

Board Presentation dated 18th October 2018

Quarter ended 30th September 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
₹90 Cr.

New Customers –
84,293

AUM – ₹ 2515 Cr;
Disb – ₹ 541.8 Cr

No of States / UT
currently operating in
– 18

SNAPSHOT

Quarter ended 30 September 2018

Live Customers –
650,290

Own book
GNPA – ₹118.1 Cr.
NNPA – ₹71.2 Cr.

Securitization in 2W
done in Q2 FY19-
₹90 Cr.

CRAR – 21.4%;
D/E ratio: 3.6

Financial Statement Metrics	Quarterly Trend					Half Yearly Trend ₹. In Crores		
	Q2 FY 19	Q1 FY 19	Q-o-Q	Q2 FY 18	Y-o-Y	H1 FY 19	H1 FY 18	Y-o-Y
Disbursement :								
Hyp Loans	469.7	448.4	5%	449.9	4%	918.1	790.5	16%
Other Loans	72.1	37.1	94%	27.3	164%	109.2	58.5	87%
Total Disbursements	541.8	485.5	12%	477.2	14%	1027.3	849.0	21%
AUM at the end of the period*	2092.5	1912.6	9%	1426.4	47%	2092.5	1426.4	47%
Average AUM **	1982.0	1959.4	1%	1360.2	46%	1970.8	1307.8	51%
Total Interest and Fee Income	132.1	124.2	6%	94.6	40%	256.3	174.1	47%
Finance Expenses	38.4	37.3	3%	30.3	27%	75.7	58.4	30%
Net Interest Income(NII)	93.7	86.9	8%	64.4	46%	180.6	115.7	56%
Operating Expenses	48.7	43.3	12%	41.7	17%	92.1	74.5	24%
Loan Losses & Provisions	***13.8	***11.8	17%	6.8	104%	***25.6	15.9	61%
Profit Before Tax	31.2	31.8	-2%	15.9	97%	62.9	25.3	149%
Profit After Tax	20.1	20.6	-3%	10.4	94%	40.7	16.5	147%
	Q2 FY 19	Q1 FY 19		Q2 FY 18		H1 FY 19	H1FY 18	
Total Opex to NII	52.0%	49.9%		64.8%		51.0%	64.4%	
Loan Loss Prov. To Avg AUM	****2.8%	2.4%		2.0%		2.6%	2.4%	
Return on Avg. AUM	4.1%	4.2%		3.0%		4.1%	2.5%	
Earnings per Share	12.2	12.5		7.6		24.8	12.0	

* Total AUM including managed portfolio of ₹ 422.7 crores - ₹ 2 515.0 crs (Q-o-Q-6 % up) (Y-o-Y- 44% up)

** Avg AUM including managed Portfolio for Qtr is ₹ 2 396.4 crores (Q-o-Q- 6% up) (Y-o-Y 21% up).

*** includes additional provision made ₹ 3.5 crores in Q1 FY 19, ₹ 3.8 crores in Q2 FY 19 which resulted in increased PCR of 39.7% against 38.2% in Q1 FY 19

**** Loan loss prov to avg AUM excluding additional Prov is 2.0% for Q2 FY 19

STATEMENT OF SOURCES AND APPLICATION OF FUNDS

₹. In Crores

Sources	As At			Applications	As At		
	30-Sep-17	30-Jun-18	30-Sep-18		30-Sep-17	30-Jun-18	30-Sep-18
Share Capital	13.7	16.4	16.4	Fixed assets	2.8	2.3	2.2
Reserves & Surplus	180.7	398.1	418.2	Investments*	32.8	82.9	43.1
Bank Borrowings	1005.1	1277.5	1379.4	Deferred Tax Assets	9.1	13.4	15.8
Debentures	0.6	0.1	0.1	Other Long term Loans & adv.	0.4	1.1	1.1
Sub Debt	57.4	60.7	60.7				
Public Deposit	93.1	75.1	68.2	Hypothecation Loan **	1227.4	1615.7	1771.1
Commercial Paper	0.0	48.1	49.1	Loan Buyout	2.0	0.4	7.9
Loan from Directors	17.4	5.8	5.8	Term Loans	170.9	252.0	265.1
Inter corporate loan	1.6	1.5	1.6	Other Loans	4.4	16.9	15.7
Interest. Accrued on Loans	13.8	13.6	15.7	Interest Accrued on Loans	21.7	27.6	32.7
Total Borrowings	1189.0	1482.3	1580.6	Total Loans	1426.4	1912.6	2092.5
Securitization Dues Payable	40.9	41.7	55.6	Cash and Cash Equivalents	1.8	6.2	6.1
Trade Payable	20.3	20.4	24.6	Short Term Loans and Adv.	3.8	5.5	2.9
Other Liabilities	37.7	41.1	34.5	Other Assets	33.8	29.4	25.1
Provisions	28.4	53.3	58.9				
Total	1510.7	2053.4	2188.8	Total	1510.7	2053.4	2188.8



* Includes Cash Collateral Deposit -₹ 20.3 Crs, SLR Deposit-₹ 4.3 Crs SLR Investments- ₹ 14.2 Crores & Others - ₹ 4.3 Crores as on 30.09.18

** Hyp Loan is Net of Off Book AUM (September 17: ₹ 322.2 crs, June 18 ₹ 453.7.0 crs, September 18 : ₹ 422.7 crs)



Disbursement

Q1 FY 19 : ₹ 485.5 Cr		12%
Q2 FY 19 : ₹ 541.8 Cr		
Q2 FY 18 : ₹ 477.2 Cr		14%
Q2 FY 19 : ₹ 541.8 Cr		



Gross AUM

Q1 FY 19 : ₹ 2367 Cr		6%
Q2 FY 19 : ₹ 2515 Cr		
Q2 FY 18 : ₹ 1749 Cr		44%
Q2 FY 19 : ₹ 2515 Cr		



Revenue

Q1 FY 19 : ₹ 124.2 Cr		6%
Q2 FY 19 : ₹ 132.1 Cr		
Q2 FY 18 : ₹ 94.6 Cr		40%
Q2 FY 19 : ₹ 132.1 Cr		



Borrowing Cost

Q1 FY 19 : 9.3%		1%
Q2 FY 19 : 9.4%		
Q2 FY 18 : 10.0%		6%
Q2 FY 19 : 9.4%		

Opex to NII



Q1 FY 19 : 49.9%		4%
Q2 FY 19 : 52.0%		
Q2 FY 18 : 64.8%		20%
Q2 FY 19 : 52.0 %		

Loan Losses & Provision



Q1 FY 19 : ₹ 11.8 Cr		17%
Q2 FY 19 : ₹ 13.8 Cr		
Q2 FY 18 : ₹ 6.8 Cr		103%
Q2 FY 19 : ₹ 13.8 Cr		

(Additional Provision:
Q1 FY 19- ₹3.5 crores,
Q2 FY 19- ₹ 3.8 Crores)



NPA

Q1 FY 19 : ₹ 101.9 Cr		16%
Q2 FY 19 : ₹ 118.1 Cr		
Q2 FY 18 : ₹ 94.3Cr		25%
Q2 FY 19 : ₹ 118.1 Cr		

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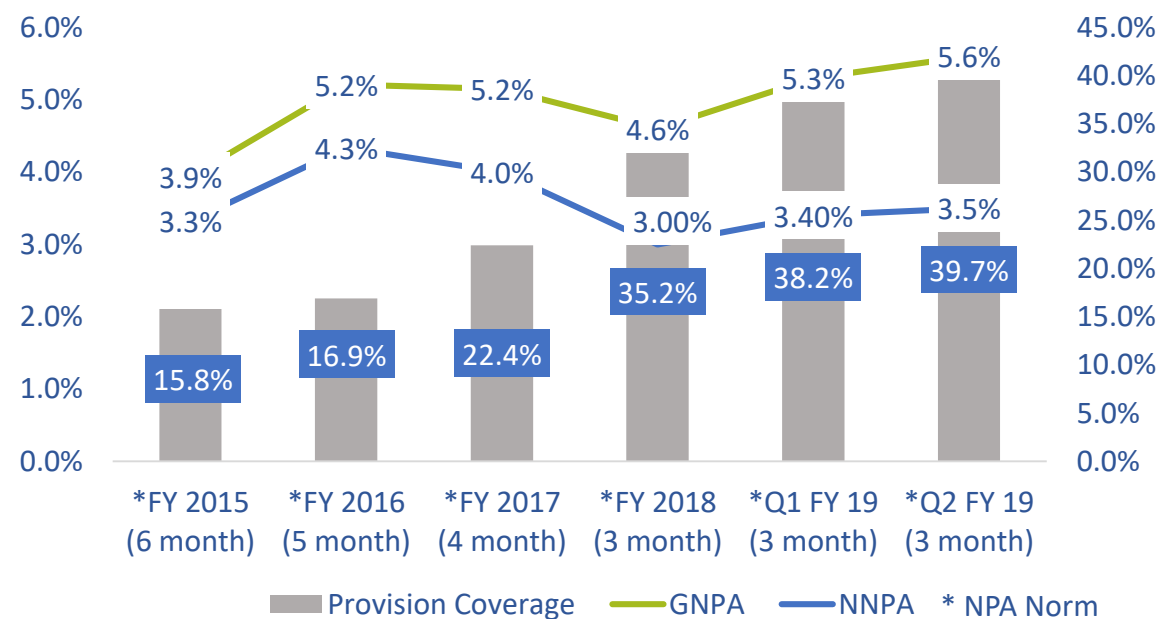
Q1 FY 19 : ₹ 20.6 Cr		3%
Q2 FY 19 : ₹ 20.1Cr		
Q2 FY 18 : ₹ 10.4 Cr		94%
Q2 FY 19 : ₹ 20.1 Cr		

ROA

Q1 FY 19 : 4.2%		2%
Q2 FY 19 : 4.1%		
Q2 FY 18 : 3.0%		37%
Q2 FY 19 : 4.1%		

ASSET QUALITY AND PROVISION COVERAGE

	₹. In Crores		
	As on 30.09.2017	As on 30.06.2018	As on 30.09.2018
Own Book Portfolio	1426.4	1912.6	2092.5
GNPA	6.6%	5.3%	5.6%
NNPA	5.0%	3.4%	3.5%
Provision	24.1	38.9*	*46.8
Coverage Ratio	25.6%	38.2%	39.7%



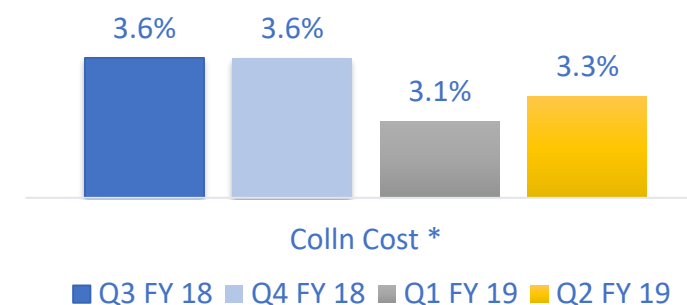
* Includes additional provision of ₹ 7.5 crores as on 30.06.2018 & ₹ 11.3 crores as on 30.09.2018. Additional provision made during the quarter is ₹3.8 crores

OTHER EXPENSES - SPLIT

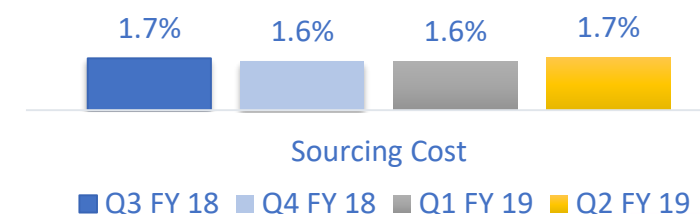
₹. In Crores

	Q2 FY 19	Q1 FY 19	Q-o-Q	Q2 FY 18	Y-o-Y
Collection Charges:	13.8	11.8	17%	12.4	11%
Collection Charges-MFL	1.3	1.3	0%	1.3	-3%
Collection Charges-MMM	0.0	0.0	-32%	0.0	-64%
Collection Agency Payout	11.6	9.5	21%	10.8	7%
ECS/ NACH/E-auction	0.6	0.6	1%	0.3	113%
Tele calling	0.1	0.2	-29%		100%
Collection Agents	0.2	0.2	0%		100%
Business Sourcing Incentive:	8.0	7.0	14%	8.3	-3%
Dealer Incentive	5.7	4.6	25%	5.5	3%
Business Sourcing Incentive- MML	0.0	0.0	-100%	0.0	-100%
Business Sourcing Incentive – MFL	1.5	1.6	-6%	1.7	-12%
Business sourcing expense- Marketing	0.8	0.8	-7%	1.1	-21%
Investigation and Professional Charges	1.1	1.0	13%	1.8	-39%
FI Charges – Autoloan	0.3	0.2	47%	0.3	35%
Professional Charges	0.6	0.6	0%	0.8	-24%
Legal Charges	0.2	0.2	19%	0.7	-80%
Rent	1.0	1.0	1%	0.9	6%
Back Office Processing	0.6	0.6	6%	0.4	83%
Other Expenses	5.0	4.0	24%	2.3	119%
	29.5	25.4	16%	26.1	13%

Collection Cost as % of Collection



Sourcing Cost as % of Disbursement



* Considering Incentive to Collection staff (Q3 FY 18: ₹ 0.6 Crores, Q4 FY 18: 0.7 Crores, Q1 FY 19: 0.5 Crores, Q2 FY 19: 0.6 crores) but excluding collection staff salary

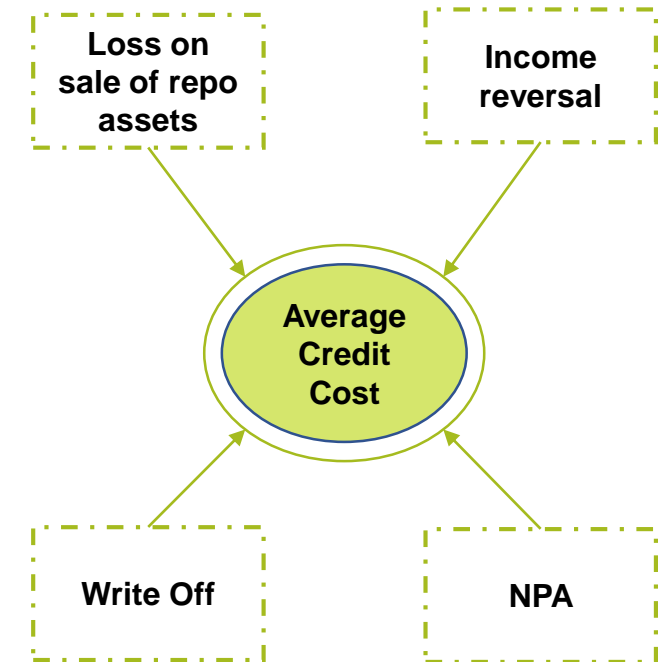
MAIN FACTORS IMPACTING PROFITABILITY - DELINQUENCIES

₹. In Crores




Particulars	For FY 17	For FY 18	Q2 FY 18	Q3 FY 18	Q4 FY 18	Q1 FY 19	Q2 FY 19
Unrealized Income reversed	2.3	1.7	0.1	0.0	-0.4	1.5	1.6
Loss on sale + Provision for diminution in value of repo. assets	11.9	14.2	4.4	3.4	3.8	3.8	5.2
NPA write off	1.8	1.6	0	0	1.6	0	0
NPA Provision	7.6	10.3	1.9	2.6	0.2	4.4	4.7
Addl NPA Provision		4.0			4.0	3.5	3.8
Total	23.6	31.8	6.4	5.9	9.3	13.2	15.3
Avg AUM*	1046.0	1479.6	1360.2	1579.7	1743.6	1959.4	1982.0
% of Credit cost on Avg AUM (annualized)	2.2%	**2.1%	1.9%	1.5%	**2.1%	**2.7%	**3.1%

*Average AUM is excluding managed portfolio;

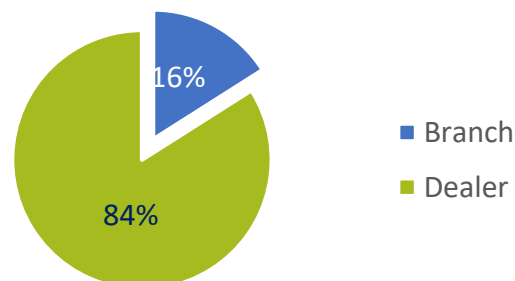
** Credit Cost Excl Additional Prov: FY 18 -1.9%, Q4 FY 18 -1.2%, Q1 FY 19 – 2.0% , Q2 FY 19- 2.3%



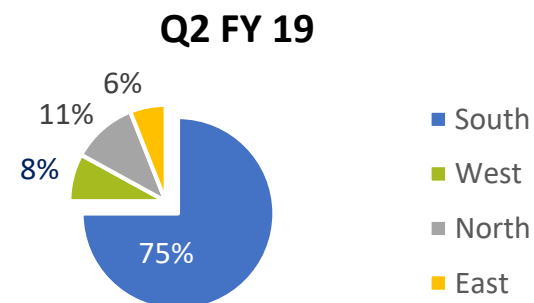
ZONEWISE DISBURSEMENT (HYP LOANS) – Q- o -Q

Zone	BRANCH  8%				DEALER  7%				TOTAL  4%				Growth %	Overall Share	
	Q2 FY ' 19		Q2 FY '18		Q2 FY ' 19		Q2 FY '18		Q2 FY ' 19		Q2 FY '18			Q2 FY '19	Q2 FY '18
	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value			
South	11 205	64.5	13 609	73.8	49 708	288.7	57 897	307.5	60 913	353.1	71 506	381.3	-7%	75%	84%
West	1 641	7.7	1 347	5.9	5 740	29.8	3 494	16.0	7 381	37.5	4 841	21.9	71%	8%	5%
North	665	3.2	569	2.5	10 155	49.5	7 252	32.1	10 820	52.7	7 821	34.6	52%	11%	8%
East	155	0.8	106	0.5	5 024	25.5	2 480	11.5	5 179	26.3	2 586	12.0	118%	6%	3%
Overall	13 666	76.2	15 631	82.7	70 627	393.5	71 123	367.2	84 293	469.7	86 754	449.9	4%	100%	100%

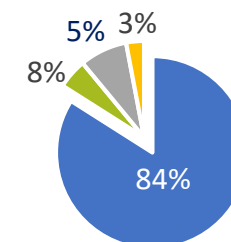
Share of Branch and Dealer of zone-wise disbursement



Overall Share – Q2 FY 19 Vs Q2 FY 18






Q2 FY 18

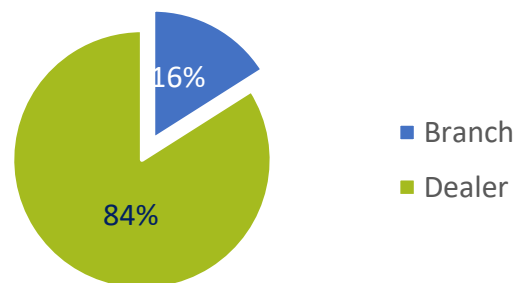


ZONEWISE DISBURSEMENT (HYP LOANS) – Y-o-Y

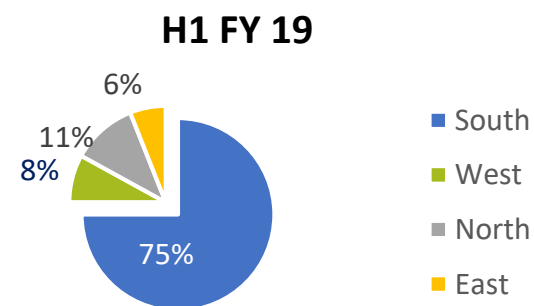
₹. In Crores

Zone	BRANCH  9%				DEALER  18%				TOTAL  16%				Growth %	Overall Share	
	H1 FY '19		H1 FY '18		H1 FY '19		H1 FY '18		H1 FY '19		H1 FY '18			H1 FY '19	H1 FY '18
	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value			
South	22 935	128.7	22 647	123.6	98 813	556.8	1 02 496	536.4	1 21 748	685.5	1 25 143	660.0	4%	75%	84%
West	3 098	14.3	2 305	10.2	11 302	57.5	6 788	31.0	14 400	71.8	9 093	41.2	74%	8%	5%
North	1 338	6.3	870	3.8	20 792	99.7	13 992	61.8	22 130	106.1	14 862	65.6	62%	11%	8%
East	356	1.7	174	0.8	10 695	52.9	4 876	22.8	11 051	54.7	5 050	23.7	131%	6%	3%
Overall	27 727	151.1	25 996	138.4	1 41 602	766.9	1 28 152	652.0	1 69 329	918.1	1 54 148	790.4	16%	100%	100%

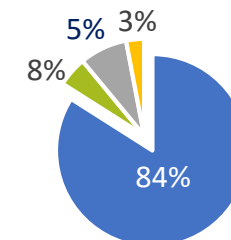
Share of Branch and Dealer of zone-wise disbursement



Overall Share – H1 FY 19 Vs H1 FY 18

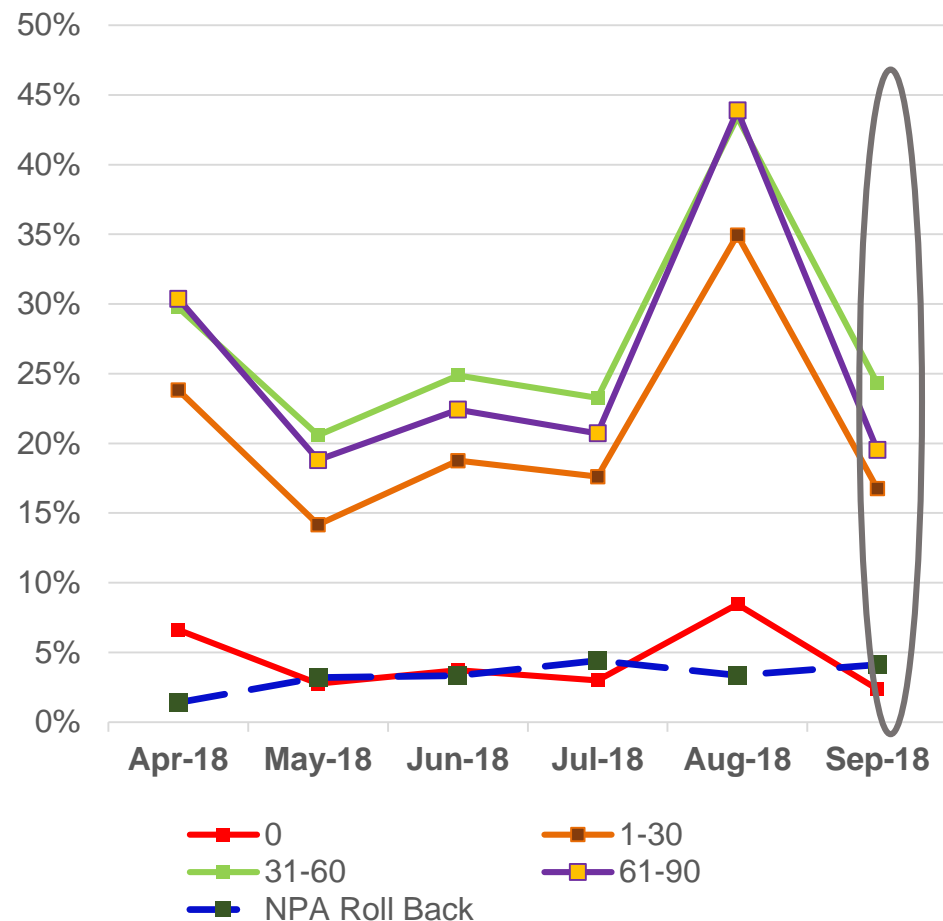


H1 FY 18



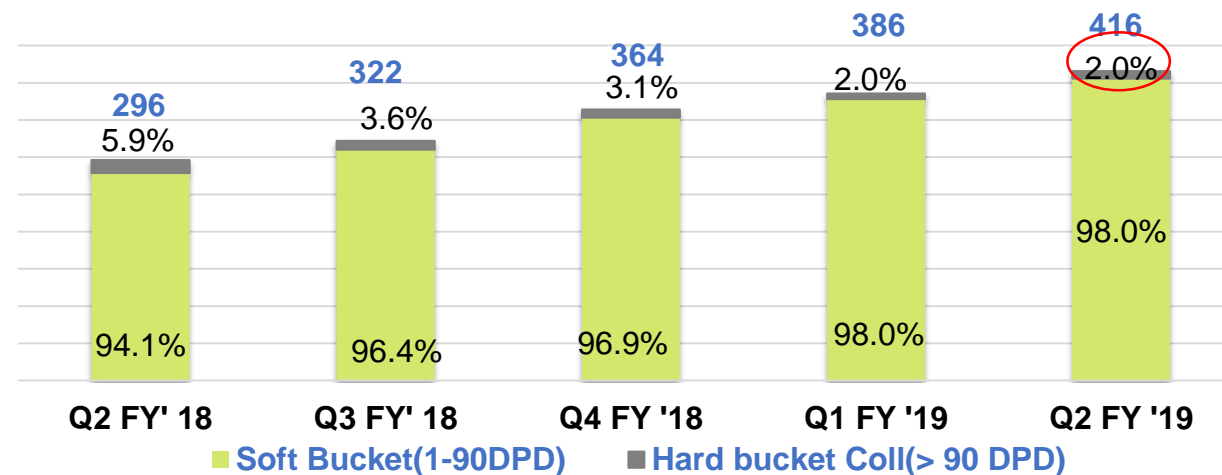
COLLECTION PERFORMANCE MONITORING (HYP)

Bucket-wise Flow



Collection Performance

₹. In Crores



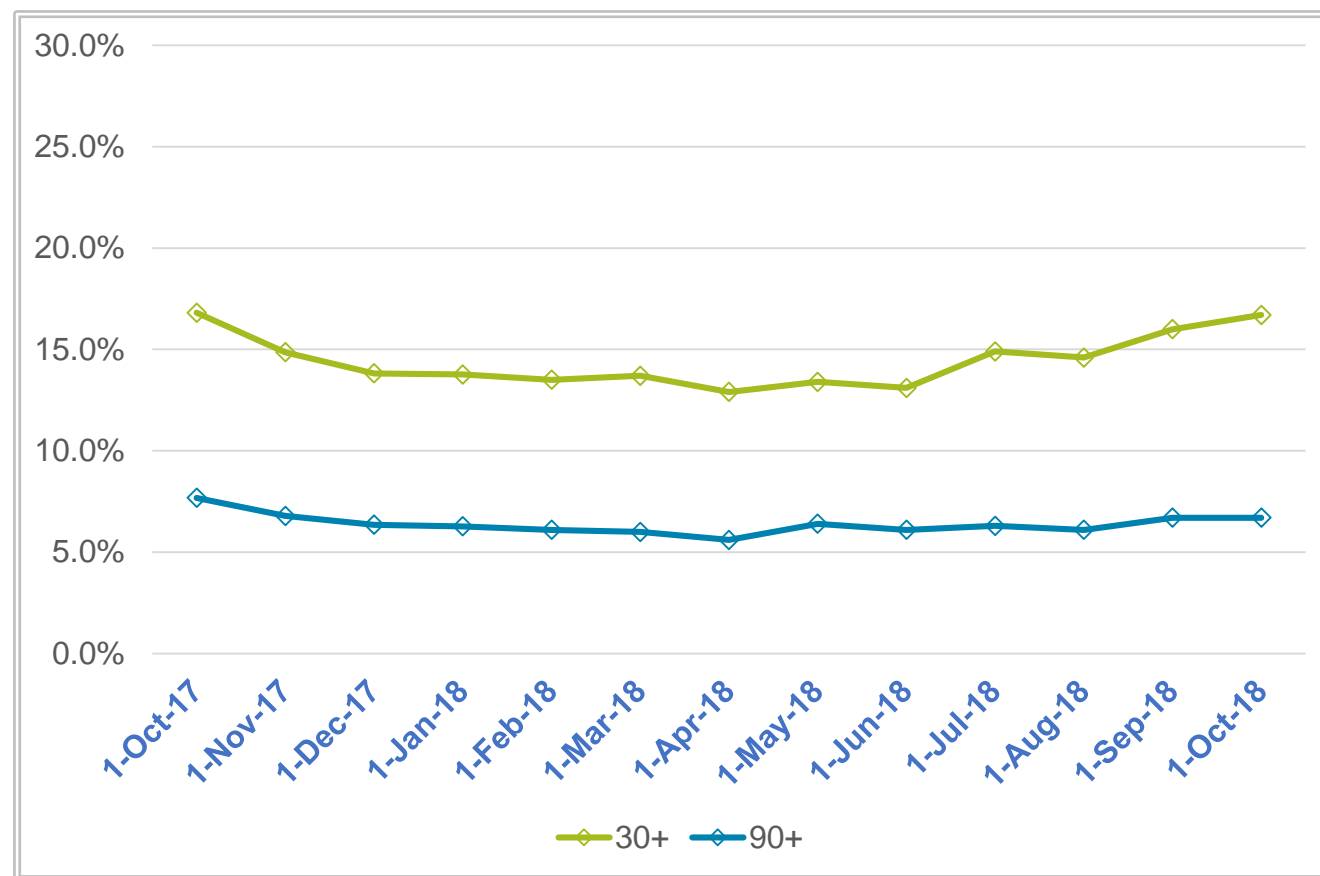
₹. In Crores

	Q2 FY 18	Q3 FY 18	Q4 FY 18	Q1 FY 19	Q2 FY 19
Soft Bucket (1-90)	278.6	310.2	353.1	378.1	405.3
Hard Bucket (>90)	17.5	11.7	11.2	7.8	10.3
Total	296.1	321.9	364.3	385.9	415.6

PORTFOLIO TREND – HYPOTHECATION LOANS

₹. In Crores

Month	Own book AUM	30+	90+	30+%	90+%
01-Oct-17	1 227.9	206.4	94.3	16.8%	7.7%
01-Nov-17	1 377.3	204.6	93.5	14.9%	6.8%
01-Dec-17	1 462.5	202.1	92.9	13.8%	6.4%
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%
Growth	44.4%	42.8%	25.2%		



NPA MOVEMENT – HYP LOAN – Q2 FY 2019

₹. In Crores

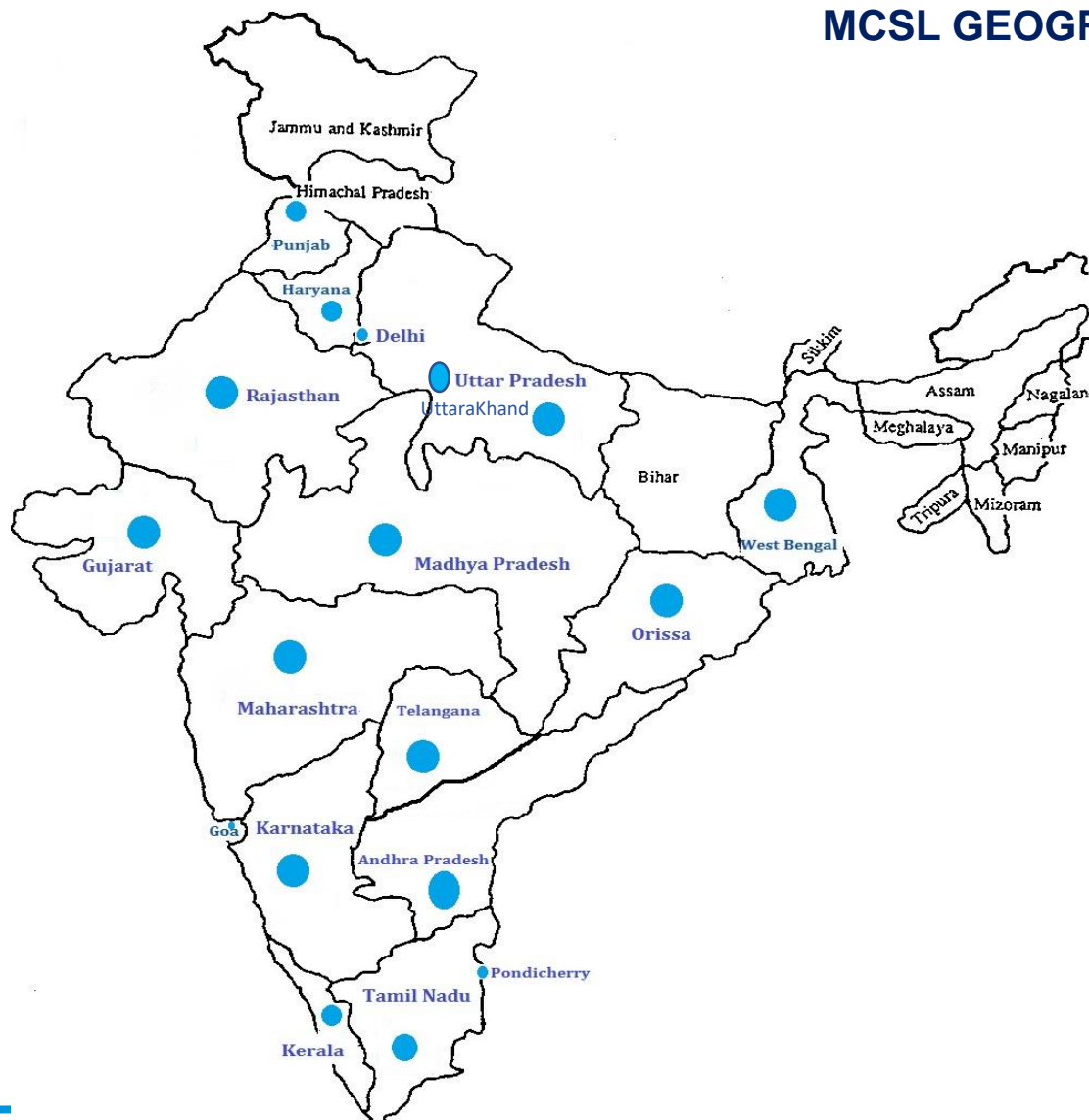
Particulars	HP Nos	Principal	Provision	Unrealized
Balance as on 30.06.2018	57 438	101.9	38.8	12.8
Add: Slipped to NPA for the month of July 18 to Sep 18	13 042	30.7	3.1	2.2
Add: Provision up due to movement of Asset Classification	-	-	3.7	0.8
Add: Additional Provision provided in the quarter	-	-	3.8	-
Sub total	70 480	132.6	49.4	15.8
Less: Rolled back from NPA between July 18 to Sep 18	6 364	6.7	1.0	0.4
Reposessed Asset sold during July 18 to Sep 18	1 458	5.4	1.3	0.7
Amount collected from NPA Accounts for July 18 to Sep 18	-	2.4	0.3	0.2
Balance as on 30.09.2018	62 658	118.1	46.8	14.5

NPA MOVEMENT – HYP LOAN – ACROSS 9 QUARTERS

₹. In Crores

Particulars	Q2 '17	Q3 '17	Q4' 17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19
Opening Balance	69.2	66.5	78.1	74.2	96.9	94.3	93.4	87.9	101.9
Slippage due to NPA Policy change	-	-	-	29.8	-	-	-	-	-
Fresh slippages during the period	11.8	20.1	13.9	16.1	15.4	14.2	12.7	24.3	30.7
NPA recognised on soldout portfolio bought back (Sanada & Starling)	-	-	-	-	-	0.9	-	1.0	-
Sub Total	81.0	86.6	92.0	120.1	112.3	109.3	106.1	113.2	132.6
Less: NPA Rolled Back	6.7	3.3	8.9	14.8	8.5	8.0	8.0	4.1	6.7
Less: Repossessed assets sold	5.0	3.2	4.8	3.6	6.7	4.9	5.9	5.3	5.4
Less: Write off	-	-	1.7	-	-	-	1.6	-	-
Less: Amount collected but not rolled back out of NPA	2.8	2.0	2.4	4.8	2.8	2.9	2.7	1.9	2.4
Closing Balance	66.5	78.1	74.2	96.9	94.3	93.4	87.9	101.9	118.1

MCSL GEOGRAPHIC OVERVIEW - HYP


SEP 30 2018

₹. In Crores

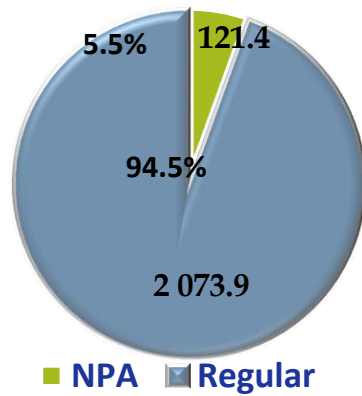
Zone	Active Clients	Regular	NPA	Total	Zone wise AUM %	% of NPA
South India	5 15 095	1 660.2	99.1	1 759.3	80.1%	5.6%
Western India	46 346	133.9	11.4	145.3	6.6%	7.6%
North India	62 468	187.2	9.3	196.5	9.0%	4.7%
East India	26 381	92.6	1.6	94.2	4.3%	1.7%
Overall *	6 50 290	2 073.9	121.4	2 195.3	100.0%	5.6%

*Includes securitized portfolio

PORTFOLIO ANALYSIS - HYP

₹. In Crores

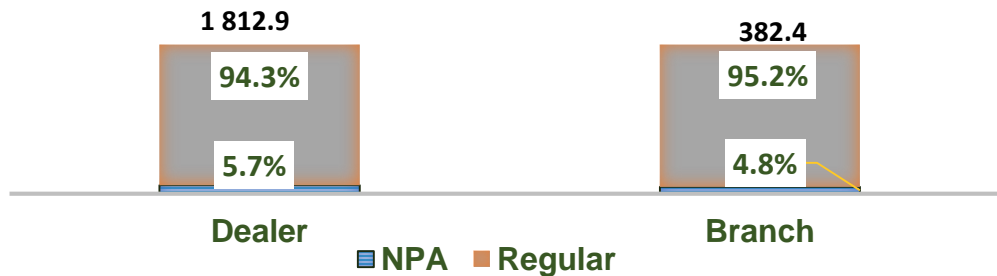
Portfolio Analysis



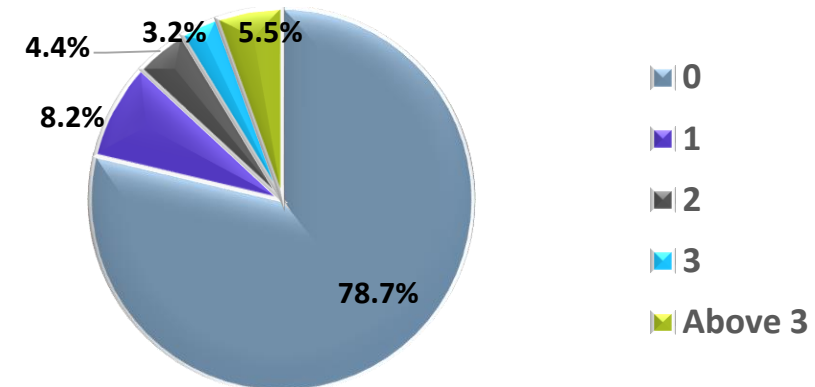
Segment – wise Analysis



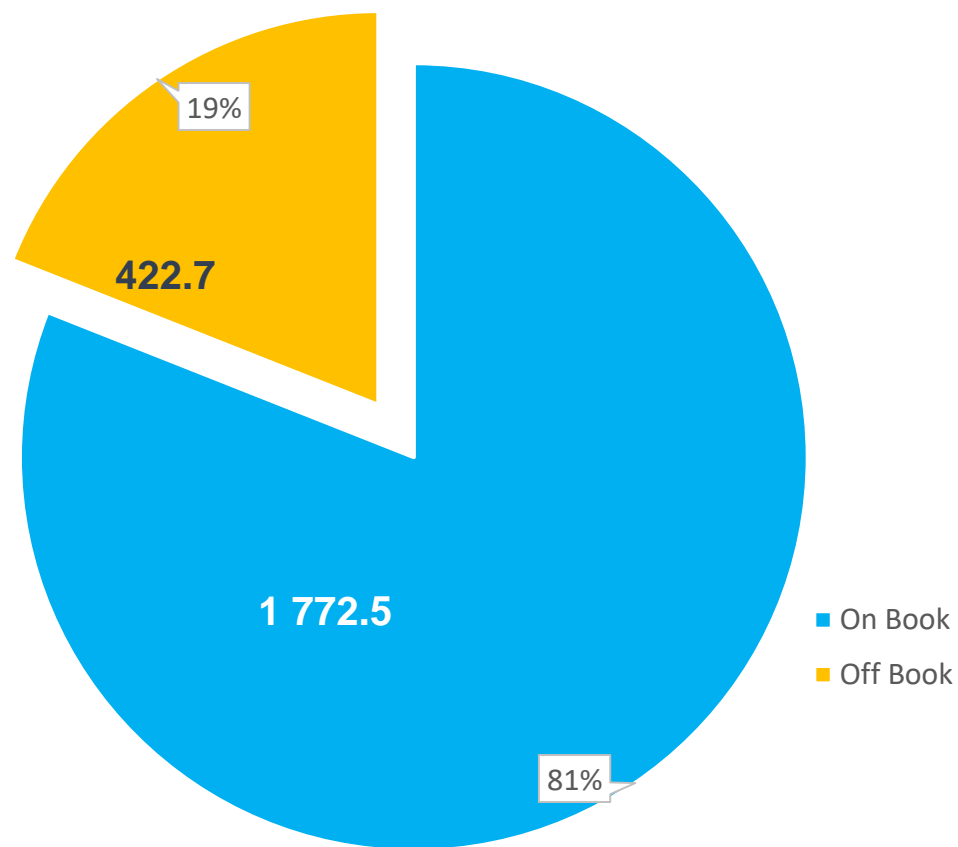
Source - wise Analysis



Bucket – wise Analysis



HYP PORTFOLIO SPLIT AS ON SEPTEMBER 30TH 2018

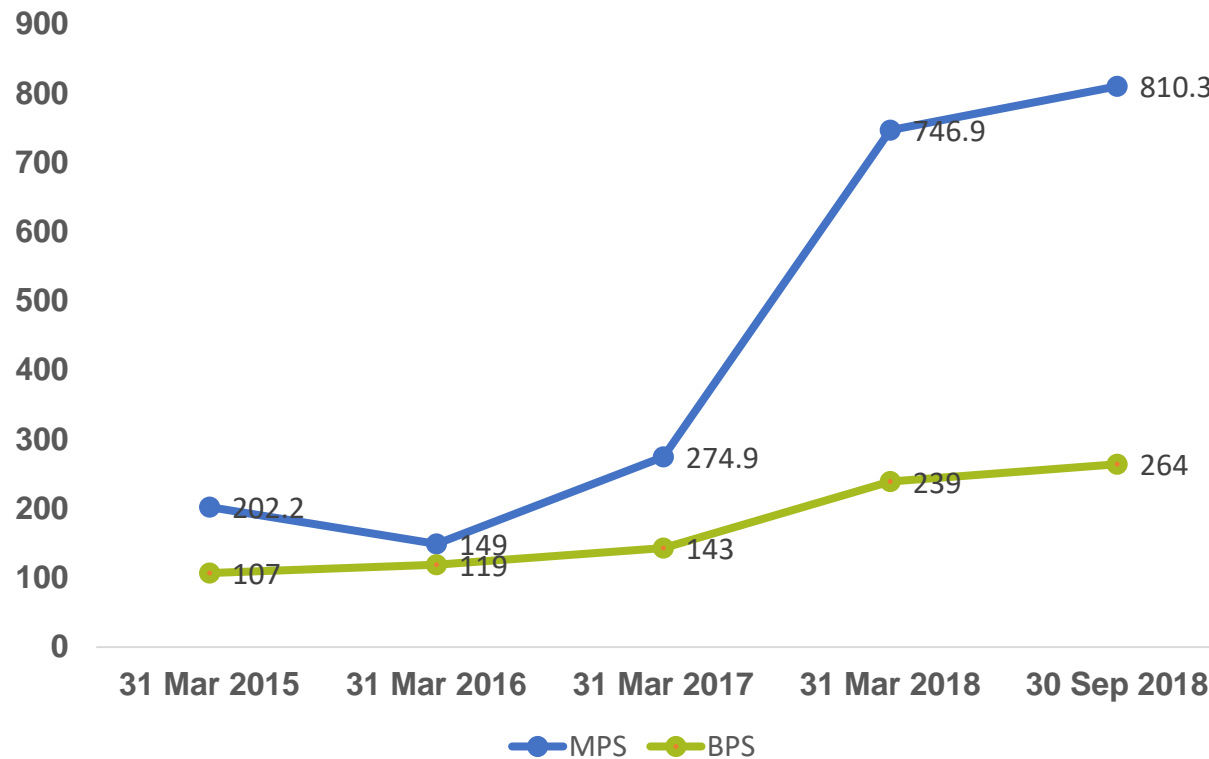


₹. In Crores

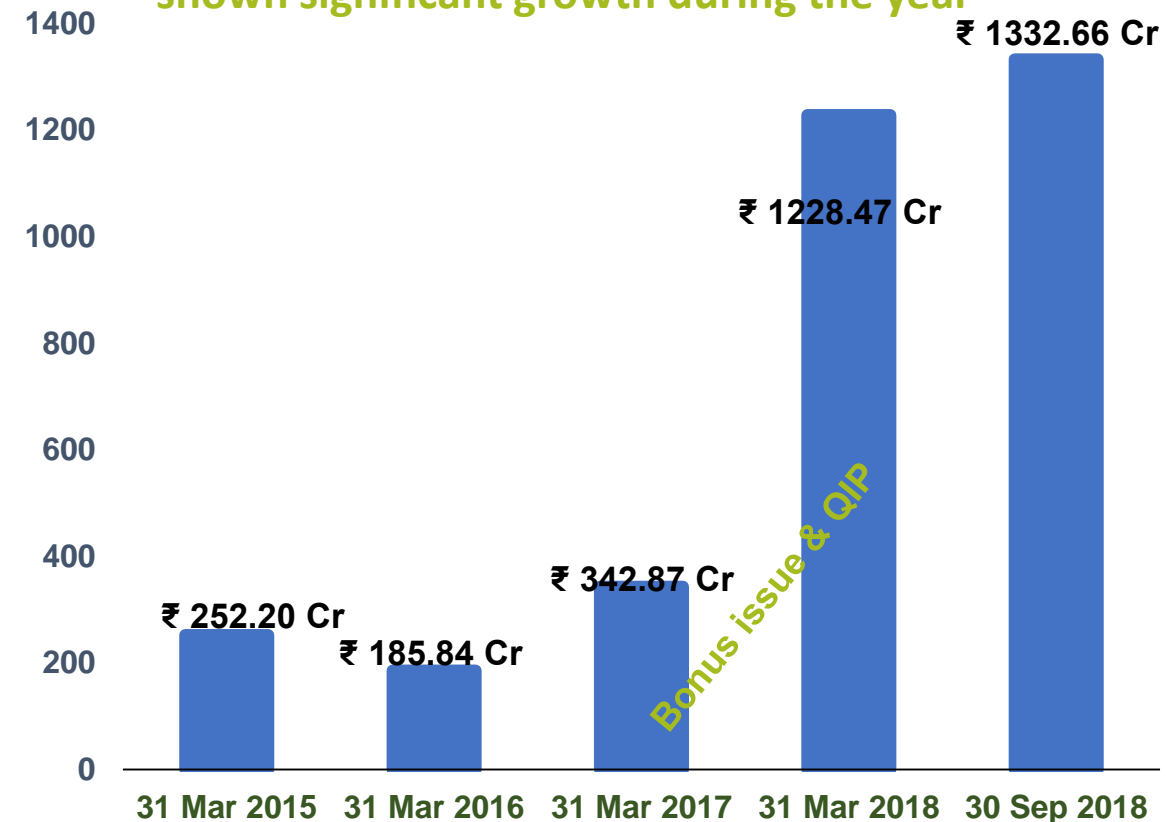
Quetzal (DCB)	1.7
Fire finch (Indo Star)	3.9
Turaco (DCB)	13.7
Andhra DA	12.4
Toucan DA (SBM)	11.5
Bran (DCB)	14.7
Ellaria (CSB)	23.7
Andhra DA 2	20.0
Dneiper (LVB-1)	27.8
Dnyapro (LVB-2)	26.3
Pratab (DCB)	55.5
Rancis (IDFC& HLF)	128.0
Cassius (LVB)	83.5
Off Book	422.7
On Book	1772.5
Total Loan Book	2195.3

MARKET CAPITALIZATION

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



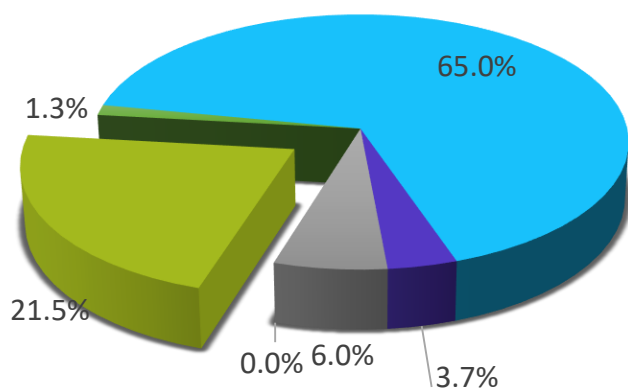
The Company's market capitalization has shown significant growth during the year



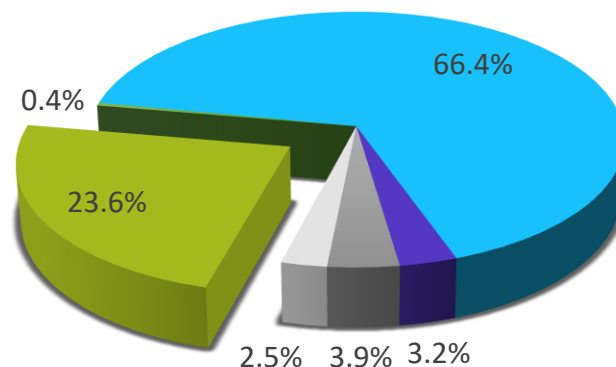
BORROWING PROFILE

₹. In Crores

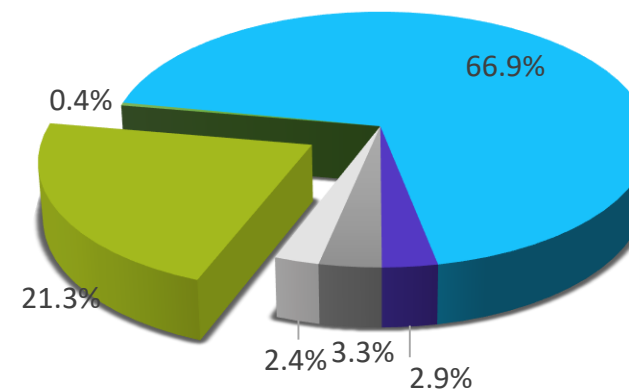
Particulars	Q2 FY '18		Q1 FY '19		Q2 FY '19	
	Amount	Cost	Amount	Cost	Amount	Cost
Bank Loan	1005.1	10.0%	1277.5	9.3%	1379.4	9.4%
Sub debt	57.4	11.8%	60.7	11.6%	60.7	11.5%
Public Deposit	93.1	8.8%	75.1	8.4%	68.2	8.4%
Commercial Paper	0.0	0.0%	48.1	8.7%	49.1	8.7%
Securitization	322.2	10.1%	453.7	9.4%	422.7	9.2%
Others	19.6	11.7%	7.4	11.0%	7.4	11.0%
Total	1545.3	10.0%	1922.4	9.3%	1986.4	9.4%



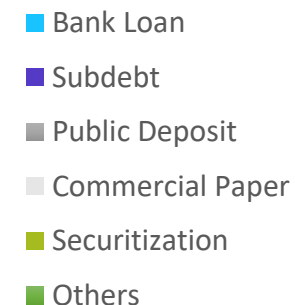
Q2 FY '18



Q1 FY '19



Q2 FY '19



HIGHLIGHTS – SECURITISATION / DIRECT ASSIGNMENT TRANSACTION

Augmented Growth

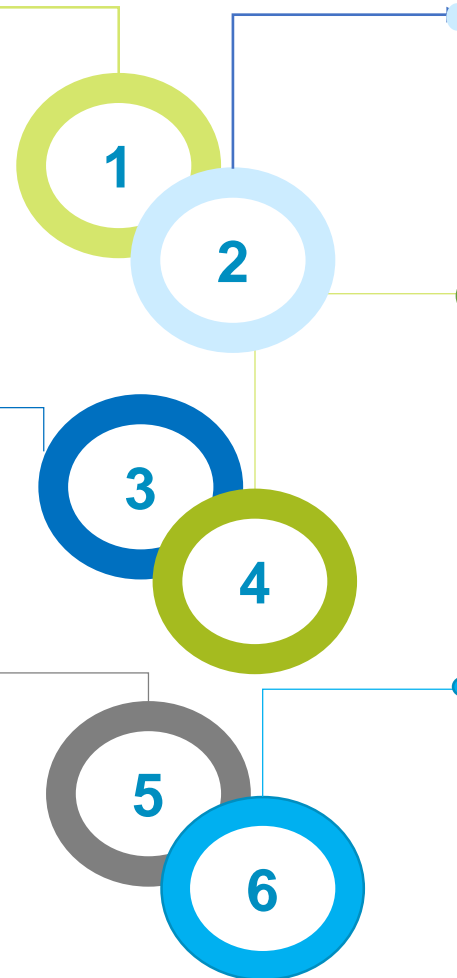
- Done 8 Securitization / 7 Direct Assignment transactions totaling to ₹ 1109.0 crores (net of MRR) to date
- Helped substantially grow the AUM
- Out of 8 securitization two transaction closed as of June 2018
- Last two PTC transactions got higher rating AA- & AA for the first investors

Lower Costs

- The interest cost of the last transaction – 9.75% (cost of first transaction was 10.85%) - reduced cost of PTC / DA helps to reduce the overall cost of the quarter from 9.41 % to 9.37%.

Risks passed on

- Apart from the Credit Enhancements to be given, the risks are passed on to the Investor
- Lower Standard asset provisioning by ₹ 0.36 crores during the quarter Q2 FY 2019 improves profitability



Capital saving:

An off balance sheet transaction, helps in the CRAR by 2.6% as on 30th September 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 0.70% due to securitization and direct assignment transaction.

SPREAD ANALYSIS

₹. In Crores

Analysis on Avg loan book size	Sep-17		Dec-17		Mar-18		Jun-18		Sep-18	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Avg Loan Book Size	1360.2		1579.7		1743.6		1959.4		1982.0	
Revenue from operations	94.4	27.7%	104.7	26.5%	118.3	27.1%	123.7	25.3%	131.5	26.5%
Direct exp.	39.2	11.5%	40.8	10.3%	40.0	9.2%	44.8	9.1%	46.6	9.4%
Gross Spread	55.1	16.2%	63.9	16.2%	78.3	18.0%	79.0	16.1%	84.9	17.1%
Personnel Expenses	15.5	4.6%	15.9	4.0%	18.1	4.2%	17.7	3.6%	19.0	3.8%
OPEX (incl. depreciation etc...)	17.5	5.1%	17.2	4.3%	17.2	3.9%	18.2	3.7%	21.4	4.3%
Total Expenses	33.0	9.7%	33.0	8.4%	35.3	8.1%	35.9	7.3%	40.5	8.2%
Pre Provision Profits	22.1	6.5%	30.8	7.8%	43.0	9.9%	43.1	8.8%	44.4	9.0%
Loan Loss and provisions	6.8	2.0%	7.1	1.8%	**10.6	2.4%	**11.8	2.4%	**13.8	2.8%
Net Spread	15.4	4.5%	23.8	6.0%	32.4	7.4%	31.2	6.4%	30.6	6.2%

*Excluding managed portfolio; Income excluding income from SLR investments

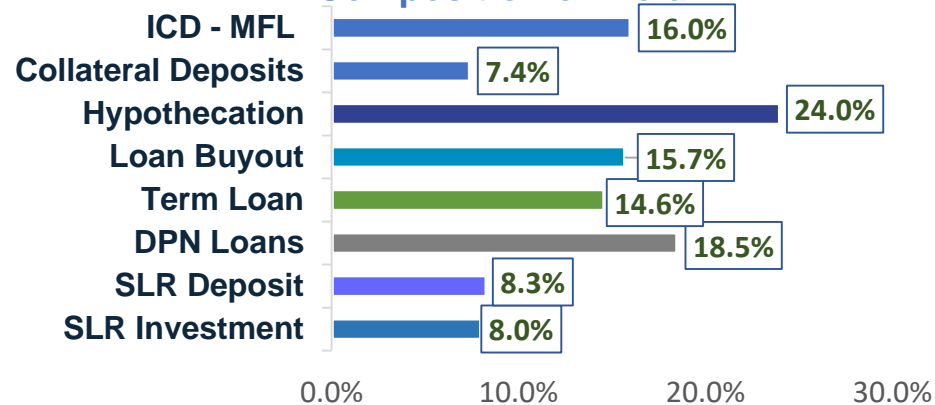
** Inclusive of additional provision ₹4.0 Crores (Q4 FY 18) , ₹ 3.5crores (Q1 FY19) ₹ 3.8 crores made during the quarter.

ANALYSIS OF COST & YIELD

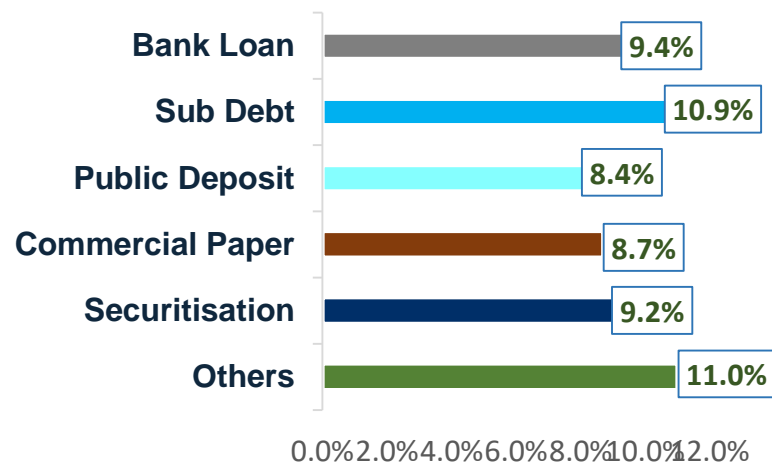
SL.No.	Description of Loan	EFFECTIVE RATE				
		Q2 FY '18	Q3 FY '18	Q4 FY '18	Q1 FY '19	Q2 FY '19
1	Hypothecation	26.5%	24.8%	26.0%	24.3%	24.0%
2	Loan Buyout	15.6%	15.8%	16.0%	16.0%	15.7%
3	Term Loan	14.7%	14.6%	14.4%	14.4%	14.6%
4	DPN Loans	19.5%	19.0%	21.5%	18.0%	18.5%
5	SLR Deposit	9.6%	9.0%	8.8%	8.0%	8.3%
6	SLR Investment (Govt Sec)	8.0%	7.9%	8.0%	8.0%	8.0%
7	Collateral Deposits	7.0%	7.0%	7.0%	7.0%	7.4%
8	ICD - MFL	-	-	-	16.0%	16.0%
	Yield	24.9%	23.5%	24.7%	23.0%	22.6%
1	Bank Loan	10.0%	9.6%	9.3%	9.3%	9.4%
2	Sub Debt	11.8%	11.7%	11.7%	11.6%	10.9%
3	Public Deposit	8.8%	9.0%	8.7%	8.5%	8.4%
4	Commercial Paper	0.0%	8.7%	8.6%	8.7%	8.7%
5	Securitization/Direct Assignment	10.1%	9.8%	9.6%	9.4%	9.2%
6	Others	11.7%	11.6%	10.7%	10.9%	11.0%
	Cost	9.9%	9.6%	9.3%	9.3%	9.4%
	Interest Spread	14.9%	13.9%	15.4%	13.6%	13.2%

ANALYSIS OF COST & YIELD

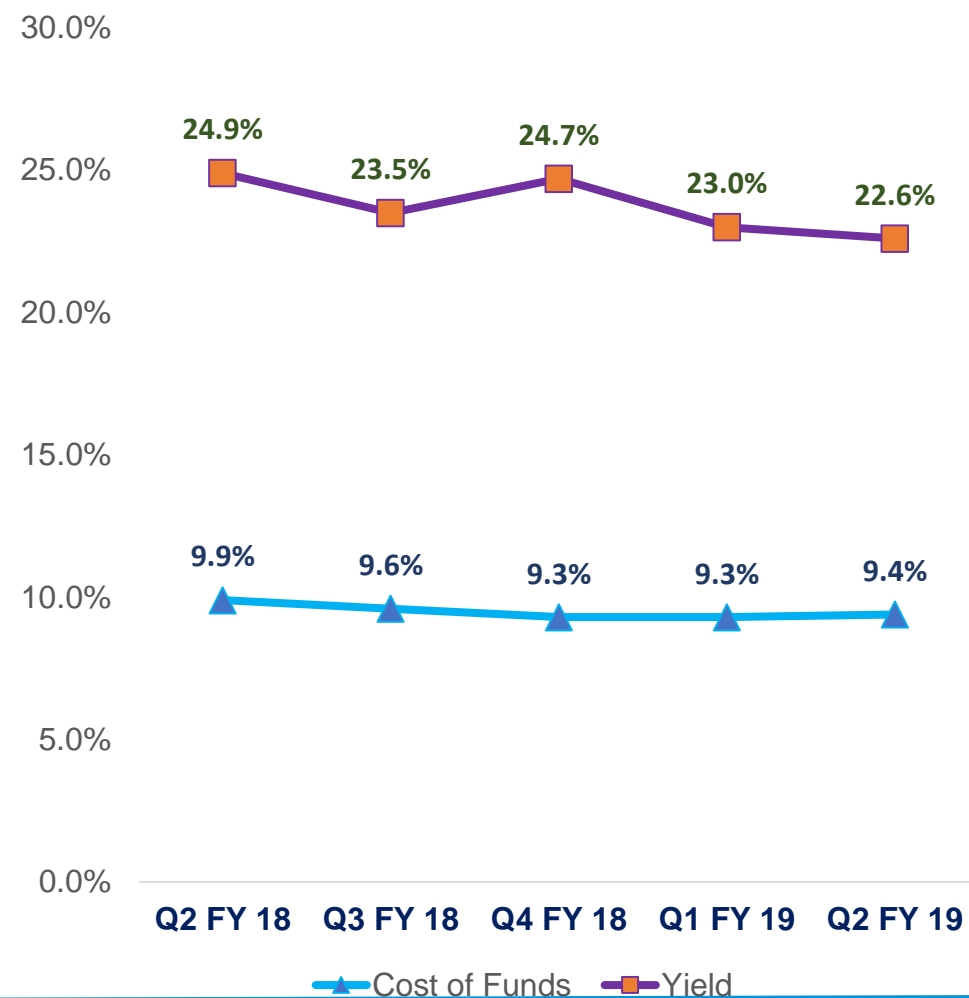
Composition of Yield



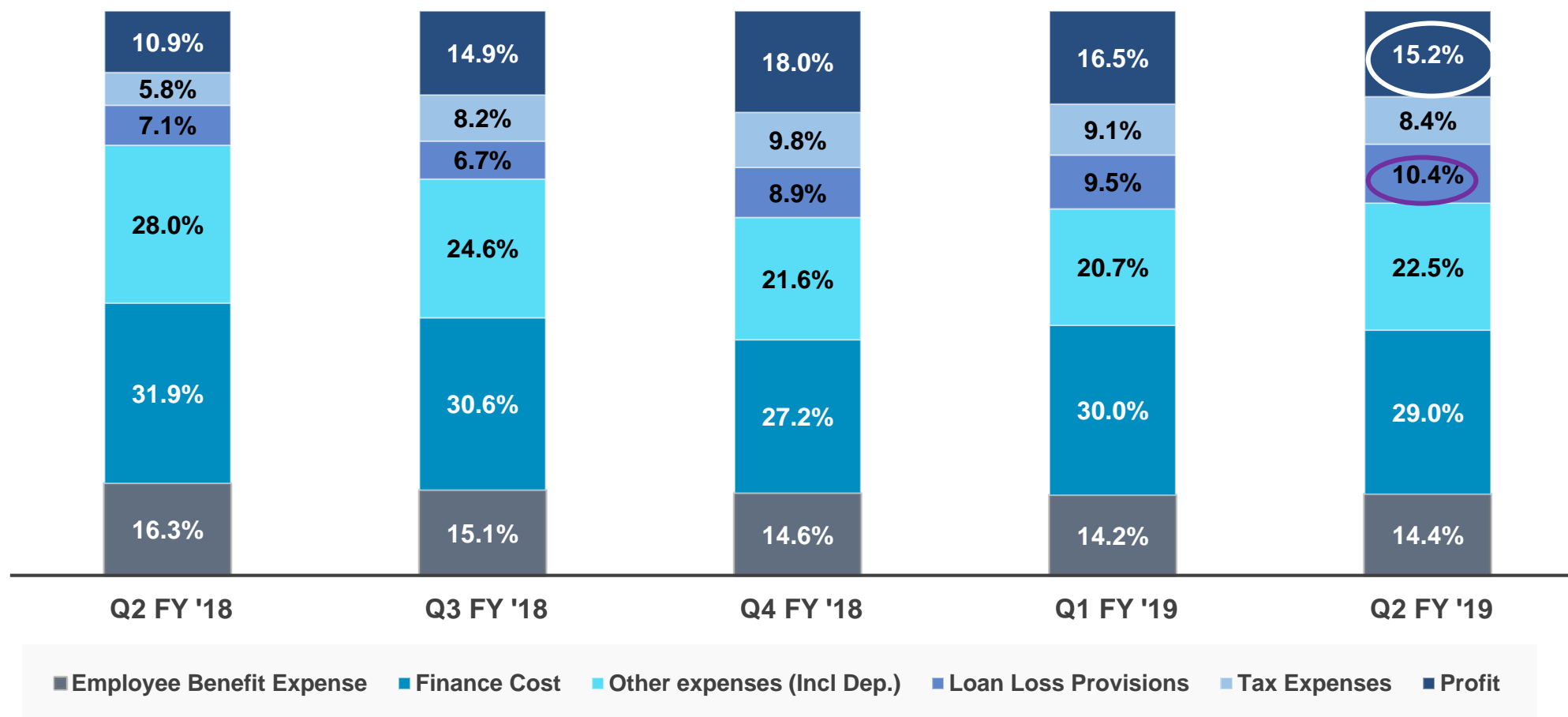
Composition of Cost



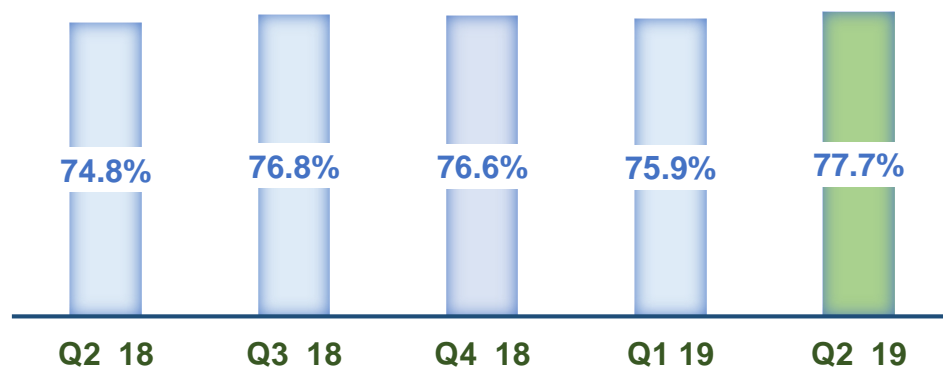
Cost of Funds, Yield & Spread



EXPENSE AS A % OF REVENUE – Q-o-Q



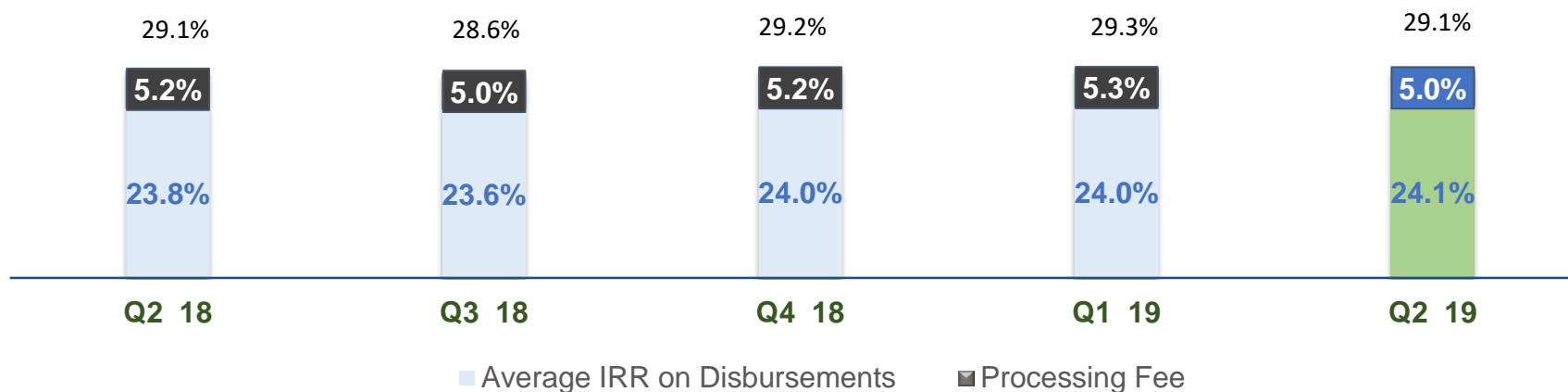
Average LTV



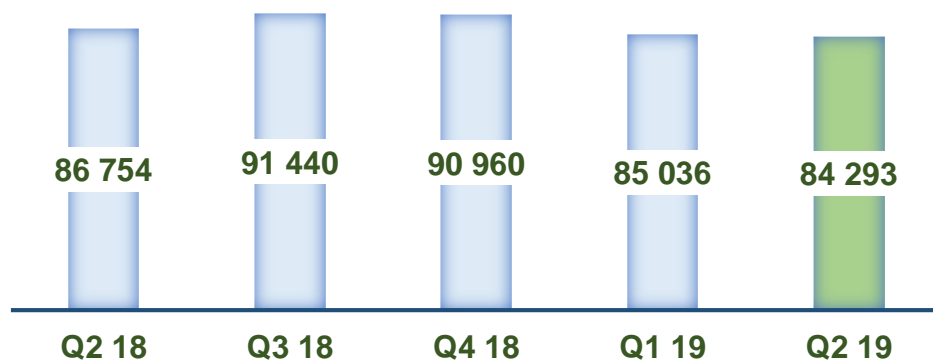
Average Ticket Size



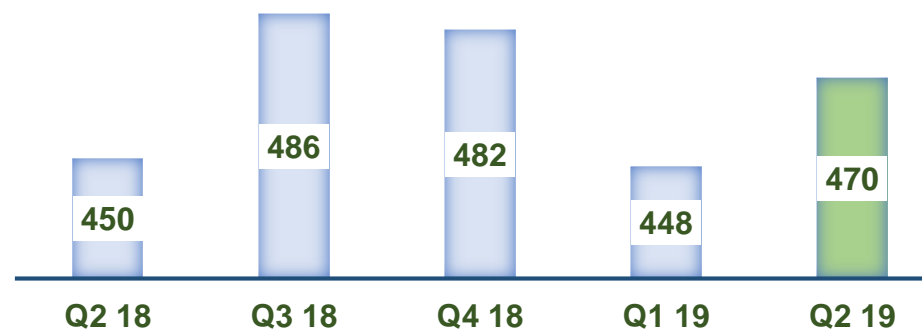
Average IRR and Processing fee on disbursement



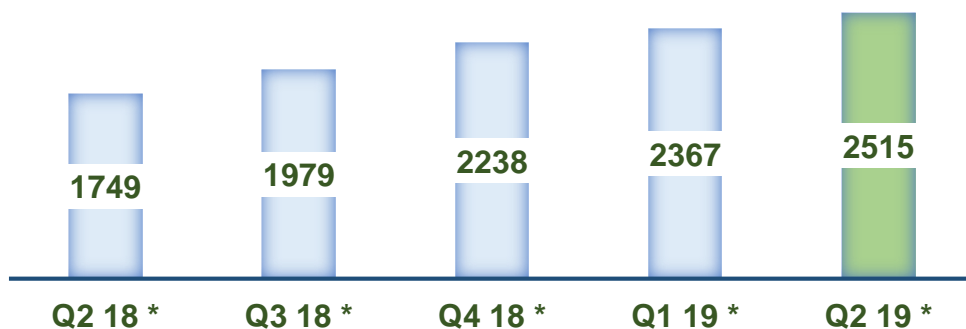
Disbursement Count (Hypo Loan)



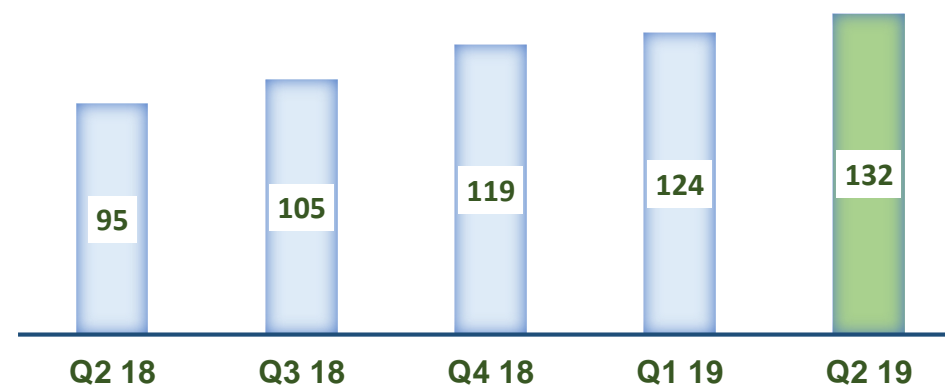
Disbursement - Hypo Loan (in ₹ crores)



Loan Book Size (in ₹ crores)

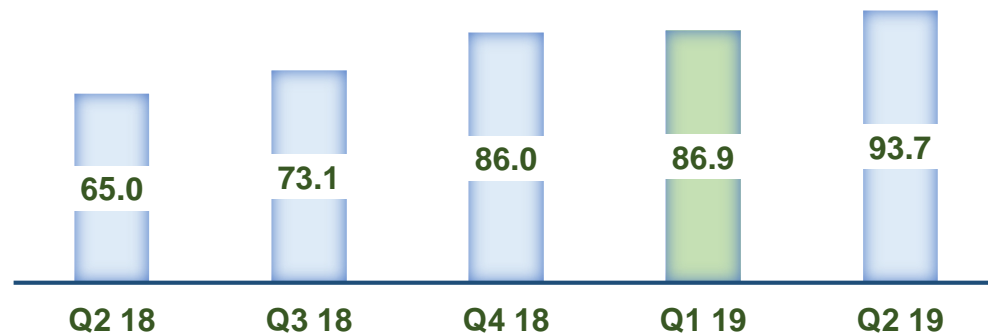


Revenue (in ₹ crores)

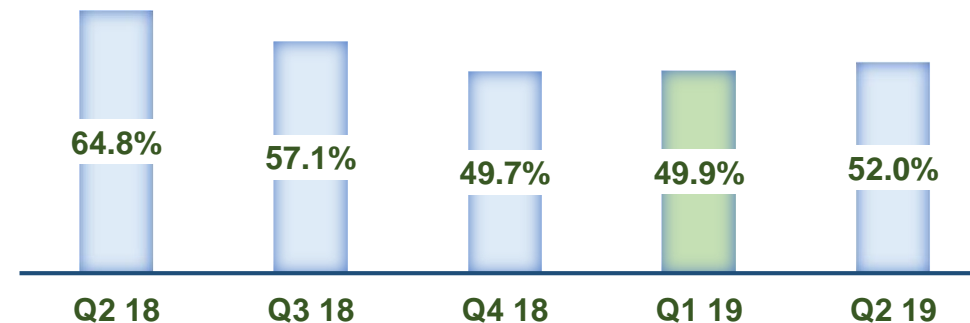


* Including managed portfolio

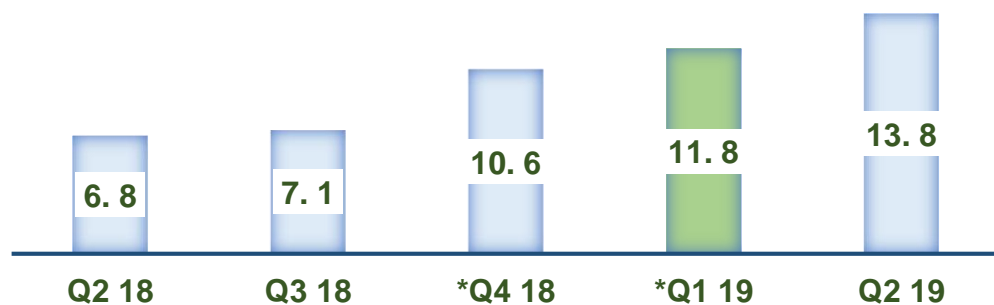
Net interest income (in Crores)



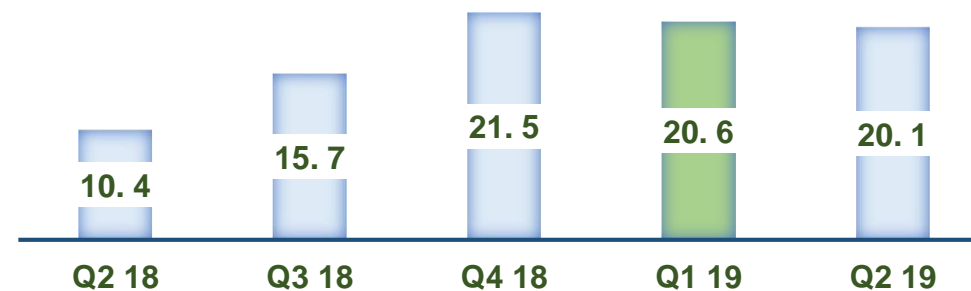
OPEX as a % of NII



Loan Loss Provisions and Write offs (in Crores)

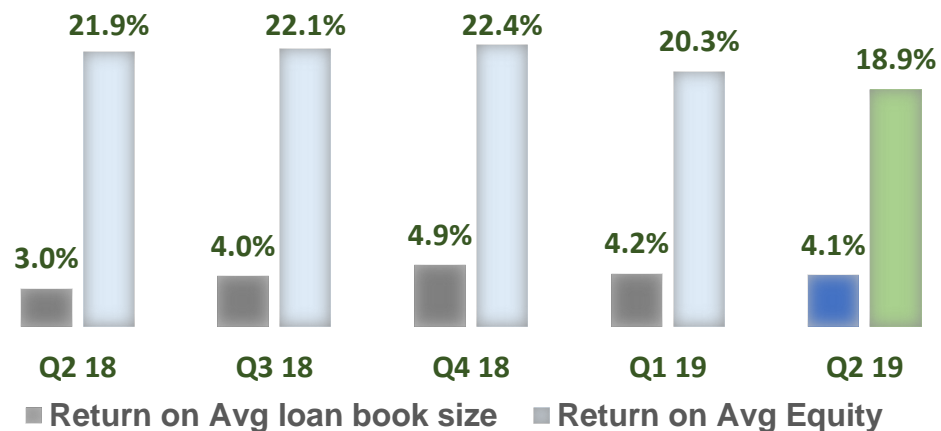


Profit after tax (in Crores)

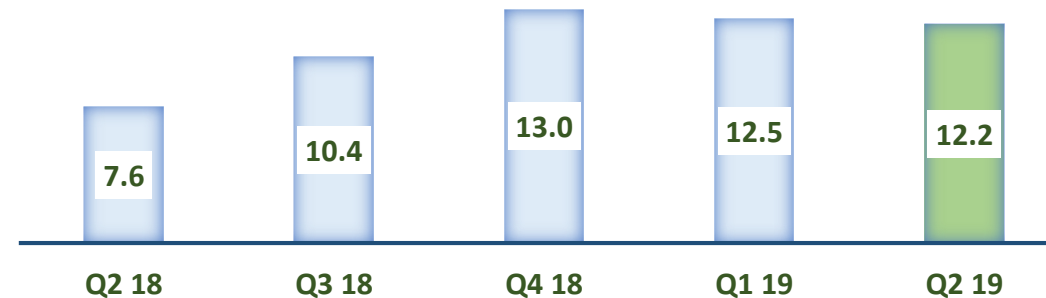


* Additional provision of ₹4 Cr (Q4 FY 18) , ₹ 3.5 crores (Q1 FY 19) & ₹3.8 crores (Q2 FY 19)

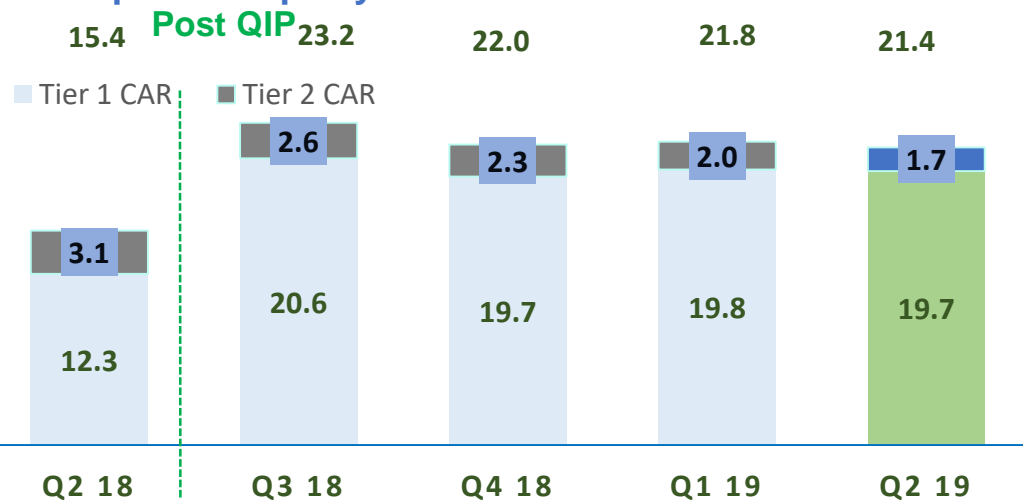
ROA and ROE



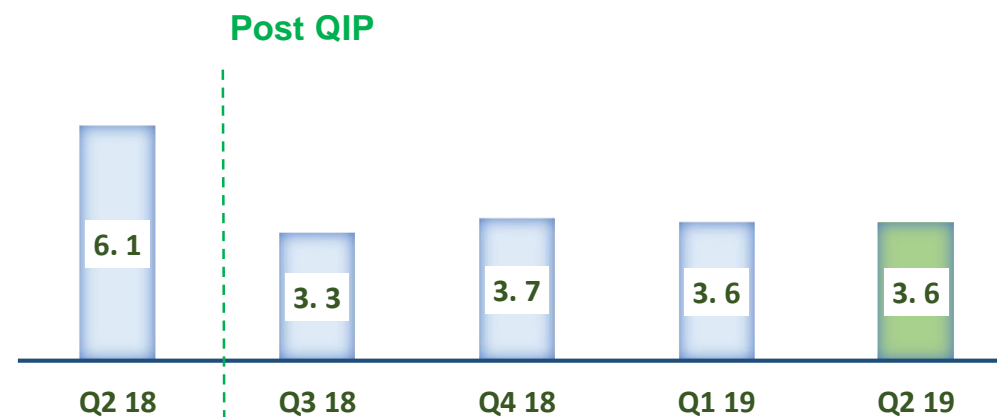
Earning per Share (in ₹)



Capital Adequacy



Debt Equity Ratio



**Robust Growth
in Disbursement
& Collection**

- Hyp. loans had 4 % growth Y-o-Y; dealer point and MFL 7% & -8% ; Q2 FY 18 had the benefit of Onam volumes, which was lower this year. Floods in Kerala impacted current year Onam volumes.
- Hyp. Disb. in non-south saw huge growth. In Q1 FY 19; Non-South disb. share was 25%; (FY 18- 15 %) . South concentration reducing. West, North and East grew 71%,52% and 118% resp.
- Collections have grown to ₹ 416 crs in Q2 FY19 v/s ₹ 386 crs in Q1 FY 19; but the hard bucket collect saw a fall in the Q2 FY 19; NACH collection was 44.5%of the total collection v/s 41.8 % in Q1 FY 19.

NPA

- Current Qtr. saw a spike in the NPA after substantial reduction in the previous year; mainly on account of rise in NPA in August in Kerala post flood; Kerala NPA increased by ₹ 15.01 crores.
- Quarter end NPA excluding off-books was at ₹ 118 crores v/s ₹ 102 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 – 13 449 and cases settled – 7 488
- ₹ 45.4 crores collected directly from about 15,466 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.

**QIP/ Related
benefits**

- 1st QIP in November 2017; 9 new reputed investors came in, bringing ₹ 165 crores
- Significantly improved CRAR (21.4), lower D/E ratio (3.6) and made the company attractive to all forms of lenders/ investors; helped maintain interest rate/cost at the previous quarter level in a interest hardening period; Upgraded to A (Stable) by CRISIL; Will help now when things are getting tougher for the sector.

Diversity in Funding

- In Q2 FY 19 the Company got additional funding of ₹ 90 crs got from securitization transaction;. Emphasis on improving ALM has helped now when things are getting tougher for the sector.
- 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.

Borrowing Mix

- During the quarter the Company has been able to get additional sanctions from Securitization Transaction- ₹90 crs
- With hardening of the interest rates our overall Interest costs also went up to 9.37 % 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 D A transaction valuing ₹ 90 Crore (net of MRR) done during Q2 FY19 –15 transactions so far, 2 closed. First 2 transactions pools upgraded 2-3 notches. During these times when banks have restriction of funding to the sector,
- Helped in ploughing funds back 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 and hope is 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. Budget achievement in the current quarter in line with the planned figures.

Staff attrition & Cost Control

- Monthly staff attrition was lower at 3.34 % in Q2 FY '19 v/s 2.65% in Q1 FY 19 - The concept of Marketing agents is also working well. In North & East Outsourced FTEs as a concept working very well; Overall ON ROLL staff nos at 2422 v/s 2127 at the beginning of the year.
- Dealer incentives have remained under control at 1.32% for Q2 FY19; interest and finance charges on an overall basis was slightly higher at 9.37% v/s 9.31% in Q1 FY '19 .

Repayment Mode

- Post demonetization 100% repayment for new customers through NACH and significant collections through NACH – Helps cut delinquencies. Q2 FY 19 collections were about 44.5% 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.

Overall Profitability

- Q2 FY 19 PAT of ₹ 20.1 crores actual v/s ₹ 18.0 crores budgeted; is the highest Q2 PAT figures of the Company
- While the NPA figures have been higher for reasons beyond control significantly lower Finance costs and employee costs have helped contain the overall expenses. Other expenses were higher on account of account of significantly higher collection costs but have still led to higher than budgeted profitability.

Way Forward

- Plans are being worked out to see what would be the most effective way of controlling this cost, some of which has already happened in FY 18 and H1 FY 19. Q3 FY 19 could see some higher costs in collection to bring down the NPA figures and higher Interest costs on account of the prevailing market conditions.
- We hope to see the current turbulence settle down during Q3 FY 19 and growth picking up; any extended period of the turbulence would lead to the Company revisiting its Business Plan and taking necessary steps for sustained long term growth.

THANK YOU