Keertana

Q2 FY24 - Business Update

Keertana Finserv Pvt. Ltd.
(formerly known as Rajshree Tracom Pvt. Ltd.)
CIN: U65100WB1996PTC077252

Corporate Actions:

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- By 31st Aug, Keertana with an overall asset value of Rs.1,046Cr moved from base layer to mid layer and the Company is subjected to the compliances of Mid Layer NBFCs with effect from 1st Sep 23.
- With NCDs being listed on BSE in June 23, Keertana is subjected to SEBI compliances of Debt Listed Companies from Q2FY24 onwards.
- To comply with IND-AS, FY23 financials are re-casted by EY; FY24 Financial Statements are prepared following IND-AS and the openings are also arrived as per IND AS ;
- Keertana Financial Limited submitted application for NBFC MFI license to RBI, Mumbai on 21st Oct 23;
- RBI responded with a long list of queries and the responses were submitted by 25th Oct 23;
- Since the Networth is below Rs.10Cr, Rs.2Cr equity has been infused by K Finserv.
- RBI revised the Scale Based Regulation (SBR) for NBFCS in Oct 23 and these guidelines are applicable with an immediate effect.

Business at a Glance... AUM and No. of Borrowers grew by 53 % and 101 % respectively

Keertana

Fastest Growing NBFC	Rs.934 **Cr** AUM| 53% growth YTM Presence in 6 states	234 Operating Branches| 26% growth YTM AP contributes 93% of AUM followed by TS ,TN and other states with a total of 7%	1,33,550 Borrowers| 101% growth YTM 86% Rural and 14% Urban
Well defined Product Mix	51% Secured- Rs. 478 Cr And 49% Unsecured-Rs. 456 Cr Secured Loans are Gold and LAP	AUM| Gold Loan- Rs. 433 Cr LAP-Rs. 45 Cr| MSME & JLG- Rs. 456 Cr	Yield on Portfolio Overall-26.7%| Gold-25%|LAP-25%|MSME-30% and JLG-28%
Robust Balance Sheet with Strong Capital Adequacy	CAR at 27.25% Net worth- Rs.235Cr 96% Promoter holding	Impeccable Portfolio Quality 0 % NNPA	44.55 CR PAT (18 months of operations)
Efficient Operations	ROA – 7.5% (Post tax) ROE – 27.5%	Rs. 3.99 Cr Avg AUM per Branch and Rs.1.24 Cr AUM per Loan Officer	AUM Per Employee - Rs. 69 Lakhs
Strong Team with decades of Domain Expertise	Promoter with over 25 years of experience in financial services; Able Board leading business to quality growth	2 SVPS on-boarded Strengthening second line is the core focus	Avg relevant domain experience per staff- 10 years Total Staff- 1,328

Business Update Sep'23… (Overall)

Keertana

Presence in 6 States & 36 Districts.	Number of Branches 234	Active Loans 1,96,517	Number of Active Borrowers 1,33,550
Value of Loans Disbursed 2,755 Cr	No of Loans Disbursed 4,14,599	Loan Portfolio 934 Cr	AUM Per Branch 3.99 Cr & AUM Per LO 1.24 Cr
Yield 27.6%	Loans Given to New Customers 1,23,376	Loans Given to Existing Customers 2,91,493	Number of Employees 1,358

Business Update Sep'23 – Gold Loans...

Keertana

Presence in 4 States & 30 Districts.	Number of Branches 142	Active Loans 96,021	Number of Active Borrowers 33,640
Value of Loans Disbursed 2,083 Cr	No of Loans Disbursed 3,24,059	Gold Loan Portfolio 433 Cr	AUM Per Branch 3.00 Cr & AUM Per RO 0.82 Cr
Yield 24.8%	Loans Given to New Customers 36,359	Loans Given to Existing Customers 2,54,996	Number of Employees 612

Business Update Sep’ 23 – MSME & LAP Loans…

Keertana

Presence in 5 States & 27 Districts	Number of Branches 40	Active Loans 11,725	Number of Active Borrowers 11,716
Value of Loans Disbursed 160 Cr	No of Loans Disbursed 10,779	MSME & LAP Portfolio 130 Cr	AUM Per Branch 3.25 Cr & AUM Per LO - 0.59 Cr
Yield 28%	Loans Given to New Customers 11,848	Loans Given to Existing Customers 339	Number of Employees 272

Business Update Sep'23 – Group Loans...

Keertana

Presence in 4 States & 9 Districts.	Number of Branches 53	Active Loans 88,771	Number of Active Borrowers 88,193
Value of Loans Disbursed 432 Cr	No of Loans Disbursed 78,616	Portfolio 371Cr	AUM Per Branch 7Cr & AUM Per LO 1.38 Cr
Yield 28 %	Loans Given to New Customers 75,162	Loans Given to Existing Customers 3,454	Number of Employees 339

Corporate Actions undertaken

Keertana

01

Acquired Rajshree (NBFC) by buying 100% stake from erstwhile promoters for Rs 2.83 cr -31st Mar 2022

02

Promoters infused total capital amounting to Rs. **190 cr.**

03

On April 4, 2022, acquired portfolio through BTA worth Rs. 205 crore from SMBT and SRUDO.

04

35 lenders were on-boarded in 18 months reflecting lenders confidence

05

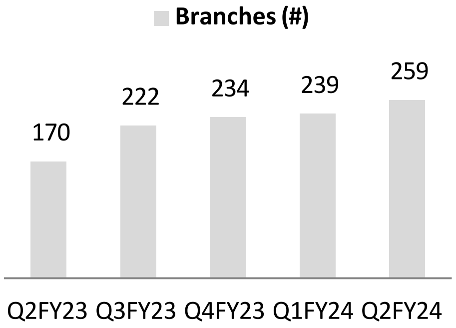
Received credit ratings of BBB Stable from CRISIL and BBB (Stable) from ICRA

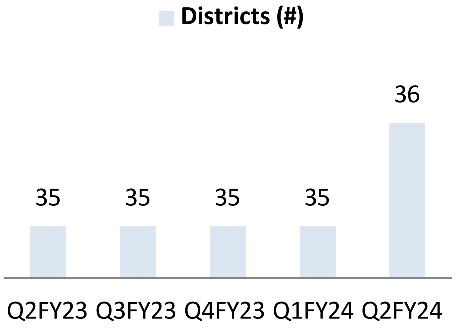
06

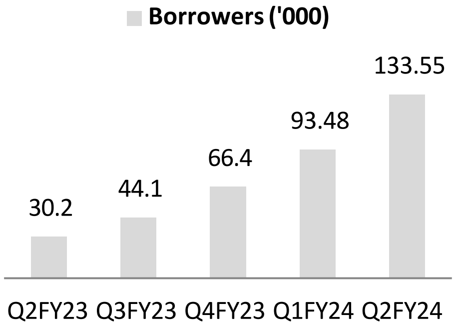
Accomplished the goal of **600cr AUM** in the first year of operations

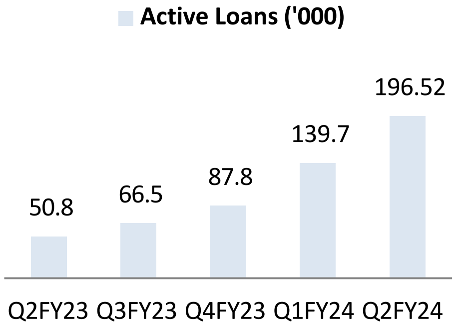
Business Update – Sep’23

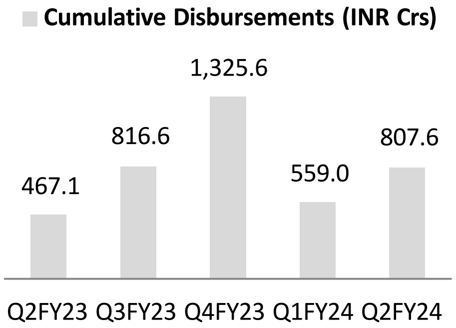
Keertana

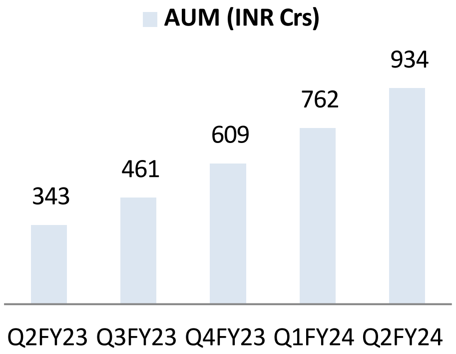


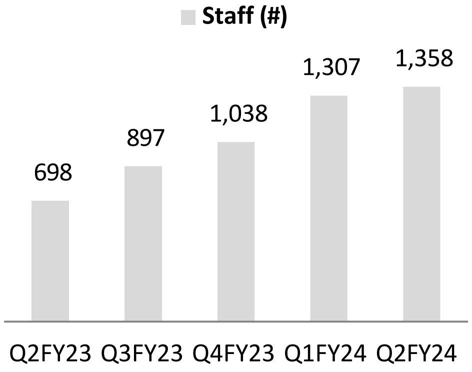


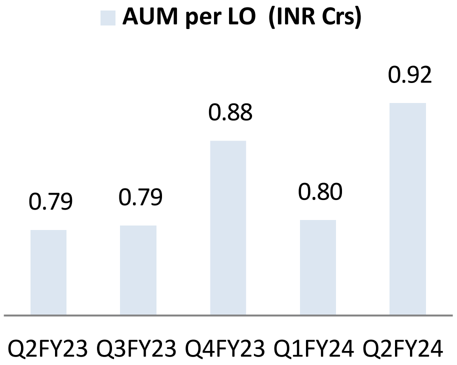












Financial Update – Sep’23

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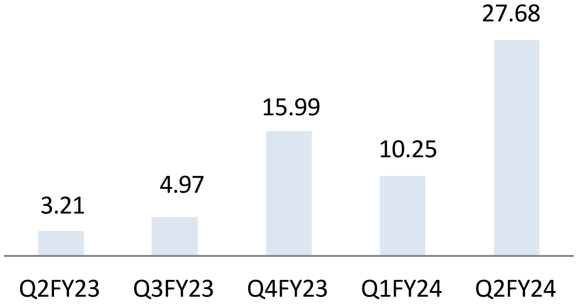
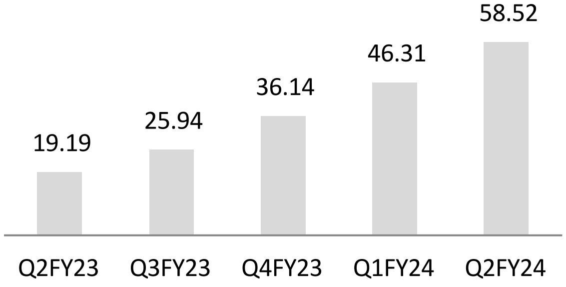
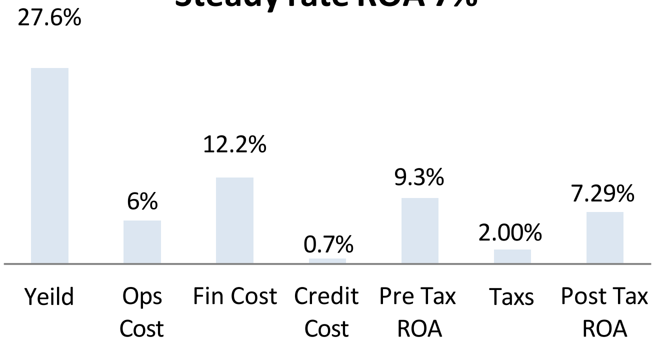
PAT (INR Crs)



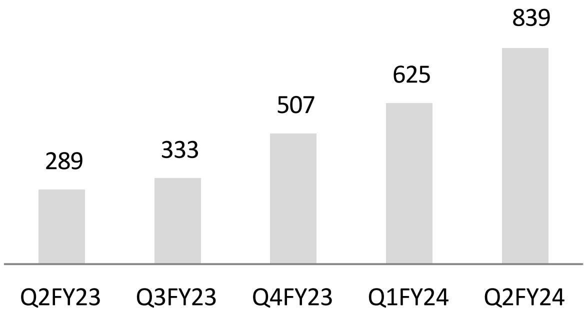
Revenue Growth (INR Crs)



Steady rate ROA 7%



Borrowings Outstanding (INR Crs)



Cross Sale

Mobile Phones

- 2,951 Mobiles worth of Rs. 4.32 Crs were sold in the last 18 months
- ~2.21 Lacs commission earned which is 1.17 % of PAT

Aasara – Accidental Insurance

- 36,266 Accidental insurance policies with a sum insured of Rs. 416.22 Crs were sold;

Profit and Loss account Sep-23

INR Crs

Keertana

Particulars	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23
Income							
Interest income	104.83	83.40	64.92	46.31	29.63	13.99	91.82
Other Income	2.83	1.58	1.57	1.57	-	-	0.06
Total	107.66	84.98	66.49	47.88	29.63	13.99	91.87
Expenditure							
Finance Cost	46.27	36.34	28.35	20.78	13.42	6.25	37.94
Opearting cost	23.29	18.27	15.14	10.55	6.99	2.98	28.50
Provisions	2.84	2.12	1.65	1.20	0.71	0.30	3.89
Total	72.40	56.73	45.14	32.53	21.13	9.53	70.34
PBT	35.26	28.25	21.35	15.35	8.50	4.46	21.54
Tax	6.70	6.62	5.21	5.10	2.65	1.33	5.54
PAT	28.56	21.63	16.14	10.25	5.85	3.13	15.99

- **Six months revenue crossed 100Cr for the first time.**
- **Consistent growth in revenue and profits reflecting strong positive outlook.**

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Balance Sheet as at Sep'23

INR Crs

Particulars	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23
ASSETS							
Cash and cash equivalents*	33.23	127.25	59.81	49.50	8.14	10.66	43.28
Fixed Assets	19.45	19.61	19.82	18.39	17.22	16.86	16.62
ROU Asset	14.15	14.36	14.58	14.79	15.01	15.22	15.44
Investments	72.77	10.21	10.21	10.21	-	-	-
Loans & Advances	942.94	859.35	817.68	773.08	715.50	671.23	618.89
Other current assets	11.91	15.47	10.81	9.47	7.23	7.20	6.39
Total	1,094.44	1,046.25	932.92	875.45	763.10	721.17	700.61
Liabilities							
Net worth	234.08	228.05	221.42	216.65	174.25	171.53	168.40
Borrowings	533.39	583.55	550.99	559.23	536.32	497.69	506.46
Other current Liabilities	326.98	234.64	160.50	99.57	52.53	51.95	25.75
Total	1,094.44	1,046.25	932.92	875.45	763.10	721.17	700.61

- **Overall Assets crossed 1,000 Cr Benchmark.**
- **Moved from Base level to Mid layer NBFC.**
- **Leverage -3.5 times**
- **Promoter is committed to infuse Rs.60Cr equity to support the growth**

Growth during the first six months of FY24.

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Particular	As at Mar'23	As at Sep'23	Net Growth	% of Growth
No of operating Branches	185	234	49	26%
No of Customers	66,431	1,33,550	67,119	101%
Disbursement (Rs. Crs.)	1,326	2,133	807	61%
No of Employees	1,038	1,358	320	31%
AUM (Rs.Crs.)	609	934	325	53%
Networth (Rs. Crs.)	168	235	67	40%
Revenue (Rs. Crs.)	92	105	13	28%
Yield	24.57%	27.40%	3%	12%
PAT	15.99	27.68	12	146%
NIM %	14.42%	15.42%	1%	7%
Cost to income %	31.04%	22.33%	9%	28%
Opex %	8.67%	6.86%	2%	21%
Credit Cost %	0.96%	0.75%	0%	22%
ROA %	5.32%	7.50%	2%	41%
ROE %	18.69%	27.48%	9%	47%
Debt to Equity	3.01	3.54		
CRAR	25.98%	27.25%		

Achievements - FY 23

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Particular	Projected	Actual	% of Achievement
No of Branches	180	186	103
No of Customers	67,000	66,437	99
No of Employees	1,200	1,038	87
Disbursement	1,498	1,711	114
Avg Ticket Size	90,000	70,000	78
AUM	600	609	102
Networth	170	175	103
Revenue	95	95	100
Yield	25	26	102
PAT	17	22	129
NIM %	12	16	135
Cost to income %	57	50	113
Opex %	7.5	7.5	100
Credit Cost %	0.50	0.25	200
ROA %	4	6	144
ROE %	12	18	145
Debt to Equity	3	3	100
CRAR	28	27	95

Projections Vs Achievements – H1FY24

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Particulars	Target	Achievement	%
No of Employees	1,350	1,358	101%
No of Branches	236	234	99%
Value of Loan Disb (Rs. Crs.)	1,207	1,226	102%
No of Borrowers	1,40,000	1,33,549	95%
No of Loans disbursed	1,72,000	2,20,942	128%
Portfolio Growth (Rs.Crs)	370	314	85%
POS per LO (Rs.Crs)	0.94	1.23	131%
Revenue (Rs.Crs)	105.03	107.66	103%
Operating Cost (Rs.Crs)	26.37	23.28	113%
Financial Cost (Rs.Crs)	43.08	46.26	93%
Credit Cost (Rs.Crs)	6.00	2.83	212%
PAT (Rs.Crs)	**22.18**	**27.68**	**125%**
POS Outstanding	**978.00**	**934.00**	**96%**

Projections: revenue of Rs.95Cr in the first year and thereafter doubling every year…

Profit and Loss Account

INR Crs

Particulars	FY23 Actual	FY24 Projected	FY25 Projected
Income			
Interest	94.07	253.0	491.58
Processing Fee	1.18	19.57	38.62
Total	95.25	272.52	530.20
Expenditure			
Finance Cost	36.94	119.39	198.98
Employee Cost	28.41	60.73	127.62
Total	65.34	180.12	326.60
Pre - Provision Profit	29.91	92.40	203.60
Provisions	0.97	12.00	37.00
PBT	28.94	80.40	166.60
Tax	7.52	20.10	41.65
PAT	21.41	60.30	125.00

Balance sheet

Balance Sheet

INR Crs

Particulars	FY23 Actual	FY24 Projected	FY25 Projected
LIABILITIES			
Net Worth	174.29	334.59	630.09
Borrowings	507.30	1,187.74	1,990.39
Other Liabilities	12.16	36.73	14.50
TOTAL	693.76	1,559.06	2,634.97
ASSETS			
Net Fixed Assets	16.62	17.74	18.47
Loan Portfolio	610.25	1,500.62	2,500.00
Cash and others	66.89	40.70	116.50
TOTAL	693.76	1,559.06	2,634.97

Growth Strategy

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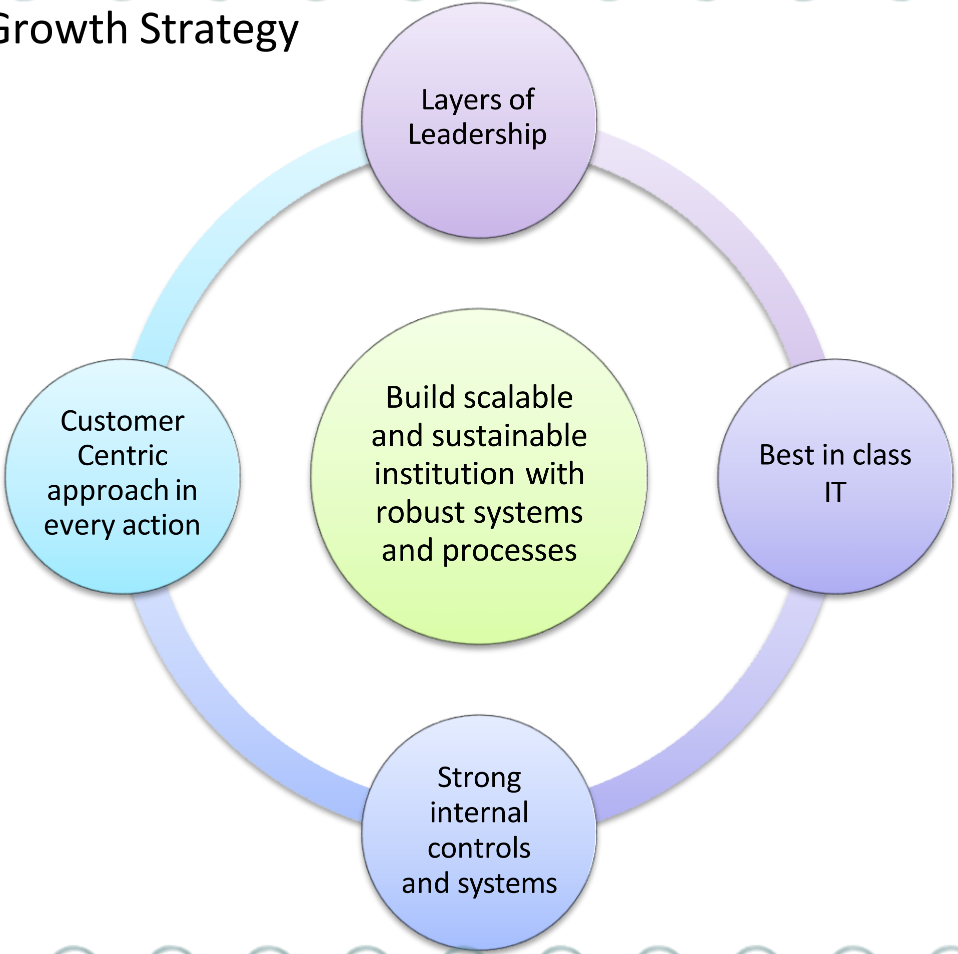

Mission

Keertana aspires to be the leading Non-Banking Finance Company offering range of financial products and services to low and middle-income households to improve their income and thereby standard of living. Keertana endeavors to deliver quality services to its clients and remunerative returns to its stakeholders by maintaining highest levels of transparency and integrity.

Vision

We aim to become the largest NBFC in Andhra Pradesh and Telangana States by 2025 offering range of financial products.

Thank You