3M norm FY 18 has now moved to ECL model for provisioning;
- NPA seen rising in Q3 as well though growth was lower than previous quarters
- Teams beefed up in West, North and East to ensure better collection; South has started improving.
- Qtr. end NPA (net of DA) ₹ 162 crs (6 %) v/s ₹ 152 crs (5.7%) at the beginning of the qtr ; PCR was @ 48.54% under IGAAP on NPA; Under IND AS overall provision is @ 4.1 % of On-book portfolio.

Arbitration/ Other Legal actions

- Apart from additional staff and incentivized collection agencies, steps taken at legal level for getting the dues cleared.
- Arbitration process has started again and would help collect the dues;
- Compelling of the defaulting borrowers to surrender their vehicles has increased in quantum, which is seen in the higher “loss on sale of repossessed assets”; efforts on to get the best price for the sold vehicles being made continuously

Diversity in Funding

- In Q3 FY 20 got fresh sanctions of ₹ 278 crs; all PTC, but one new relationship (BACQ).
- 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 @ 10.25%, while a bit lower in Dec 19. Going forward the cost is expected to be lower.

Securitization/ DA

- 3 PTCs valuing ₹ 278 crs (net of MRR) done during Q3 FY20, 27 transactions so far, 7 closed. Total amount collected ₹ 2205 crs . Current quarter did the BACQ transaction of Rs 128 crs with a AAA rating (1st time). Many similar transactions likely in the near future
- 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 and e- rickshaws to start in Q4 FY20.

Staff attrition & Cost Control

- Monthly staff attrition at 3.54% in Q3 FY '20 v/s 2.96 % in Q2 FY 20 – still a large number of Counter Sales Reps in the form of Marketing Agents & Off-roll employees;
- Dealer incentives stable, @ 1.28 % for Q3 FY 20; Demand for higher pay-out, on the back of low sales at dealer points; the demand and therefore the cost could see a rise in Q4.
- Collections costs constantly rising with a aim to ensure that NPAs do not rise. Was at 4.4 % in Q3 FY20.

Repayment Mode

- Post demonetization 100% repayment for new customers through NACH and significant collections through NACH – Q3 FY 20 collections were about 49 % 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

- Q3 FY20 PAT of ₹ 19.0 crores v/s ₹ 24.5 crores Q3 FY19 ; lower on account of overall lower volumes but increased costs and higher provisioning on account of higher NPA and movement to ECL model; Also additional provision of Rs 2 crs made in Q3 FY 20 towards delinquencies for higher PCR.
- 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, E- RICKSHAWS and Consumer Durables.
- Are hopeful that the troubled phase of FY 19 and first 3 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