

Board Presentation dated 28th May 2020

Quarter and Year ended 31st March 2020



BLUE SOCH
HELPING MILLIONS
SHAPE THEIR
TOMORROW



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No of States / UT
currently operating in
– 20

Disbursement –
Q4 FY 20: ₹347.5 Cr
(FY 20: ₹ 1788.1 Cr)

New Customers
Q4 FY 20 : 53,943
(FY 20 : 279,810)

AUM – ₹ 2650 Cr
Live Customers –
715,616

SNAPSHOT

Quarter ended 31st March 2020

Own book (Ind AS)-
Stage 3 –6.7 %
Stage 3 (Net) –3.9 %

Securitization sanctions
Q4 FY 20 -₹ 330.8 Cr
(FY 20: ₹ 910 Cr)

CRAR –26 %
D/E ratio (Ind AS): 4.6

PAT
Q4 FY 20: ₹ 13.6 Cr
(FY 20: ₹ 60.2 Cr)

8
Working
Days Lost

**~ ₹ 80
Cr**
Disburse
ment
Shortfall

**~ ₹ 60
Cr**
Collection
Shortfall

Delinquent
Assets
increased
to **₹ 179 Cr**

Additional
Provision
of **₹ 18 Cr**;
94 bps of
own book
AUM

COVID 19 IMPACT ON MCSL (March 23rd – 31st 2020)

Reported
PAT –
₹ 60.2 Cr

PAT W/o
Covid-19
Adj –
₹ 73.7 Cr

₹ 50 Cr
Bank
Sanction

₹ 90 Cr
PCG
scheme
Sanction

DPD
as of
29th Feb20
considered

Operational Impact

- Lost last 8 crucial working days of the Financial Year . Partially resumed office since 20th April.
- Disbursements reduced from mid- March and completely stopped w.e.f 24th Mar; as nation went into complete lockdown from 25th March 2020, collections were also temporarily stopped.
- Disbursements of ~ ₹ 80 Cr got impacted in Mar 2020 ; no disbursements done in April and till 20th May 2020.
- Moratorium granted to retail customers both on request and suo-moto basis; to corporate customers upon request.
- Collections lower by ~₹ 60 Cr in March 2020 ; 35% of the normal collections received in April ; estimating 50-55% collection in May 2020. On corporate loans 25% of collections received in April and same expected in May 2020 also.
- Loan disbursements deferred till the lockdown is lifted.
- **Current resources are being effectively engaged in collections , on sourcing Gold loans for on-book disbursements and on fee basis, learning and other hygiene factors**

Liquidity Position

- Company is comfortable on the liquidity front with ~ ₹ 417.07 Cr as on 25th May 2020, including the temporarily undrawn sanctions apart from recent received sanction of ₹ 50 Cr that is still not drawn
- The Company has not sought moratorium from Lenders ; sought on PTC/DA transactions where repayments are linked to the underlying portfolio. The repayments on these are settled to the extent of the actual collections from the sold portfolio.
- **Company plans to scale up the fixed deposits product through massive campaigns as the permitted levels is ₹ 700 Cr+ v/s the current fixed deposit level of ₹ 45 Cr**

Credit costs

- Estimating an impact of COVID 19 on the portfolio, an additional ₹ 18 Cr provided as ECL Provision towards standard assets; which comes to 94 bps towards own book portfolio.
- The credit costs has increased to 3.5% from the normal 2.5% range with the additional provisions.
- Loan Loss provision for Q4 FY20 was ₹ 22.47 Cr as against ₹ 8.80 Cr in Q4 FY19 and ₹ 15.59 Cr in Q3 FY 20. **Adjusted for the one-time provision of ₹ 18 Cr , loan loss provision for Q4 FY20 was ₹ 4.47 Cr .**

Operational costs control

- While no staff attritions is planned, new recruitments and increments currently on hold till the business bounces back.
- Variable costs linked to the business and collections will get automatically reduced depending on the volume.
- Other operating expenses being renegotiated.
- New products currently on hold till situation improves

Profitability

- The company has provided additional provision of ₹ 26.7 Cr in respect of various contingencies , including COVID 19 provision of ₹ 18 Cr else the reported PAT for FY 19-20 would have been higher by ₹ 20.0 Cr taking the FY 19-20 PAT to ₹ 80.2 Cr against ₹ 86.25 Cr for FY 18-19 (Ind AS revised)

Quarterly Trend

₹. In Crores

Financial Statement Metrics	Q4 FY 20	Q3 FY 20	Q-o-Q	Q4 FY 19	Y-o-Y
Disbursement :					
Hyp Loans	329.9	460.7	-28%	444.0	-26%
Other Loans	17.6	5.1	245%	161.7	-89%
Total Disbursements	347.5	465.8	-25%	605.7	-43%
AUM at the end of the period *	2598.1	2677.7	-3%	2608.2	-0.4%
Average AUM	2616.1	2678.8	-2%	2416.4	8%
Total Interest and Fee Income	146.8	150.9	-3%	137.3	7%
Finance Expenses	56.2	58.0	-3%	48.9	15%
Net Interest Income(NII)	90.7	92.9	-2%	88.4	3%
Operating Expenses**	49.7	51.8	-4%	44.8	11%
Loan Losses & Provisions **	22.5	15.6	44%	8.8	155%
Profit Before Tax	18.5	25.5	-28%	34.8	-47%
Profit After Tax	13.6	19.0	-28%	22.7	-40%
PAT(w/o Contingency Prov) **	33.6	19.0	77%	22.7	48%

Q4 FY 20

Q3 FY 20

Q4 FY 19

Total Opex to NII

54.8%

55.7%

50.7%

Return on Avg. AUM

2.1%

2.8%

3.8%

Earnings per Share

8.0

11.5

13.8

Yearly Trend

₹. In Crores

	FY 20	FY 19	Y-o-Y
	1705.1	1855.2	-8%
	83.0	279.9	-70%
	1788.1	2135.1	-16%
	2598.1	2608.2	-0.4%
	2613.9	2260.6	16%
	586.8	518.6	13%
	227.7	179.2	27%
	359.1	339.4	6%
	194.9	160.2	22%
	70.7	46.3	53%
	93.5	132.9	-30%
	60.2	86.3	-30%
	80.2	86.3	-7%

FY 20

FY 19

54.3%

47.0%

***2.3%

3.8%

36.8

52.4

• Total AUM including off book as on 31st Mar 20 is ₹ 2 650.4 crs (Q-o-Q- 4% down) (Y-o-Y- 3 % down)

** Includes additional provisions during the year towards contingencies that could arise from COVID 19 etc of ₹ 26.66 crs (₹ 18 crs under LLP and ₹ 8.66 crs under Opex.)

*** Adjusted ROA without Contingency Provision will be at 3.07%

STATEMENT OF SOURCES AND APPLICATION OF FUNDS

₹. In Crores

Sources	31-Mar-19	31-Dec-19	31-Mar-20	Application	31-Mar-19	31-Dec-19	31-Mar-20
Share Capital	16.4	16.4	16.4	Fixed Assets	1.9	3.9	3.5
Reserve & Surplus	430.8	477.4	490.9	Investments	72.6	105.6	128.9
Shareholders Funds	447.2	493.8	507.3	Deferred Tax Assets	32.5	24.5	27.1
Bank Debts	1468.7	1544.7	1493.6				
Securitized	510.8	617.0	733.6	Hypothecation Loan	2080.2	2247.6	2185.3
Sub debt / Debentures	63.8	66.7	66.0	Loan Buyout	52.1	39.3	29.7
Public Deposit/ICD	67.7	55.7	47.3	Term Loans	284.1	200.9	172.2
Loan From Directors	10.2	10.2	10.2	Other Loans	29.9	7.2	18.4
Interest Accrued on Loans	4.7	3.5	4.1	Interest Accrued on Loans	30.0	25.3	22.0
Total Borrowings	2125.90	2297.8	2354.8	Total Loans	2476.3	2520.3	2427.7
Trade Payable	21.8	26.4	16.1	Cash & Cash Equivalents	31.8	158.8	286.4
Provisions	4.6	3.4	12.7	Other Financial Assets	17.3	21.6	20.0
Other Financial Liabilities	36.6	28.1	19.7	Other Non Financial Assets	7.6	18.7	19.6
Other Non Financial Liabilities	3.9	3.0	2.6				
Derivative Financial Instruments	0	1.0	0				
Total	2640.0	2853.5	2913.2	Total	2640.0	2853.5	2913.2

Disbursement

Q3 FY 20 : ₹ 465.8 Cr		25%
Q4 FY 20 : ₹ 347.5 Cr		
Q4 FY 19: ₹ 605.7 Cr		43%
Q4 FY 20 : ₹ 347.5 Cr		
FY 19 : ₹ 2135.1 Cr		16%
FY 20 : ₹ 1788.1 Cr		

Borrowing Cost

Q3 FY 20 : 10.3 %		1%
Q4 FY 20 : 10.2 %		
Q4 FY 19 : 10.1%		1%
Q4 FY 20 : 10.2%		
FY 19 : 9.6 %		7%
FY 20 : 10.3%		

PAT

Q3 FY 20 : ₹ 19.0 Cr		28%
Q4 FY 20 : ₹ 13.6 Cr		
Q4 FY 19 : ₹ 22.7 Cr		40%
Q4 FY 20 : ₹ 13.6 Cr		
FY 19 : ₹ 86.3 Cr		30%
FY 20 : ₹ 60.2 Cr		

Gross AUM

Q3 FY 20 : ₹ 2751.4 Cr		4%
Q4 FY 20 : ₹ 2650.4 Cr		
Q4 FY 19 : ₹ 2744.6 Cr		3%
Q4 FY 20 : ₹ 2650.4 Cr		
FY 19 : ₹ 2744.6 Cr		3%
FY 20 : ₹ 2650.4 Cr		

Stage 3-Own book

Q3 FY 20 : ₹ 161.3 Cr		8%
Q4 FY 20 : ₹ 174.1 Cr		
Q4 FY 19 : ₹ 113.8 Cr		53%
Q4 FY 20 : ₹ 174.1 Cr		
FY 19 : ₹ 113.8 Cr		53%
FY 20 : ₹ 174.1 Cr		

ROA

Q3 FY 20 : 2.8%		25%
Q4 FY 20 : 2.1%		
Q4 FY 19 : 3.8%		45%
Q4 FY 20 : 2.1%		
FY 19 : 3.8%		40%
FY 20 : 2.3%		

Revenue

Q3 FY 20 : ₹ 150.7 Cr		3%
Q4 FY 20 : ₹ 146.8 Cr		
Q4 FY 19 : ₹ 137.2 Cr		7%
Q4 FY 20 : ₹ 146.8 Cr		
FY 19 : ₹ 518.5 Cr		13%
FY 20 : ₹ 586.8 Cr		

Loan Losses & Provision

Q3 FY 20 : ₹ 15.6 Cr		44%
Q4 FY 20 : ₹ 22.5 Cr		
Q4 FY 19 : ₹ 8.8 Cr		155%
Q4 FY 20 : ₹ 22.5 Cr		
FY 19 : ₹ 46.3 Cr		53%
FY 20 : ₹ 70.7 Cr		

ROE

Q3 FY 20 : 15.4%		30%
Q4 FY 20 : 10.8%		
Q4 FY 19 : 20.8%		48%
Q4 FY 20 : 10.8%		
FY 19 : 20.5%		38%
FY 20 : 12.6%		

ASSET QUALITY AND PROVISION COVERAGE

₹. In Crores

As Per IGAAP

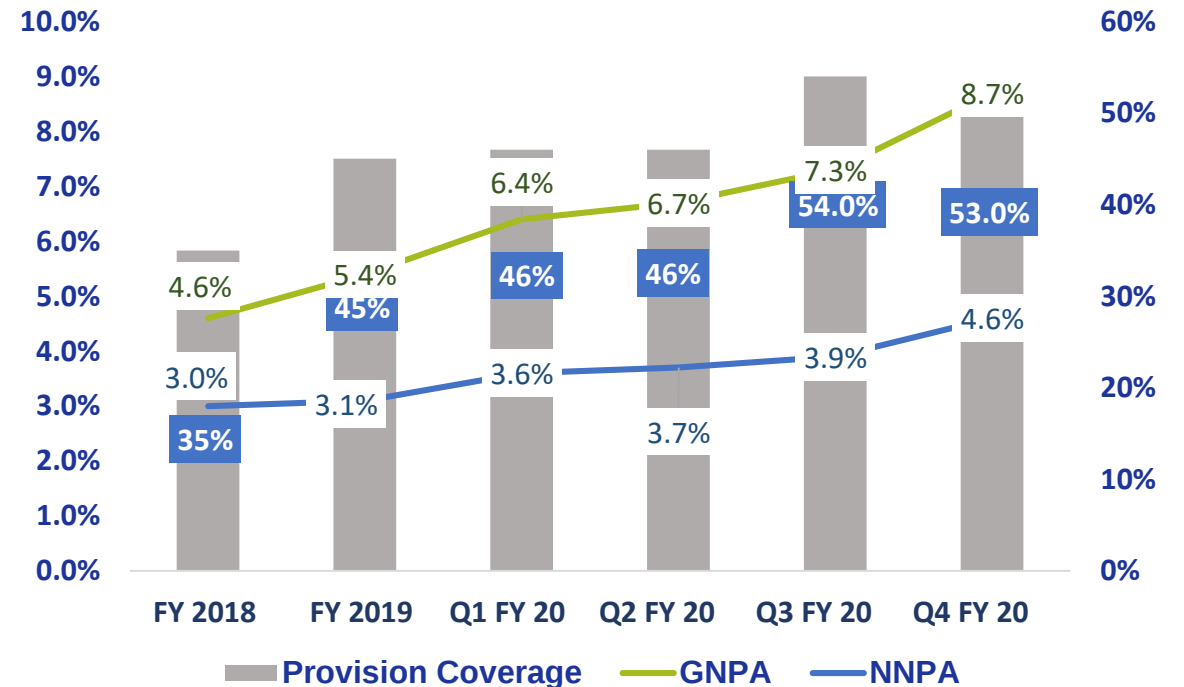
	As on 31.03.2019	As on 31.12.2019	As on 31.03.2020
Own Book Portfolio	2084.2	2105.6	1902.4
GNPA	5.4%	7.3%	8.7%
NNPA	3.1%	3.9%	4.6%
Total Provision	59.1	83.0	87.7
Prov. as % of Loan Book	2.8%	3.9%	4.6%

₹. In Crores

As Per IND AS

	As on 31.03.2019	As on 31.12.2019	As on 31.03.2020
Own Book Portfolio	2608.6	2677.7	2598.1
Stage 3	4.4%	6.0%	6.7%
Stage 3 (Net)	2.6%	3.6%	3.9%
ECL Provision	83.4	108.8	125.8
Prov as % of Loan Book	3.2%	4.1%	4.8%

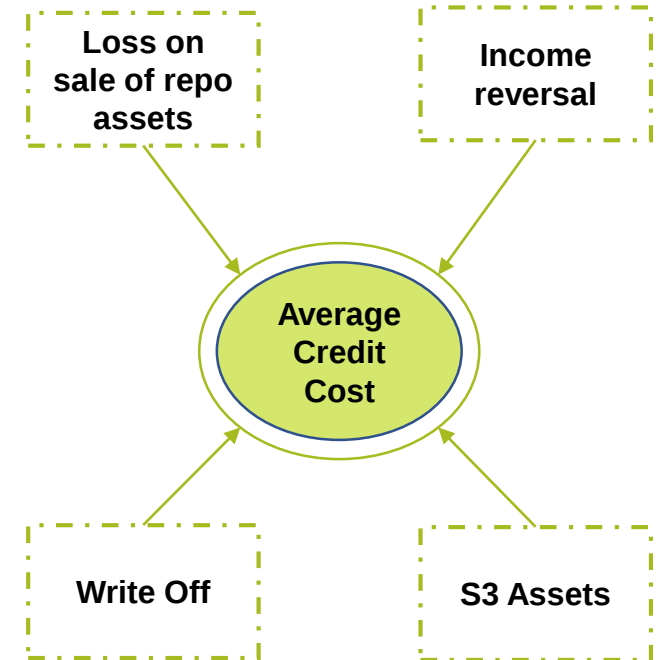
As Per IGAAP



MAIN FACTORS IMPACTING PROFITABILITY – DELINQUENCIES

₹. In Crores

Particulars	FY 19	Q1 FY 20	Q2 FY 20	Q3 FY 20	Q4 FY 20	FY 20
Unrealized Income reversed	3.3	2.5	2.1	1.7	1.7	8.0
Loss on sale + Provision for diminution in value of repo. Assets	20.0	5.7	7.3	9.5	4.4	26.9
S3 write off	7.8	-	-	-	-	-
ECL Provision	18.3	11.2	8.4	4.0	0.9	24.5
Addl ECL Provision			-	2.0	16.0	18.0
Total	49.4	19.4	17.8	17.2	23.1	77.5
Avg AUM*	2260.6	2572.1	2588.4	2678.7	2616.1	2613.9
% of Credit cost on Avg AUM (annualized)*	2.2%	3.0%	2.7%	2.6%	3.5%	3.0%



ECL MATRIX (HYP LOANS) – FY 19 and FY 20

₹. In Crores

	S ₁		S ₂		S ₃
	0 days	1-30 days	31-60 days	61-90 days	>90 days
FY 19					
AUM	1795.2	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%
Q3 FY20					
AUM	1928.72	144.73	81.83	77.23	161.67
EAD	1023.81	89.93	53.70	52.08	161.67
PD	2.52%	15.75%	26.94%	38.08%	79.73%
LGD	51.65%	51.65%	51.65%	51.65%	51.65%
Provision	13.34	7.31	7.47	10.24	68.58
ECL %	0.69%	5.05%	9.13%	13.26%	42.40%
Q4 FY20*					
AUM	1882.32	144.45	79.81	72.30	163.56
EAD ***	590.68	72.90	45.96	45.97	162.60
PD	2.37%	15.85%	28.31%	43.58%	84.53%
LGD	52.10%	52.10%	52.10%	52.10%	52.10%
Provision	**25.43	6.09	6.84	10.50	71.61
ECL %	1.35%	4.21%	8.57%	14.52%	43.78%

*The Company has revised the PD/LGD/EC as on financial year end , based on the portfolio performance of the 4 normal quarters from Dec 18 to Dec 19 .

** Provided ₹ 18crs in S1 category as on 31st March 2020 towards COVID 19 contingencies

*** ECL working on securitized portfolio is based on the Credit enhancement given on the transaction and the credit risk seen in the securitised pool of assets.

EXPECTED CREDIT LOSS (ECL)

As on 31.03.2019

₹. In Crores

Particulars	Outstanding	Provision	ECL%	IGAAP %
Total	2574.22	83.39	3.24%	3.00%
S1 and S2 (Std assets)	2090.82	35.03	1.68%	0.40%
S3 (NPA)	113.84	46.88	41.18%	45.28%
Other Loans	369.56	1.48	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%

As on 31.03.2020

Particulars	Outstanding	Provision	ECL%	IGAAP %
Total	2598.10	125.76	4.84%	4.21%
S1 and S2 (Std assets)	2211.56	48.86	2.21%	0.40%
S3 (NPA)	163.56	71.61	43.78%	51.34%
Other Loans (Std Assets)	212.45	2.10	1.00%	0.40%
Other Loans (S3)	10.53	3.20	30.0%	10.26%

* Additional provision of ₹ 18 Cr provided in S1 and S2 category as on 31st March 20 towards COVID 19 impact

TRANSITION IMPACT

₹. In Crores

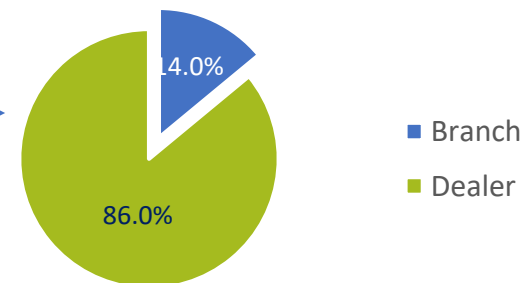
	As on 31.03.2018	2018-19	Q1 FY 2020	Q2FY20	Q3FY20	Q4FY20	2019-20
Reserve/PBT as per IGAAP	377.48	127.25	21.50	21.67	16.88	(2.35)	57.70
Expected Credit Loss addition	(27.24)	2.49	(0.30)	(2.48)	0.36	4.87	2.46
Provision for Direct assignment gain	0.00	(0.49)	(0.24)	0.00	0.00	0	(0.24)
ECL provision	(27.24)	2.98	(0.06)	(2.48)	0.36	4.87	2.69
EIR on financial receivables	(45.62)	(2.89)	(0.95)	0.09	0.86	4.93	4.92
HP management fee impact	(66.49)	(10.38)	(0.55)	(1.09)	1.25	7.70	7.31
Processing fee _ Income	(1.19)	(0.93)	(0.01)	0.27	0.30	0.16	0.73
Insurance		3.90	(0.68)	0.81	(0.03)	0.00	0.34
Transaction cost	22.06	4.51	0.28	0.10	(0.66)	(2.93)	(3.46)
Securitization	9.31	7.85	5.05	3.71	7.58	10.77	27.11
Assignment	11.08	(6.56)	1.94	(1.95)	(1.29)	(0.63)	(1.93)
Direct assignment income- service asset	11.08	(7.53)	2.16	(2.52)	(1.68)	(0.89)	(2.93)
Direct assignment expense _collection cost	0.00	0.97	(0.22)	0.57	0.39	0.26	1.00
EIR on Borrowings	1.76	4.40	(0.35)	1.48	1.15	1.13	3.42
Processing Fees Bank	1.41	2.74	(0.33)	1.61	(0.12)	(0.66)	0.51
Securitisatation Expense	0.36	1.66	(0.02)	(0.13)	1.27	1.79	2.91
Fair value changes on investments	(0.00)	0.37	0.01	0.00	0.00	(0.21)	(0.21)
Reserve/Profit before tax as per IND AS	326.78	132.89	26.89	22.53	25.54	18.51	93.46
Deferred Tax/(Liability)	17.72	-					
Reserve/Profit before tax as per IND AS	344.49	132.89	26.89	22.53	25.54	18.51	93.46

ZONEWISE DISBURSEMENT (HYP LOANS) Y-o-Y

₹. In Crores

Zone	BRANCH				DEALER				TOTAL					Overall Share	
	FY 20		FY 19		FY 20		FY 19		FY 20		FY 19			FY 20	FY 19
	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Growth%		
South	34 071	199.1	40 744	233.3	1 46 202	940.7	1 83 051	1070.0	1 80 273	1139.7	2 23 795	1303.3	-13%	67%	70%
West	5 008	26.2	5 731	27.7	17 890	107.0	23 612	127.6	22 898	133.3	29 343	155.3	-14%	8%	8%
North	1 521	8.2	2 267	11.3	37 886	208.5	44 417	228.0	39 407	216.7	46 684	239.3	-9%	13%	13%
East	1 378	7.7	923	4.8	35 854	207.7	28 556	152.5	37 232	215.5	29 479	157.3	37%	12%	8%
Overall	41 978	241.2	49 665	277.1	2 37 832	1463.9	2 79 636	1578.1	2 79 810	1705.1	3 29 301	1855.2	-8%	100%	100%

Share of Branch and Dealer of zone-wise
disbursement

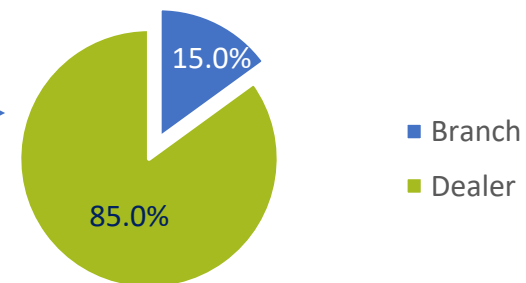


ZONEWISE DISBURSEMENT (HYP LOANS) – Y- o -Y

₹. In Crores

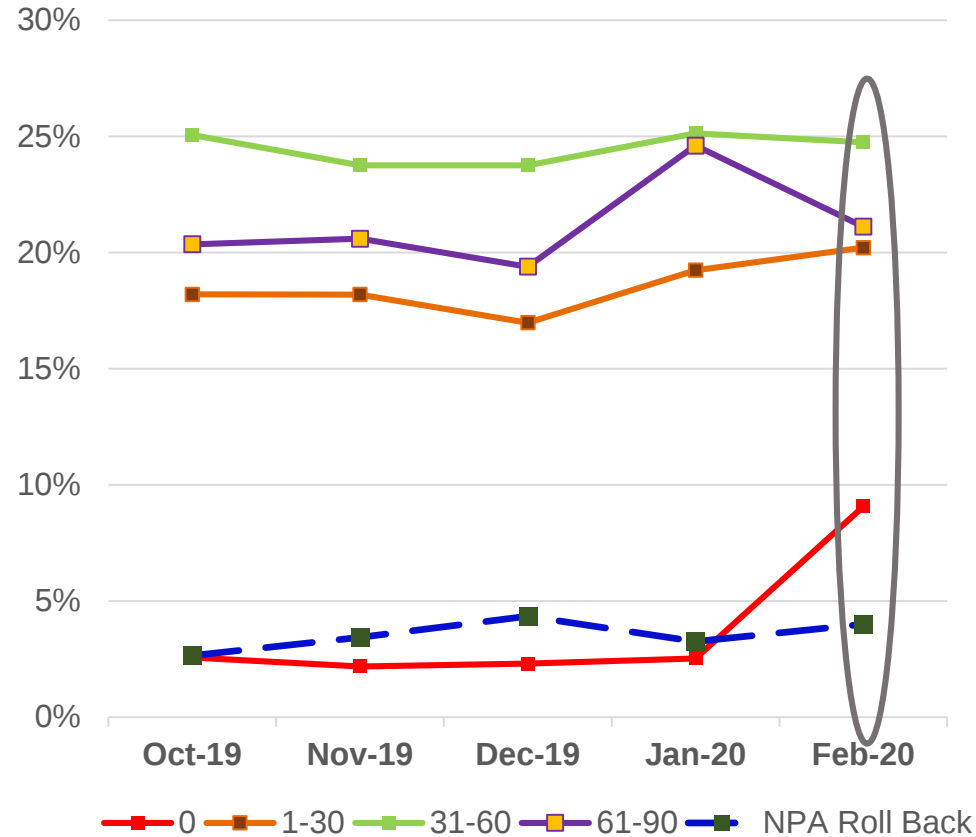
Zone	BRANCH				DEALER				TOTAL					Overall Share	
	Q4 FY '20		Q4 FY '19		Q4 FY '20		Q4 FY '19		Q4 FY '20		Q4 FY '19			Q4 FY '20	Q4 FY '19
	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Growth%		
South	7 034	40.5	9 244	54.1	27 472	177.4	41 031	251.1	34 506	217.9	50 275	305.2	-29%	66%	69%
West	921	4.9	1 085	5.6	2 823	16.7	4 638	26.7	3 744	21.6	5 723	32.2	-33%	7%	7%
North	266	1.4	505	2.7	7 292	40.3	9 631	52.4	7 558	41.7	10 136	55.1	-24%	13%	12%
East	333	1.9	371	2.0	7 802	46.7	8 841	49.4	8 135	48.6	9 212	51.4	-5%	15%	12%
Overall	8 554	48.7	11 205	64.4	45 389	281.1	64 141	379.6	53 943	329.9	75 346	444.0	-26%	100%	100%

Share of Branch and Dealer of zone-wise
disbursement



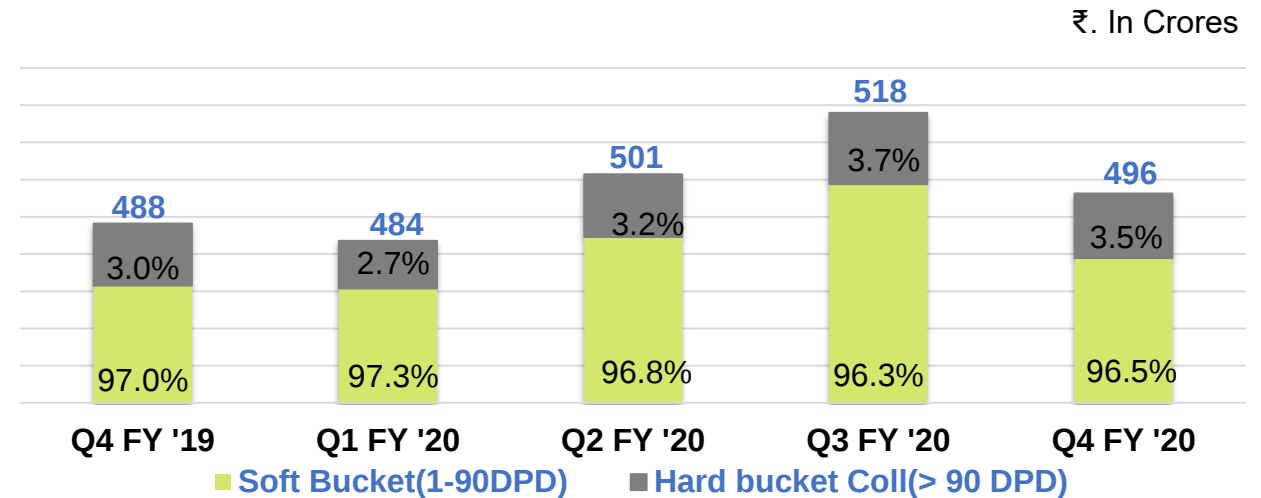
COLLECTION PERFORMANCE MONITORING (HYP)

Bucket-wise Flow



Bucket Flow – DPD as on Feb 20

Collection Performance



	Q4 FY 19	Q1 FY 20	Q2 FY 20	Q3 FY 20	Q4 FY 20
Soft Bucket (1-90)	471	471	485	499	479
Hard Bucket (>90)	17	13	16	19	17
Total	488	484	501	518	496

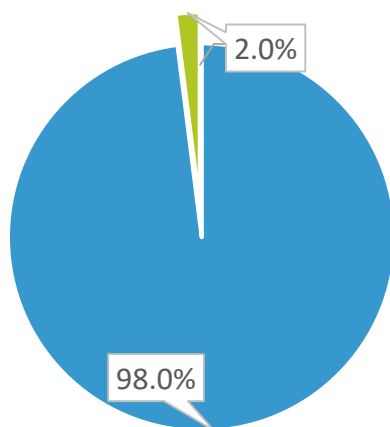
NPA MOVEMENT – HYP LOAN – Q4 FY 2020

₹. In Crores

Particulars	HP Nos	Balance stock	Provision	Unrealised Income
Balance as on 31.12.2019	81 602	161.7	66.6	20.9
Add: Addition during Jan 20 to Mar 20	10 057	21.1	9.3	1.6
Provision increased due to non payment of NPA a/cs for the period Sept to Dec 2019		-	3.7	1.6
Add: Vehicles repossessed assets sold during the quarter	320	1.8	-	-
	91 979	184.5	79.6	24.1
Less: Moved out from NPA	9 395	10.7	4.5	0.7
Less: Repossessed vehicle sold during Jan 20 to Mar 20	1 531	6.0	2.5	0.8
Less: Vehicles repossessed assets sold during the quarter	320	1.8	-	-
Less: Amount collected during Jan 20 to Mar 20		2.5	1.0	0.2
Balance as on 31.03.2020	80 733	163.6	71.6	22.4

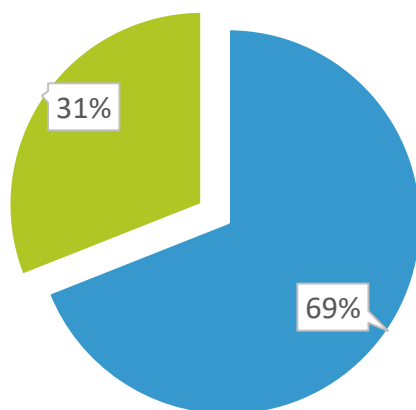
Overall Provision as on 31 st Mar 2020	Provision
As per IGAAP based on RBI guidelines	85.8
As per IND AS	120.5

HYP PORTFOLIO SPLIT AS ON MARCH 31ST 2020



As per IND AS

■ On Book
■ Off Book



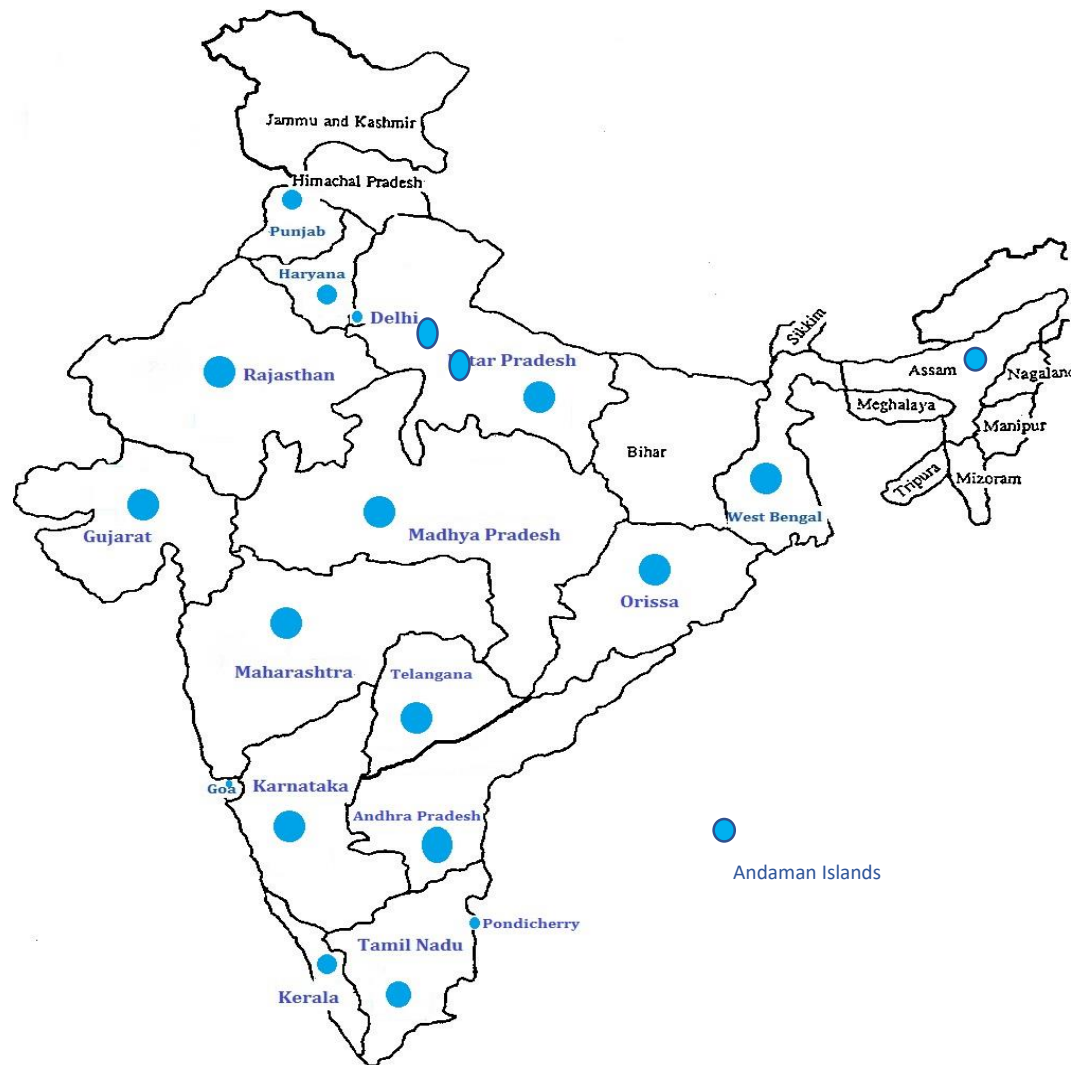
As Per IGAAP

■ On Book
■ Off Book

₹. In Crores

Transaction Type	No of Transactions	Amount	
PTC	14	686.5	
Direct Assignment	9	52.3	
		Ind AS	IGAAP
Off Book		52.3	738.9
On Book		2 342.5	1 655.9
Total Portfolio		2 394.8	2 394.8

MCSL GEOGRAPHIC OVERVIEW – HYP


MAR 31st 2020

₹. In Crores

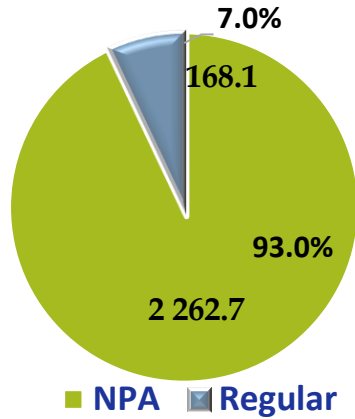
Zone	Active Clients	Regular	S3	Total	Zone wise AUM %	% of S3
South India	5 00 539	1 567.9	103.6	1671.5	69.8%	6.2%
Western India	58 202	160.9	29.0	189.9	7.9%	15.3%
North India	90 236	258.5	28.6	287.1	12.0%	10.0%
East India	66 639	239.4	6.9	246.3	10.3%	2.8%
Overall *	7 15 616	2 226.7	168.1	2 394.8	100.0%	7.0%

*Includes securitized/ assigned portfolio

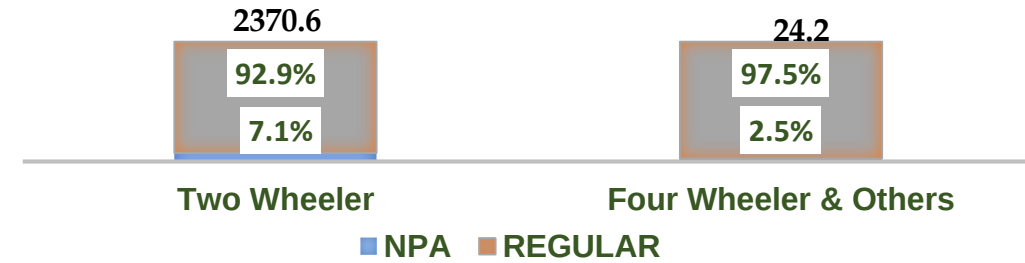
PORTFOLIO ANALYSIS - HYP

₹. In Crores

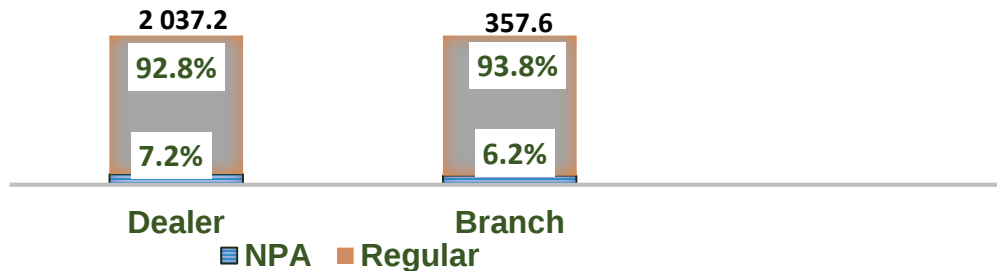
Portfolio Analysis



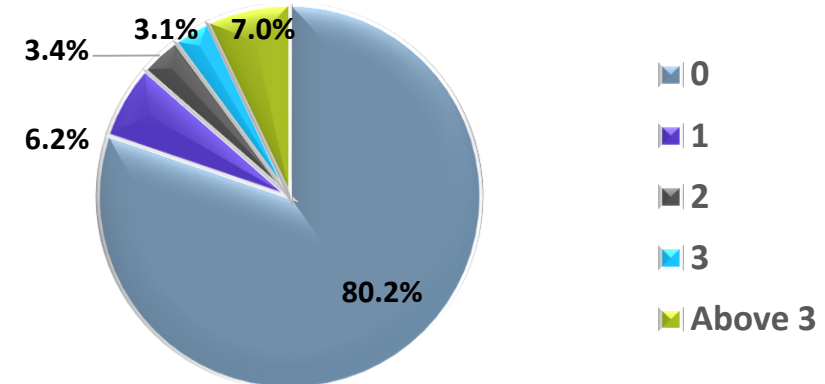
Segment – wise Analysis



Source - wise Analysis



Bucket – wise Analysis



SOURCES OF BORROWING

₹ 185 Cr

**Additional bank sanctions
during the year**

Total sanctions as on 31 Mar 2020 amounting to ₹ 1980Cr. 32 relationships

₹ 910 Cr

**Securitization/ DA done in
FY 2019-20 (net of MRR)**

- Mobilized ₹2536.3 Cr to date through 30 transactions
- ₹738.9 Cr outstanding as on 31 Mar 2020.

₹ 23.1Cr

**Collections of Sub-debt
and Public Deposit**

- Public Deposits collected ₹ 23.1Cr., of which ₹12.4 Cr. Is renewal Q4 FY 20: ₹ 3.6 Cr collected of which ₹1 Cr is renewal

**Bank funding - 64% of total borrowing as
on 31 Mar 2020**

₹ 406 Cr

**Raised in Q4 FY20 through
4 main investors/lenders**

- From HDFC mutual fund, ICICI Bank, Punjab National bank & United Bank

10.2%

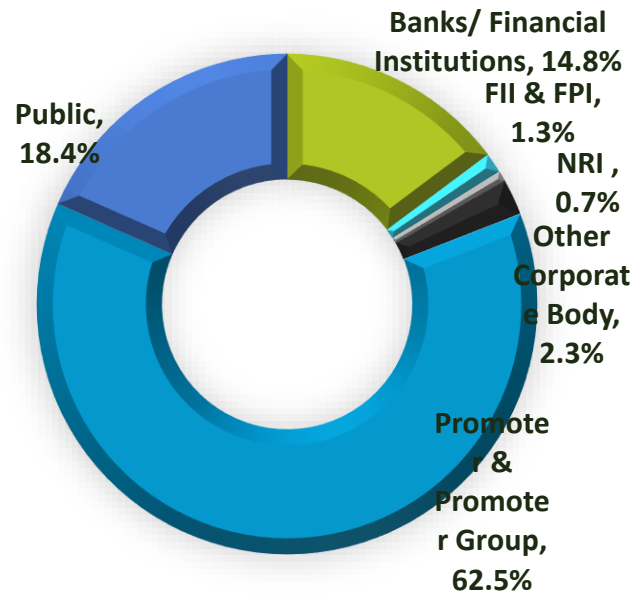
**Cost of borrowing for Q4
FY 2019-20**

Quarter on Quarter decrease in cost of borrowing – Overall cost of borrowing for FY 2019-20 – 10.3%

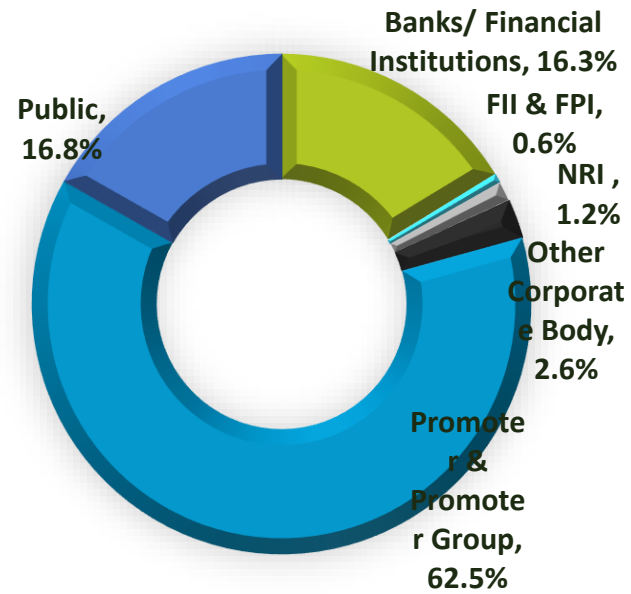
**Securitization/ DA sanctions
received in Q4 FY 20 ₹330.8 Cr**

SHAREHOLDING PATTERN

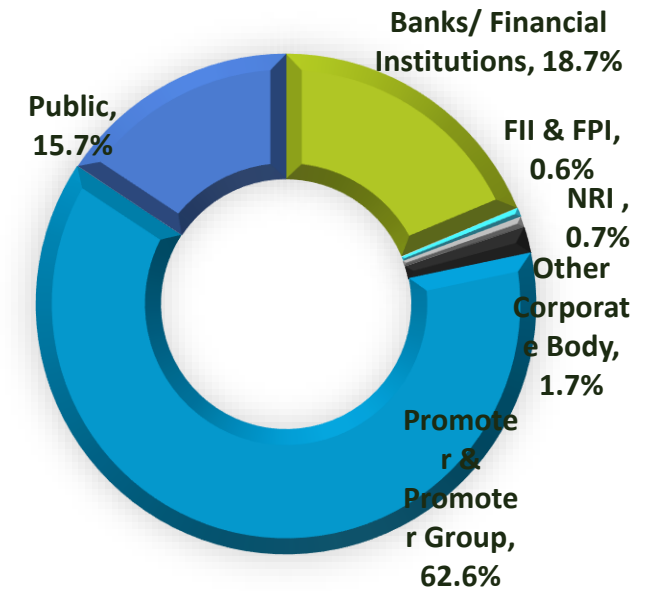
31 Mar 2018



31 Mar 2019



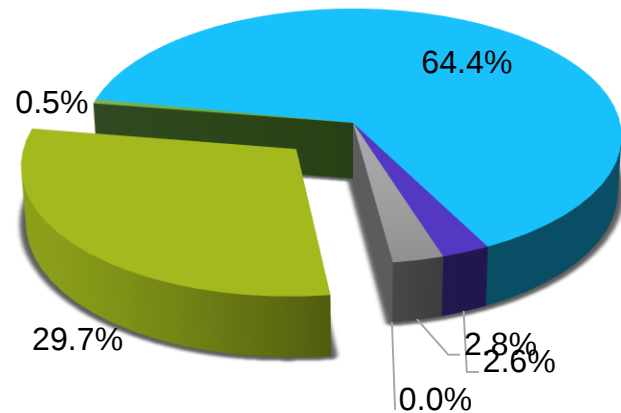
31 Mar 2020



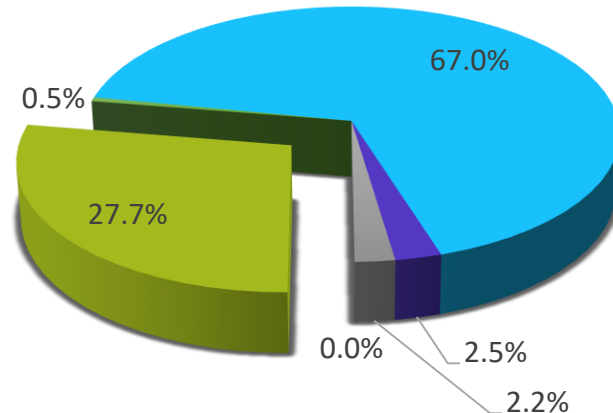
BORROWING PROFILE – by Instrument

₹. In Crores

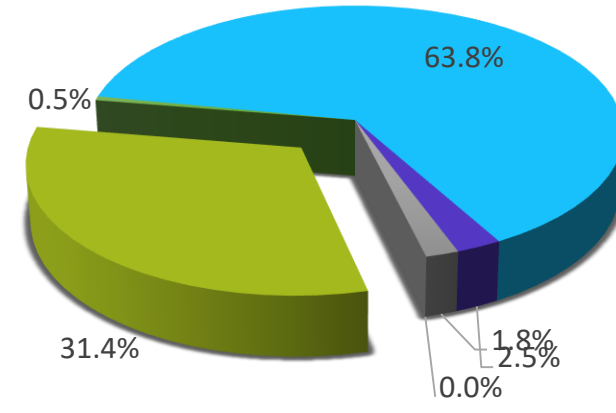
Particulars	Q4 FY '19		Q3 FY '20		Q4 FY '20	
	Amount	Cost*	Amount	Cost*	Amount	Cost*
Bank Loan	1425.9	10.20%	1551.0	10.20%	1501.2	10.15%
Sub debt	58.7	11.90%	58.8	11.50%	58.8	11.51%
Public Deposit	61.6	8.60%	50.7	8.20%	42.6	8.26%
Commercial Paper						
Securitization	656.8	9.70%	640.9	10.50%	738.9	10.21%
Others	11.9	13.40%	11.9	11.50%	11.9	11.44%
Total	2214.8	10.10%	2313.3	10.30%	2353.4	10.17%



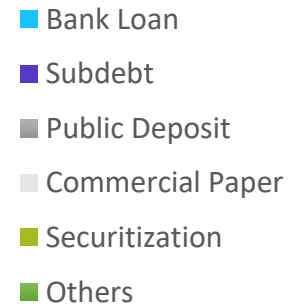
Q4 FY '19



Q3 FY '20



Q4 FY '20

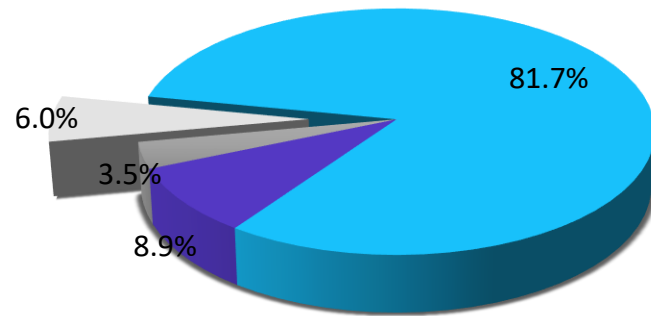


* Cost is interest cost only and doesnot include processing fee, brokerage etc.

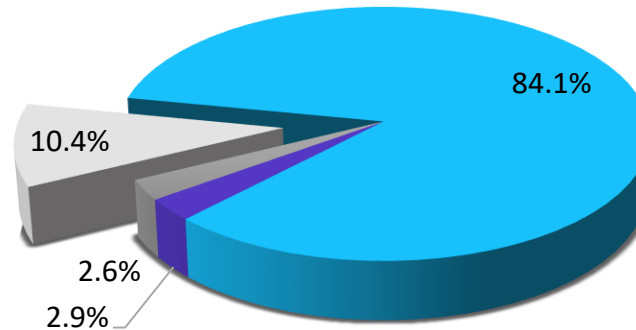
BORROWING PROFILE – by Investor Profile

₹. In Crores

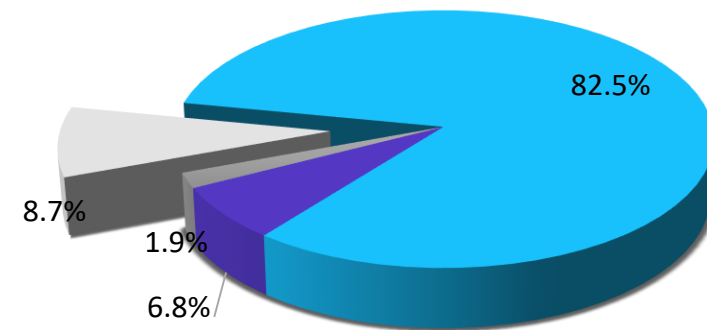
Particulars	Q4 FY '19		Q3 FY '20		Q4 FY '20	
	Amount	Cost	Amount	Cost	Amount	Cost
Banks	1809.4	10.0%	1946.2	10.2%	1941.9	10.3%
Mutual Funds	196.5	11.1%	66.3	11.3%	160.9	10.3%
NBFCs	76.8	10.2%	60.7	10.6%	45.7	10.5%
Others	132.0	10.5%	240.2	10.3%	204.9	9.9%
Total	2214.8	10.1%	2313.3	10.3%	2353.4	10.2%



Q4 FY '19



Q3 FY '20



Q4 FY '20

■ BANK
■ Mutual Fund
■ NBFC
■ Others

Disbursement & Collection

- The –ve growth in the sector, down trend in economy and then COVID 19 impacted MCSL ; Q4 shows the y-o-y volumes lower by 28%, and FY20 lower by 15 % v/s the same period last year; Disbursements down 26% and 8% respectively due to higher ticket size and LTV
- Industry saw a decline of 25 % in Q4 FY 20 V/s Q4 FY19(18 % decline - FY20 V/s FY19), FY 20 Non-South disb. share was 33 %; South concentration reducing. Augurs well for long term.
- Overall collections was growing but Q4 saw a drop basis negligible collection in the last 10 days of FY 20, with collection teams unable to go to the customers (COVID 19)

NPA

- Company following 3M norm FY 18 has now moved to ECL model for provisioning;
- NPA seen steady in Q4 and could have been much lower but for lack of collections in the last 10 days. Trends on 60-90 buckets and NPA roll back till Feb 20 indicates the same.
- Teams beefed up in West, North and East to ensure better collection; South has started improving.
- Qtr. end NPA (net of DA) ₹ 174.1 Cr (6.7 %) v/s ₹ 161.3 Cr (6.0%) at the beginning of the qtr ; PCR was @ 52% under IGAAP on NPA; Under IND AS overall provision is @ 4.8 % 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 Q4 FY 20 got fresh sanctions of ₹ 406 Cr; PTC/PCG/Term Loan from Bank, but one new relationship (United Bank of India).
- Confidence that the lenders / investors have in the Company is high; seen through the traction on the fresh proposals that are being discussed
- Government/RBI initiatives will help get sanctions faster.

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 Q4 FY20 went down to 10.17% and is steadily dropping

**Securitization/
DA**

- 3 Securitization valuing ₹ 330.8 Cr (net of MRR) done during Q4 FY20, 30 transactions so far, 7 closed. Total amount collected ₹ 2 536.3 Cr . Current quarter did one PTC transaction with HDFC Mutual fund of ₹ 156 Cr with a AAA rating.
- 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 PCG scheme for pool buyouts would help substantially. Helps in overall cost and getting funds when other means dry up.

**Geographical
expansion**

- Reduced rollout once the pandemic spread was being witnessed.
- 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 FY 21, once situation improves

**Staff attrition &
Cost Control**

- Monthly staff attrition at 2.84 % in Q4 FY '20 v/s 3.54 % in Q3 FY 20 –
- Dealer incentives stable, @ 1.30 % for Q4 FY 20; Demand for higher pay-out, on the back of low sales at dealer points and also negatively impacted by COVID 19; therefore the cost could see a rise going forward
- Collections costs constantly rising with an aim to ensure that NPAs do not rise. Was at 4.2 % in Q4 FY20. Q4 was lower on account of lower collection

**Repayment
Mode**

- Post demonetization 100% repayment for new customers through NACH and significant collections through NACH – Q4 FY 20 collections were about 53 % of the total collections, rising M-O-M. Will help bring down costs and delinquencies over a period of time; significantly helped in lockdown times
- Collection through the mobile app/PAYTM increasing rapidly; Increased collection through other means will help reduce costs over time; between Jan 20 to May 20 the rise is 326%.

**Overall
Profitability**

- Q4 FY20 PAT of ₹ 13.6 Cr v/s ₹ 22.7 Cr Q4 FY19 ; lower on account of overall lower volumes and higher provisioning on account of higher NPA, contingency provision towards COVID 19 and other issues of ₹ 26.7 Cr;
- Hopeful of improvement in the ground situation going forward with festive seasons now coming up and overall sentiments set to improve.

Way Forward

- The last 18 months or so has brought up several issues both natural and man-made. The Company has survived all these and have kept adequate buffer to ensure that it can meet all challenges. The COVID 19 is seen as an opportunity to relook at all processes and take corrective action and make the organization operationally nimble to move faster; the emphasis on online/ mobile app collections will bring down operational costs, renegotiations on costs will improve the OPEX/Nil ratio and once the normalcy return hoping to continue on the growth curve upwards.

THANK YOU