



#PurposeMuthootBlue

To transform the life of the common man
by improving their financial well-being



Financial Presentation to the Board on 10th August 2021 Quarter ended 30th Jun 2021



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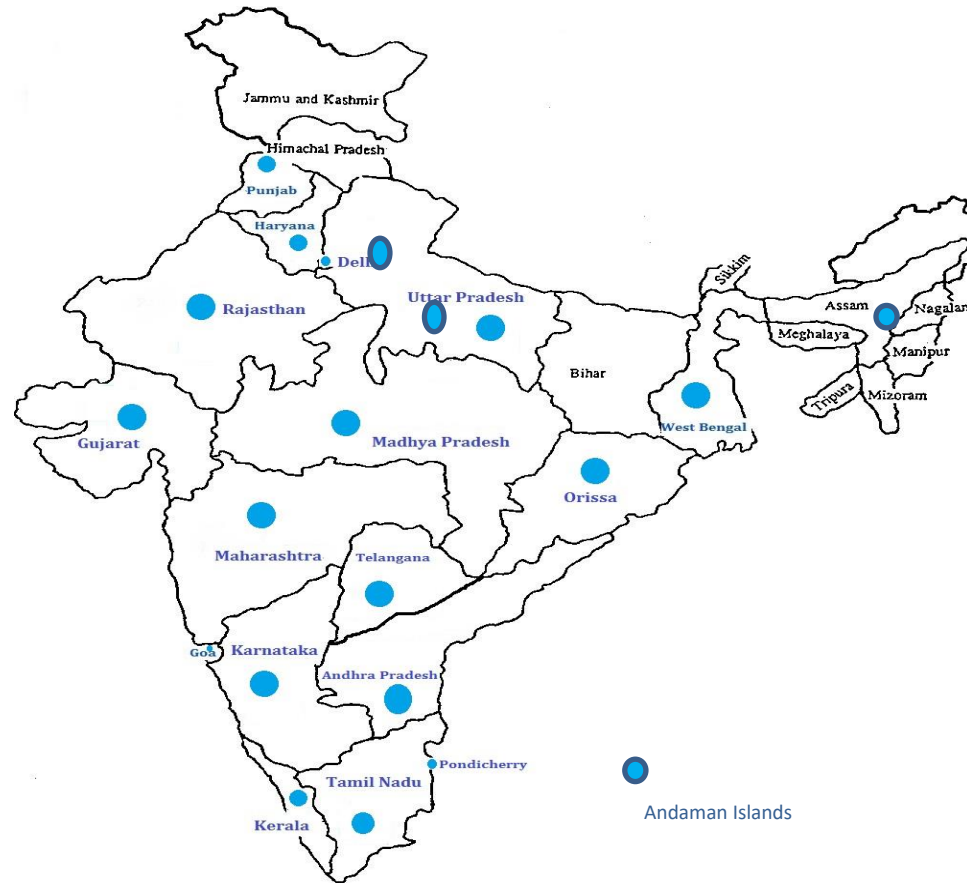


Management Discussion and Analysis

35-37

OPERATIONAL SNAPSHOT

Quarter ended 30th June 2021



No of States- 20
AUM - ₹ 1978 Cr

New Customers
Q1 FY 22 : 19 074

Own book -
Stage 3 - 16.7%
Stage 3 (Net) - 9.5 %
Provision% - 11.6 %

CRAR - 32.2 %
D/E ratio (Ind AS): 3.4
ROA - (2.9%)
ROE - (2.7 %)

Retail customers (Live)
- 5 69 686

Disbursement -
Q1 FY 22: ₹ 136 Cr

Total sanctions as on
Q1 FY 22 - ₹ 1910 Cr

PAT
Q1 FY 22: (₹ 14.7 Cr)

KEY UPDATES ...

Operational Impact

- Since Oct 20, staff attendance was returning back to normal till the COVID Wave 2 struck.
- Disbursements that was improving since Sept & volumes at 70-75% in March 21, sharply declined post mid-April; With caution exercised and several dealerships closed, disbursements reduced.
- Monthly Collections of HYP loans dipped from ~ 100% in Q4 21 to 82% in April down further to 58% and 68% of billing in May and June. Things have started improving post mid-June and have come close to normal in July.
- Monthly Collections from corporate customers which was at 98% in Q4 21, was seen at 91 % in Q1 FY22
- With several dealerships and offices closed, the team engaged in follow-up for collection and less number of accounts went to outsourced agencies, which reduced overall collection cost to 1.5% v/s 6% in the previous quarter.

Liquidity Position

- Cash position of the Company is comfortable with ~ ₹ 690 crs as at end June 21
- While fresh transactions & sanctions possible, due to huge cash balance & limited disbursement, Company avoided any fresh transaction.
- All rollovers due for the quarter were done, some with lower interest rates **bringing down the cost of borrowings to 8.98%.** The downward trend expected to continue in the next couple of quarters as well .
- **The Company continued FD sourcing and raised ₹ 6.83 Cr in Q1FY22.** Average cost continues at < 8% p.a.(30th June 2021- ₹ 50.17 Crs)

KEY UPDATES ...

Credit costs

- The company had been conservative in estimating the delinquency post moratorium & continues to do so. In view of the issues faced by the customers in making payment and in Company going and collecting, the Company restructured 36 793 loan accounts (6.5%) valuing ₹ 128.12 Cr.
- Even after restructuring, NPA has risen & with AUM going down , saw a steep increase in credit costs @ 11.7%(annualized) for Q1 FY22 up from 2.8 % in Q4FY21. This is a one-off reaction to the sudden spike in COVID cases, lockdown and movement restrictions and the trend reversal is seen in July.
- Loan Loss Provision for Q1 FY22 - ₹ 50.4 Cr as against ₹ 11.2 Cr in Q4 FY21 and ₹ 33.4 Cr in Q1 FY 21. The Company is confident of reversing this trend in the 2nd and 3rd Quarter and reporting normal NPA levels by end of the current financial year.
- Provision on overall own book as on 30.06.21 - 11.6% v/s 8.7 % as on 31.03.21

Operational costs control

- The Company is planning fresh recruitments in place of staff who had left but not been replaced due to the pandemic last year. This is in view of the planned volumes for the current year.
- In the current quarter the overall operational cost was muted in view of limited operations and lower collections through outsourced agencies.
- Most of the other operational costs are under control and monitored on a regular basis

KEY UPDATES

Impact of COVID

- 275 employees impacted by Covid and we lost 2 of our colleagues. Most of the staff are vaccinated atleast for 1st dose.
- 2nd wave has impacted the rural and semi urban areas. From July onwards, lockdown has been lifted in various parts and vaccination drive has gathered momentum and we are optimistic about future

Heading towards

- Disbursements is slowly returning to pre Wave 2 levels, things moving positively & with more normalcy at branch, consumer levels & dealerships.
- Expect to return to the normal levels by end of Q2FY22 with all the activities opening, up coupled with the upcoming festive season.
- There is no concern on Liquidity and sufficient liquidity is assured to meet the increase in disbursements planned in the coming months

FINANCIAL PERFORMANCE- QUARTERLY & YEARLY

₹. In Crores

Financial Statement Metrics
Disbursement :
Retail Loans
Other Loans
Total Disbursements
AUM at the end of the period *
Average AUM
Total Interest and Fee Income**
Finance Expenses
Net Interest Income(NII)
Operating Expenses
Loan Losses & Provisions
Profit Before Tax
Profit After Tax

Quarterly Trend			
Q1 FY 22	Q1 FY 21	Y-o-Y	Q4 FY 21
135.6	16.5	723%	290.7
0.5	0.5	0%	0.2
136.1	17.0	702%	290.9
1964.3	2429.7	-19%	2071.9
2027.8	2513.9	-19%	2112.5
97.9	131.21	-25%	109.6
40.2	52.53	-24%	41.9
57.7	78.68	-27%	67.7
27.2	27.81	-2%	44.3
50.4	33.38	51%	11.2
-19.9	17.49	-214%	12.2
-14.7	13.55	-209%	8.9

Yearly Trend		
Q.E FY22	Q.E FY21	Y-o-Y
135.6	16.5	723%
0.5	0.5	0%
136.1	17.0	702%
1964.3	2429.7	-19%
2027.8	2513.9	-19%
97.9	131.21	-25%
40.2	52.53	-24%
57.7	78.68	-27%
27.2	27.81	-2%
50.4	33.38	51%
-19.9	17.49	-214%
-14.7	13.55	-209%

* Total AUM including off book as on 30th Jun 21 is ₹ 1978 crs (Q-o-Q- 5% down) (Y-o-Y- 20 % down)

** Interest Income lower than Q4 FY21 in view of the drop in AUM and Interest reversal on account of NPA recognition.

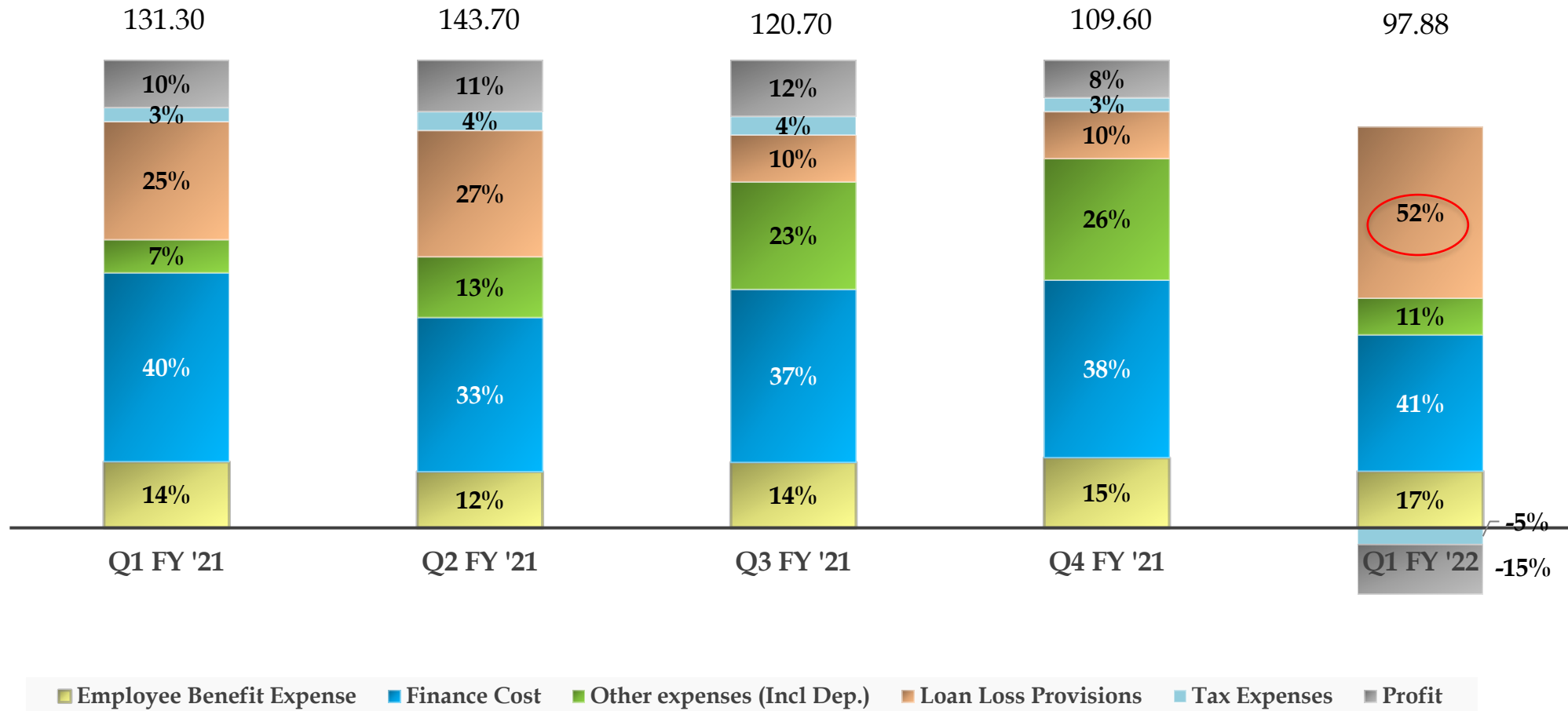
*** Q1 FY 21 & FY 22 OPEX looks lower due to lack of operations for the major part of the quarter.

Total Opex to NII***
Return on Avg. AUM
Earnings per Share

Q1 FY 22	Q1 FY 21	Q4 FY 21	Q E FY22	Q E FY21
47.1%	35.4%	65.4%	47.1%	35.4%
-2.9%	2.1%	1.7%	-2.9%	2.1%
-9.15	7.9	5.5	-9.15	7.9

REVENUE AND EXPENSE AS A % OF REVENUE - Q-o-Q

₹. In Crores



STATEMENT OF SOURCES AND APPLICATION OF FUNDS

₹. In Crores

Sources	30-Jun-21	31-Mar-21	30-Jun-20	Application	30-Jun-21	31-Mar-21	30-Jun-20
Share Capital	16.4	16.4	16.4	Fixed Assets	2.6	2.8	3.4
Reserve & Surplus	528.4	543.1	504.5	Investments	83.4	85.4	121.1
Shareholders Funds	544.8	559.5	520.9	Deferred Tax Assets	36.0	21.4	26.1
Bank Debts	1295.8	1311.2	1322.4				
Securitizations Pool	122.8	215.4	582.1	Hypothecation Loan	1611.7	1706.1	1972.9
Sub debt / Debentures	357.8	351.6	116.6	Loan Buyout(Retail loans)	19.3	28.3	26.3
Public Deposit/ICD	56.4	55.6	45.1	Term Loans	57.2	102.5	165.0
Loan From Directors	7.6	10.2	10.2	Other Loans	8.2	9.1	15.0
Interest Accrued on Loans	2.8	3.0	5.4	Interest Accrued on Loans	22.2	25.5	**58.5
Total Borrowings	1843.2	1947.0	2081.8	Total Loans *	1718.6	1871.6	2237.6
Trade Payable	19.4	22.5	22.5	Cash & Cash Equivalents	561.0	540.9	225.1
Provisions	6.5	6.1	14.6	Other Financial Assets	16.4	14.3	21.3
Other Financial Liabilities	19.4	21.6	12.0	Other Non-Financial Assets	17.8	23.4	17.7
Other Non-Financial Liabilities	1.4	1.7	0.6				
Derivative Financial Instruments	1.0	1.4					
Total	2435.7	2559.8	2652.4	Total	2435.7	2559.8	2652.4

- *The loans reported are net of provisions made of ₹. 159.2Cr, ₹. 179.4 Cr and ₹. 228.6 Cr as on Jun 20, Mar 21 and Jun 21 respectively
- **Includes interest accrued for customers on moratorium and hence not paid their dues

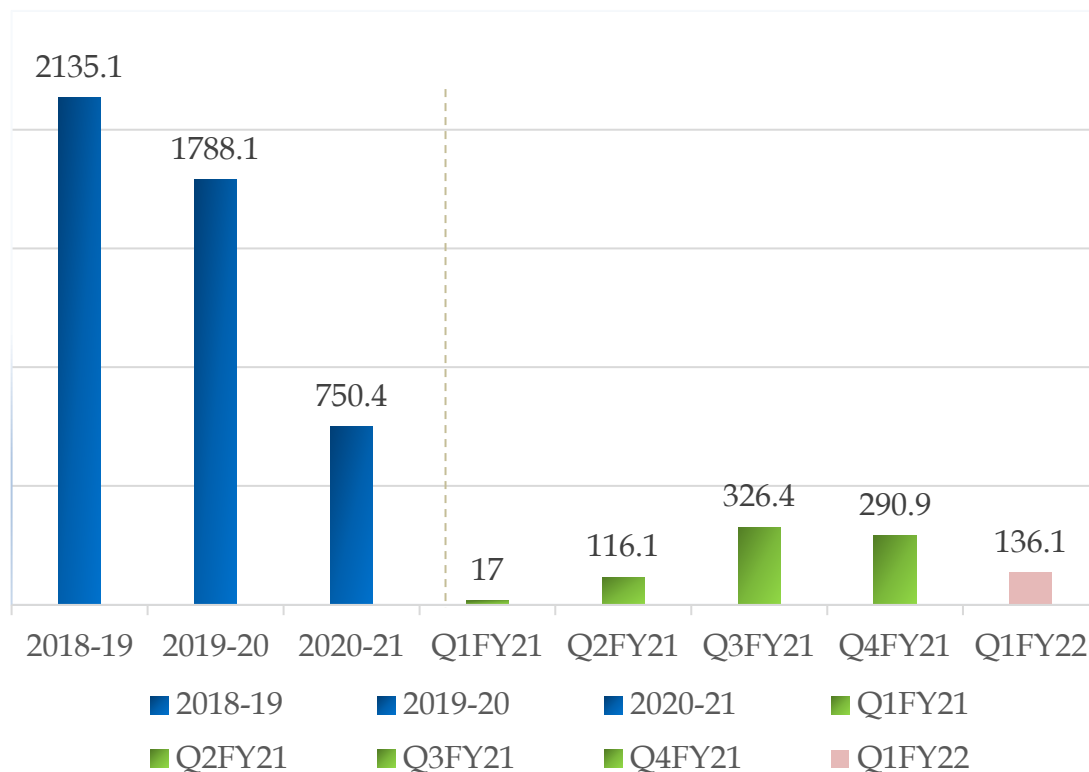
FINANCIAL SUMMARY

₹. In Crores

Year	Paid up Capital	Networth	Disbursements	AUM	Revenue	PAT	Market Capitalisation	Book Value
2013-14	12.5	118.6	588.6	690.6	158.8	22.2	120.3	94.9
2014-15	12.5	133.3	648.8	845.1	191.3	22.3	252.2	106.6
2015-16	12.5	147.9	928.0	1038.8	228.5	22.9	185.8	118.3
2016-17	12.5	178.0	1297.8	1439.7	284.2	30.1	342.9	142.4
2017-18	*16.5	393.9	1969.6	2238.0	398.1	53.7	1228.5	238.7
2018-19	16.5	476.4	2135.1	2741.0	535.3	82.4	1488.5	288.7
2019-20	16.5	507.3	1788.1	2650.0	586.8	60.2	412.9	307.5
2020-21	16.5	559.5	750.4	2088.0	505.0	52.2	602.1	339.1
Q1FY22	16.5	544.8	136.1	1978.0	97.9	-14.7	651.1	331.3

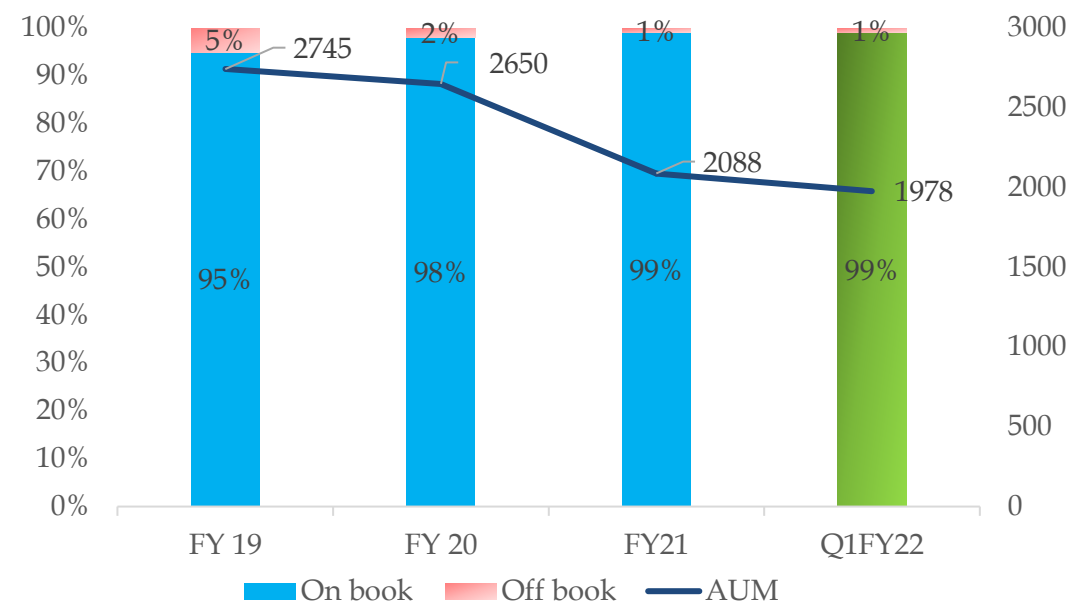
- * Bonus in Jun 2017

- *QIP done in November 2017

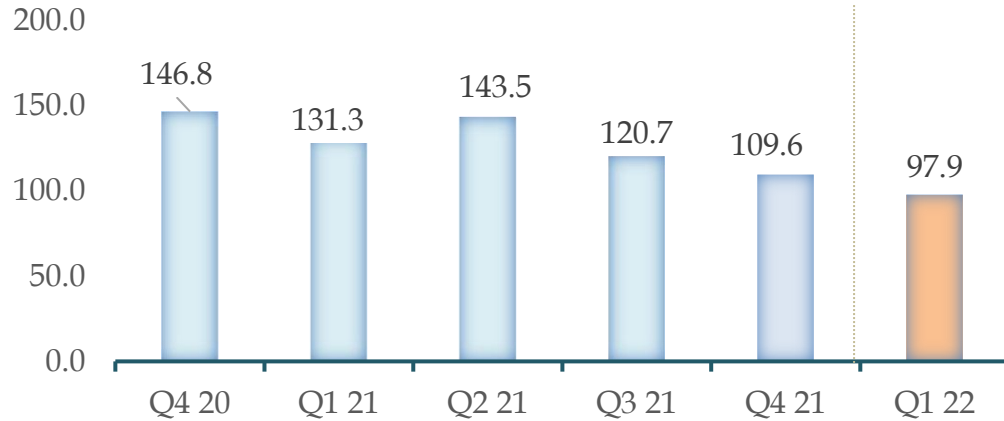
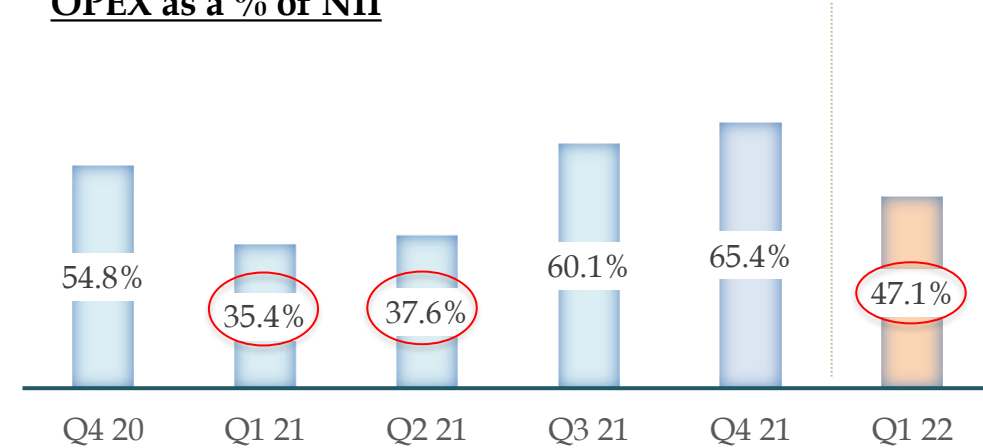
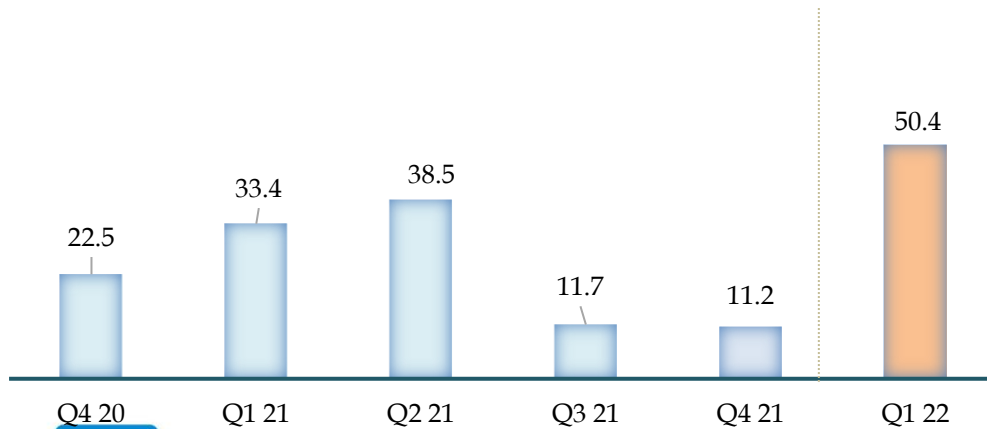
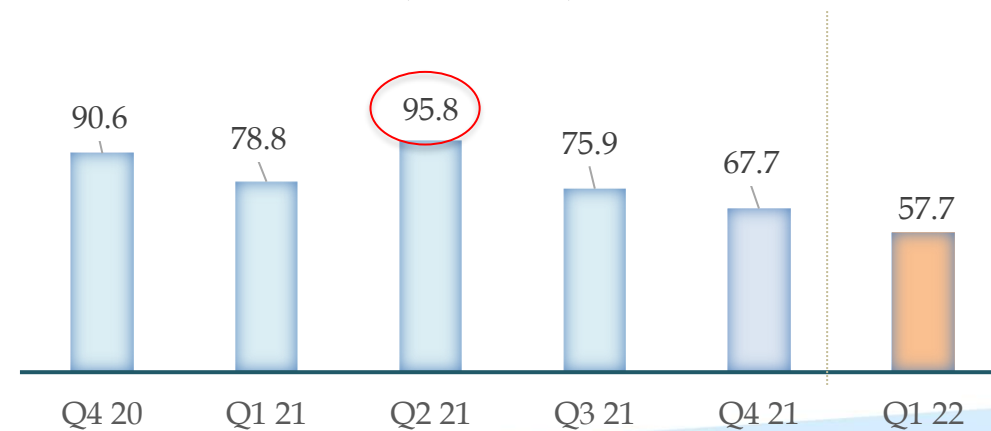
DISBURSEMENTS

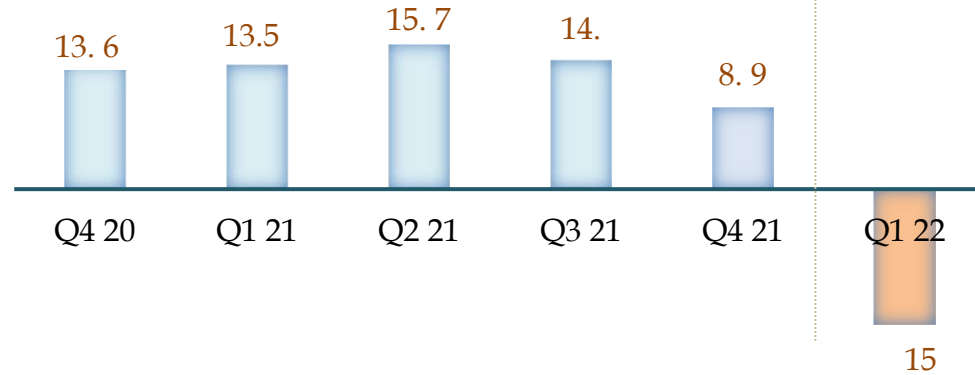
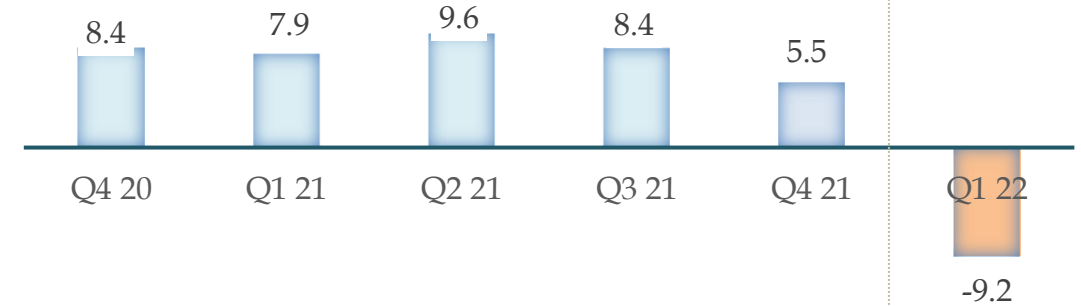
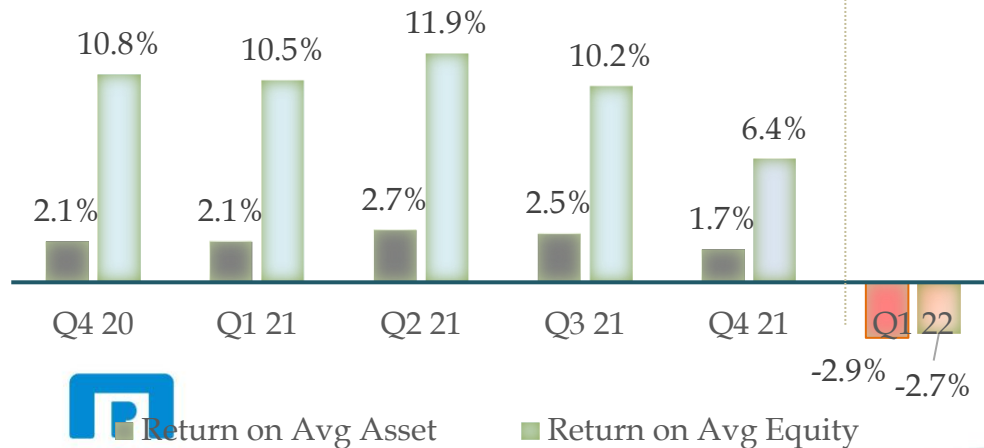
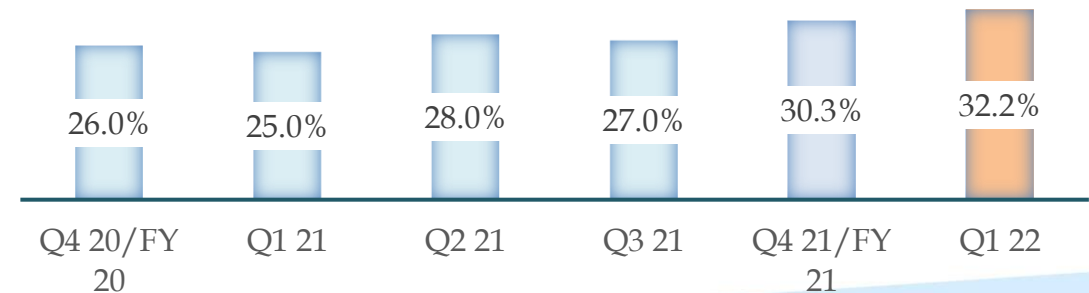
Growth (year)	8%	-16%	-58%
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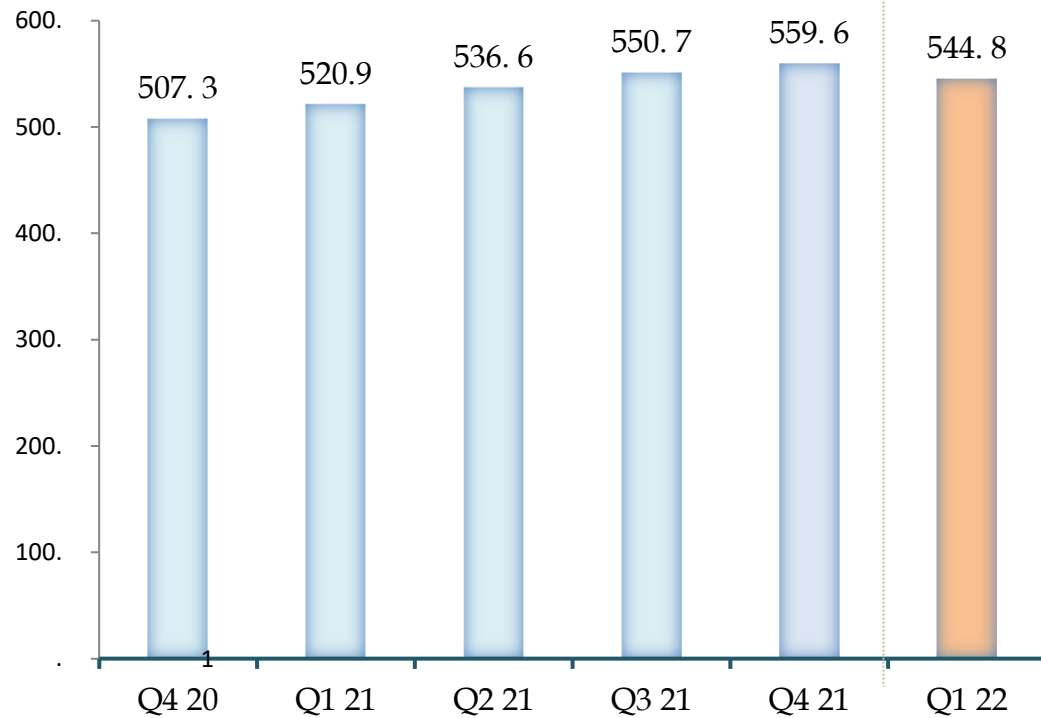
Growth (quarter)	Q1/Q2	Q2/Q3	Q3/Q4	Q4/Q1
	582%	181%	-11%	-53%

AUM

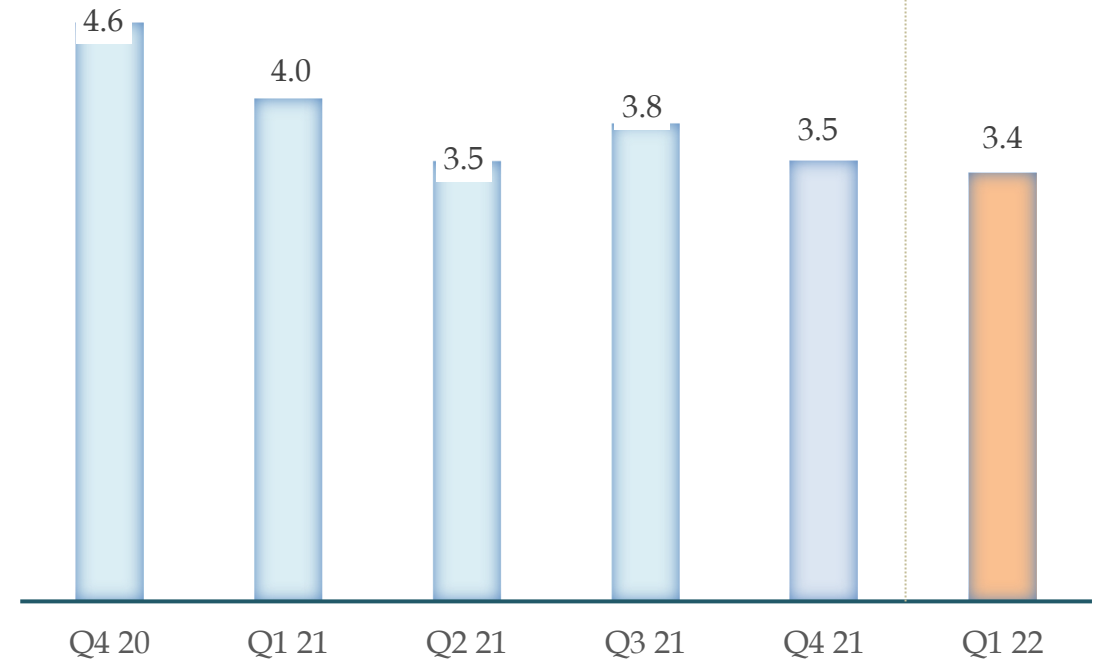
Growth	22%	-3%	-21%	-5%
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Revenue (in ₹ crores)**OPEX as a % of NII****Loan Loss Provisions and Write offs (in Crores)****Net interest income (in Crores)**

Profit after tax (in Crores)**Earning per Share (in ₹)****ROA and ROE****Capital Adequacy Ratio (%)**

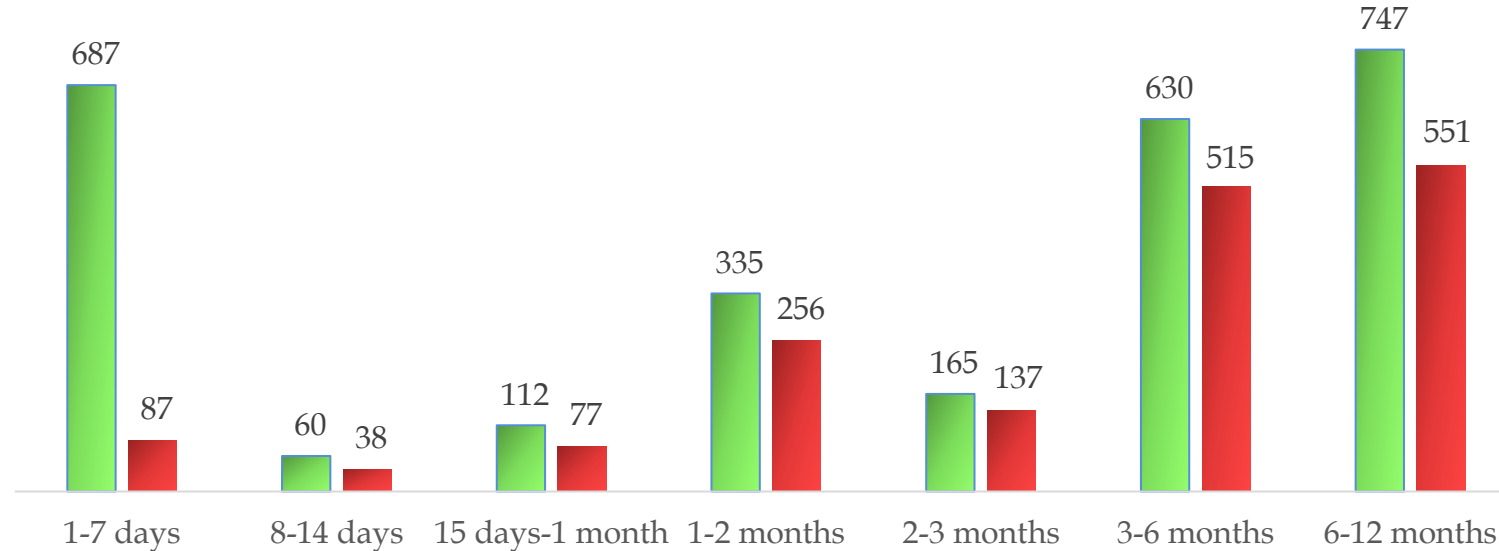
Net worth (in Crores)

BPV (₹)	308.6	316.72	326.27	334.80	340.21	331.25
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Debt Equity Ratio

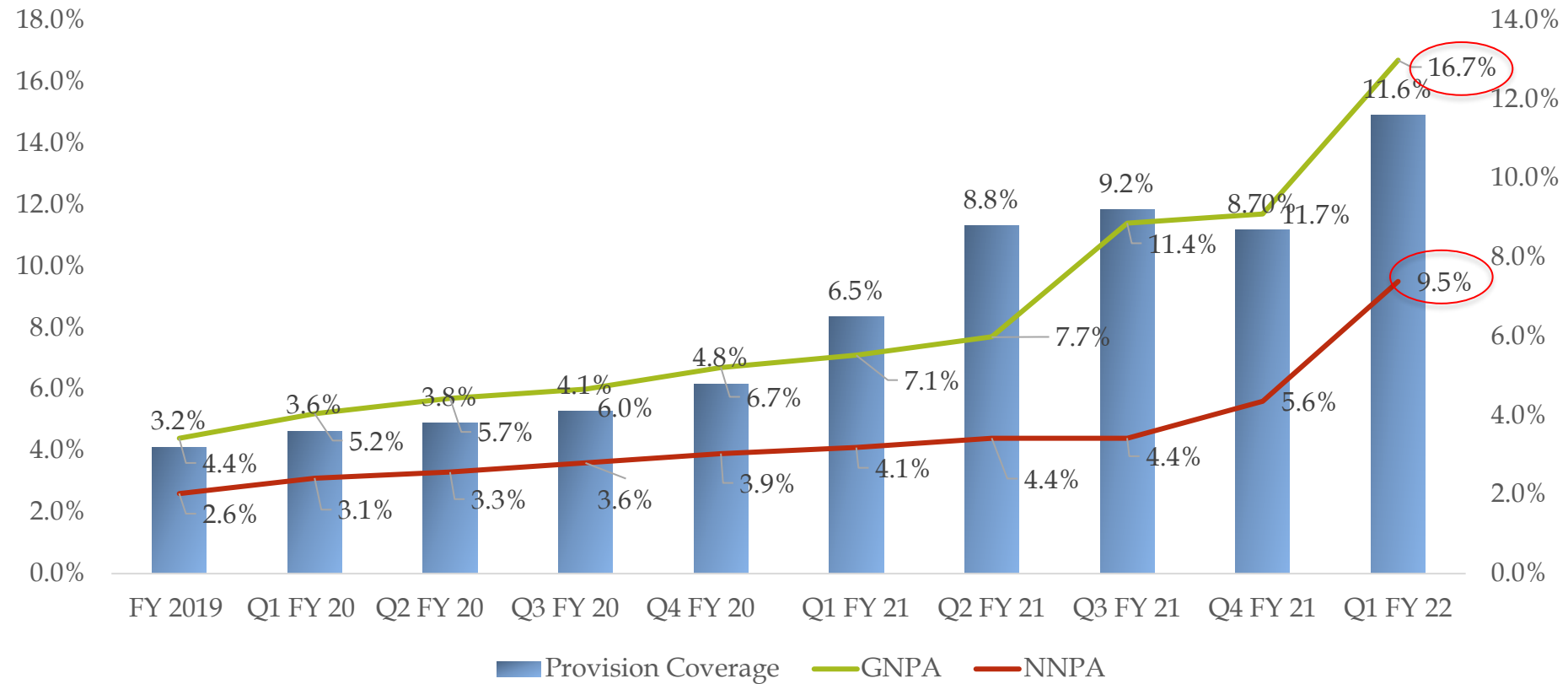
STRUCTURAL LIQUIDITY AS ON 30.06.2021

■ Cumulative Inflows (Rs. Cr) ■ Cumulative Outflows (Rs. Cr) ₹. In Crores



Cumulative Positive Gap	600	622	657	736	764	879	1075
Cumulative %	691%	1648%	851%	288%	556%	171%	195%

- A detailed ALM and Structural Liquidity statement as required by RBI prepared and submitted to RBI.
- Loans in the form on CC/WCDL get renewed and hence considered as 'inflow' and 'outflow' in the same period; As of 30.06.21 there was "undrawn sanctions+ Bank Balance" of ₹ 690 Cr + to meet any requirement.
- While the overall conditions prevailing has not been conducive for raising funds, there is a steady flow of funds through different modes.

ASSET QUALITY AND PROVISION COVERAGE

As Per IND AS

As on
31.03.2020As on
31.12.2020As on
31.03.2021As on
30.06.2021Prov as % of Loan
Book

4.8%

9.2%

8.7%

11.6%

EXPECTED CREDIT LOSS (ECL)

As on 30.06.2020

₹. In Crores

Particulars	Outstanding	Provision	ECL%	IRACP%
Total	2429.69	158.13	6.51%	2.92%
S1 and S2 (Std assets)	2057.15	*79.85	3.88%	0.40%
S3 (NPA)	161.17	70.50	43.74%	38.02%
Other Loans (Std Assets)	200.84	*3.51	1.75%	0.40%
Other Loans (S3)	10.53	4.28	40.6%	10.00%

As on 31.03.2021

Particulars	Outstanding	Provision	ECL %	IRACP%
Total	2071.85	179.35	8.66%	4.43%
S1 and S2 (Std assets)	1704.25	42.68	2.50%	0.40%
S3	226.68	118.75	52.40%	29.96%
S1 and S2 Other Loans (Std Assets)	124.52	2.06	1.65%	1.08%
S3 Other Loans	16.40	15.86	96.71%	95.85%

As on 30.06.2021

Particulars	Outstanding	Provision	ECL %	IRACP%
Total	1964.04	228.55	11.6%	5.20%
S1 and S2 (Std assets)	1549.38	69.81	4.51%	0.40%
S3	311.51	140.82	45.21%	26.90%
S1 and S2 Other Loans (Std Assets)	86.75	1.59	1.83%	0.40%
S3 Other Loans	16.40	16.33	99.57%	46.44%

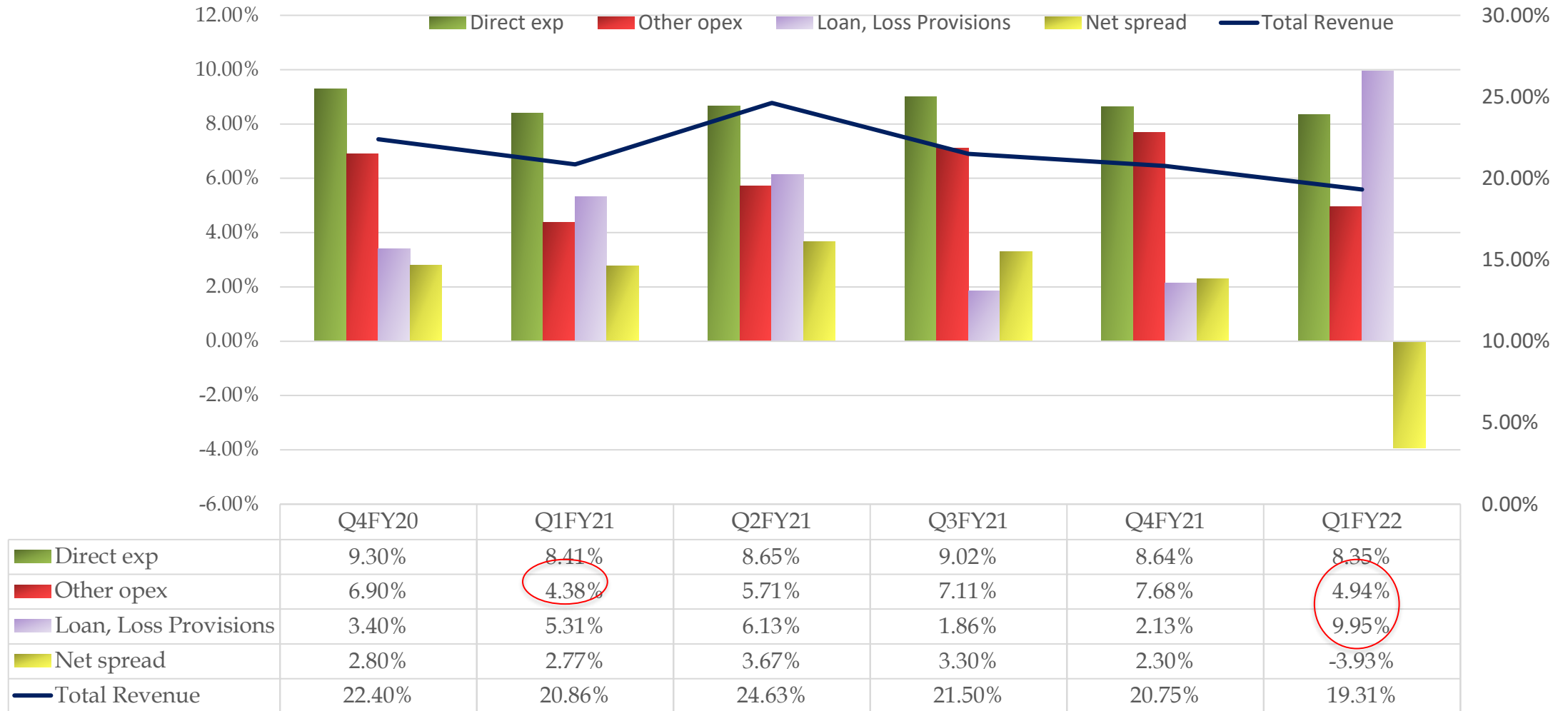
Additional provision of ₹ 14.8 Cr provided in towards S3 assets as on Q4FY21 towards COVID 19 impact

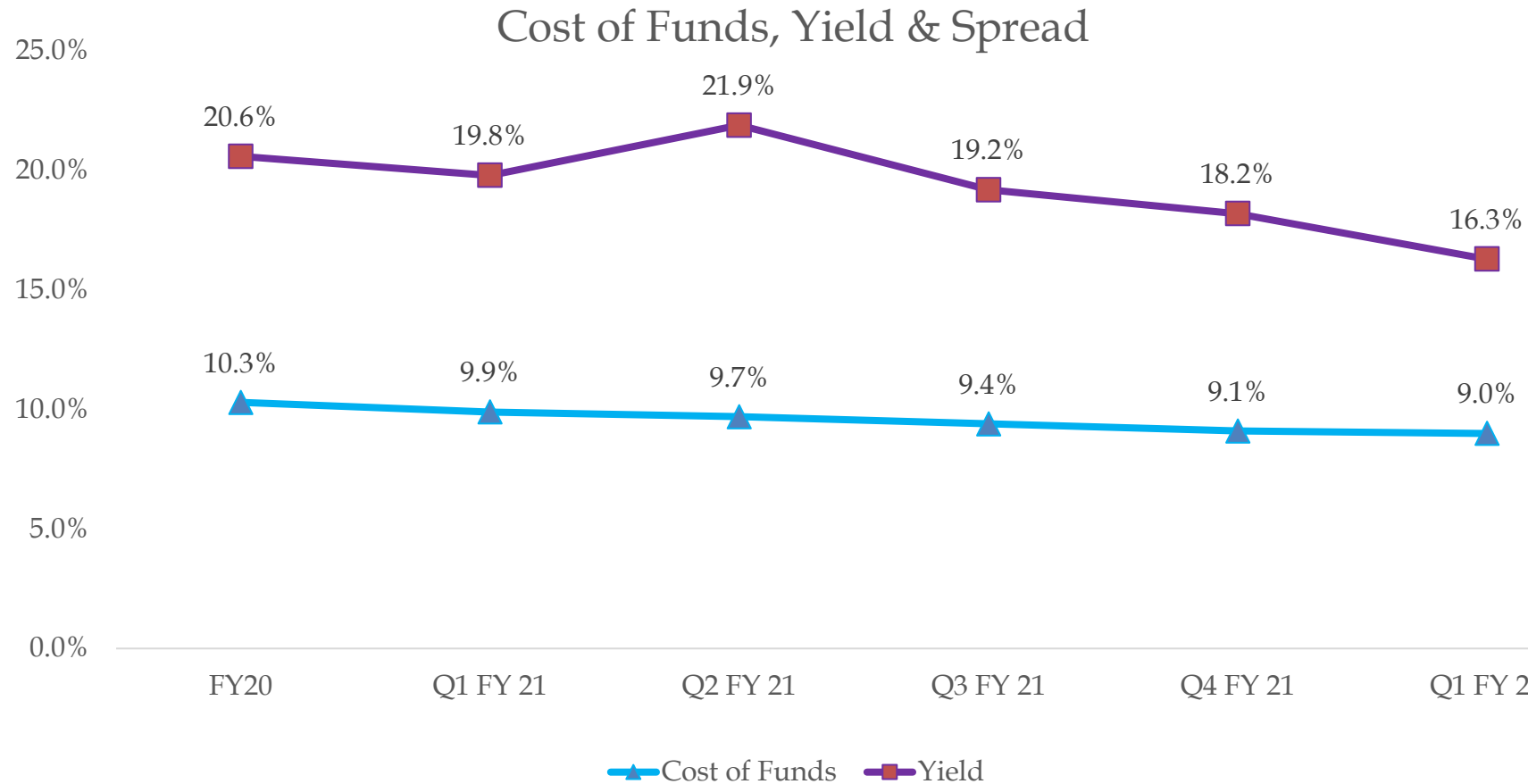
MAIN FACTORS IMPACTING PROFITABILITY - DELINQUENCIES

₹. In Crores



Particulars	FY 20	Q1 FY 21	Q2 FY 21	Q3 FY 21	Q4FY21	FY 21	Q1FY22
Total P&L Impact	78.68	35.8	38.56	11.21	14.87	100.44	59.39
Avg AUM	2613.9	2513.9	2332.5	2245.7	2112.5	2307.2	2027.8
% of Credit cost on Avg AUM (annualized)	3.0%	5.7%	6.6%	2.0%	2.8%	4.4%	11.7%

SPREAD ANALYSIS

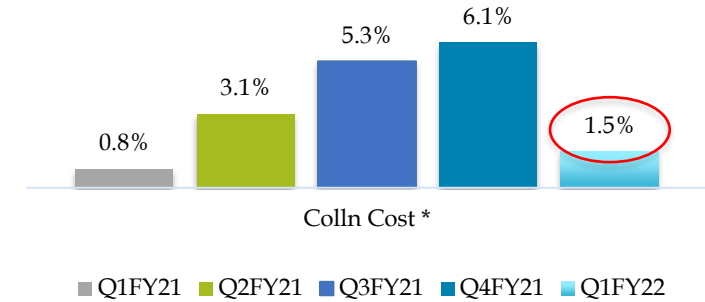
ANALYSIS OF COST & YIELD

OTHER EXPENSES - SPLIT- QUARTERLY

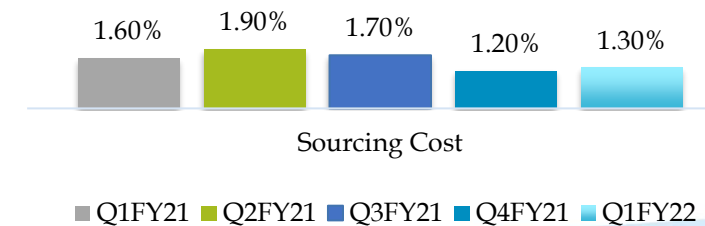
₹. In Crores

Expense heads	Q1 FY 22	Q1 FY 20	Y-o-Y	Q4 FY 21	Q-o-Q
Collection Charges:	5.1	2.3	117.2%	25.7	-80.3%
Collection Charges-MFL	0.6	0.5	1.9%	1.1	-50.0%
Collection Agency Payout	3.5	1.4	154.4%	22.2	-84.4%
ECS/ NACH/E-auction	0.4	0.4	-14.0%	0.5	-26.0%
Tele calling	0.3	0.0	100.0%	0.7	-55.7%
Collection Agents	0.2	0.0	100.0%	1.2	-80.8%
Servicer Fee	0.1	-	100.0%		100.0%
Business Sourcing Incentive:	1.8	0.3	573.1%	3.2	-45.3%
Dealer Incentive	1.4	0.1	946.2%	2.2	-38.2%
Business Sourcing Incentive - MFL	0.3	0.0	100.0%	0.8	-65.0%
Business sourcing expense- Marketing	0.1	0.1	0.0%	0.2	-45.0%
Investigation and Professional Charges	0.5	0.5	2.5%	0.9	-97.2%
FI Charges - Autoloan	0.0	0.0	-50.0%	0.2	-350.0%
Professional Charges	0.4	0.3	31.1%	0.6	-49.4%
Legal Charges	0.0	0.1	-80.7%	0.1	-1519.8%
Rent	1.1	1.0	10.2%	1.5	-93.2%
Back Office Processing	0.4	0.2	62.5%	0.4	56.3%
Other Expenses	4.3	5.46	-21.2%	0.4	-153.1%
Total	13.1	9.7	34.1%	32.1	-98.9%
Ind As Adjustments	-2.5	-0.6	289%	-4.2	-168.8%
As per Financials	10.6	9.1	16.5%	27.9	-99.4%

Collection Cost as % of Collection



Sourcing Cost as % of Disbursement



- Considering Incentive to Collection staff (Q1FY21- Nil , Q4FY21-₹ 0.7Cr and Q1FY22- Nil) but excluding collection staff salary
- The collection in Q1FY 22 was very less on account lockdown in the state for more than 1 month

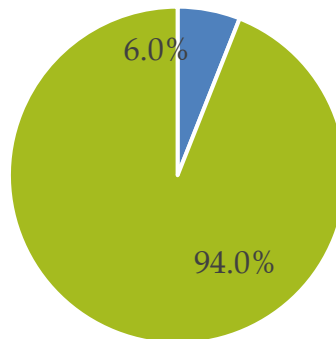
ZONEWISE DISBURSEMENT (RETAIL LOANS INCLUDING BUYOUTS) - Y-o-Y

₹. In Crores

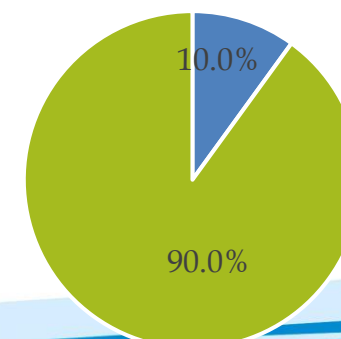
Zone	BRANCH				DEALER				TOTAL				Overall Share		
	Q1 FY '22		Q1 FY '21		Q1 FY '22		Q1 FY '21		Q1 FY '22		Q1 FY '21		Growth %	Q1 FY '22	Q1 FY '21
	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value			
South	1 228	9.70	75	0.46	9 457	71.13	1 295	8.57	10 685	80.82	1 370	9.03	794.9%	59.6%	54.8%
West	449	2.85	60	0.35	1 143	7.98	112	0.68	1 592	10.83	172	1.03	953.9%	8.0%	6.2%
North	74	0.47	10	0.06	3 143	19.68	541	2.94	3 217	20.15	551	3.00	572.6%	14.9%	18.2%
East	93	0.62	8	0.04	3 487	23.15	544	3.38	3 580	23.77	552	3.42	595.9%	17.5%	20.7%
Overall	1 844	13.63	153	0.91	17 230	121.94	2 492	15.56	19 074	135.57	2 645	16.47	723.1%	100.0%	100.0%

Share of Branch and Dealer of zone-wise
disbursement

Q1FY21

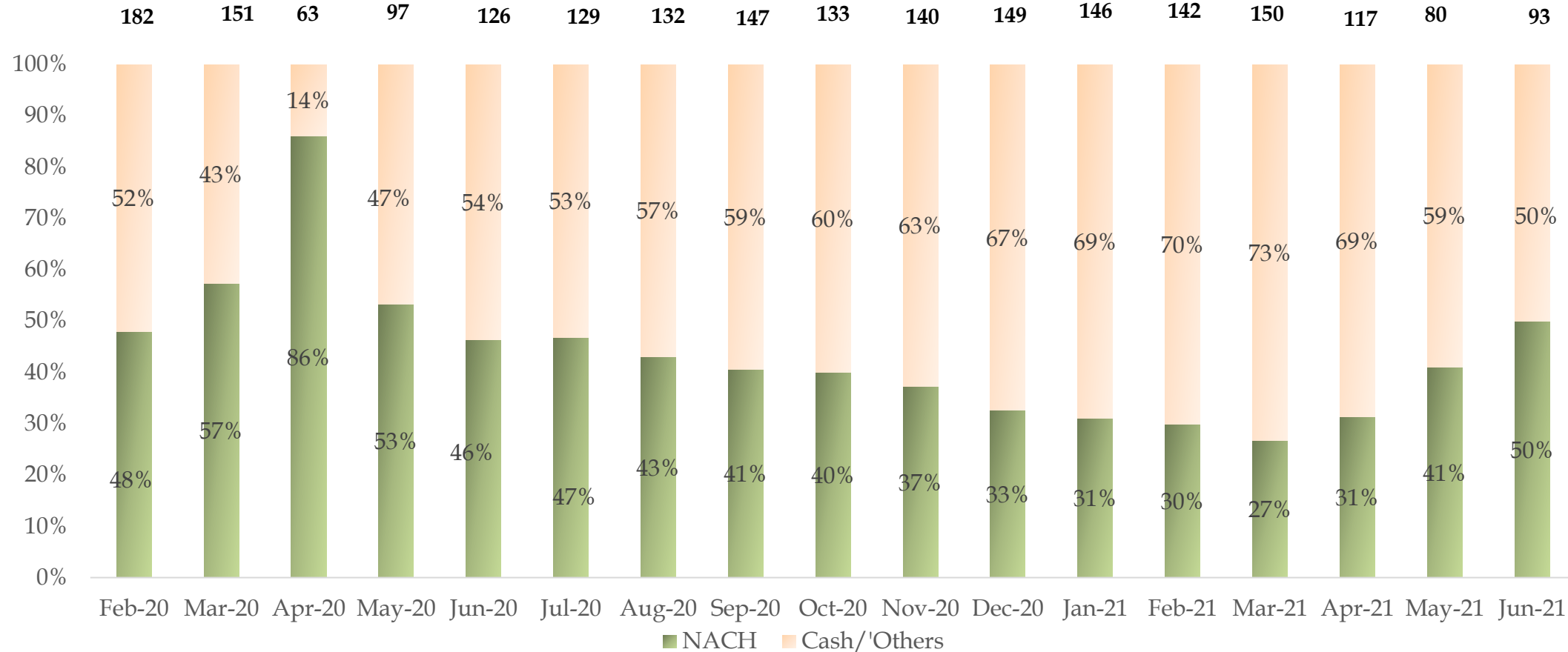


Q1FY22



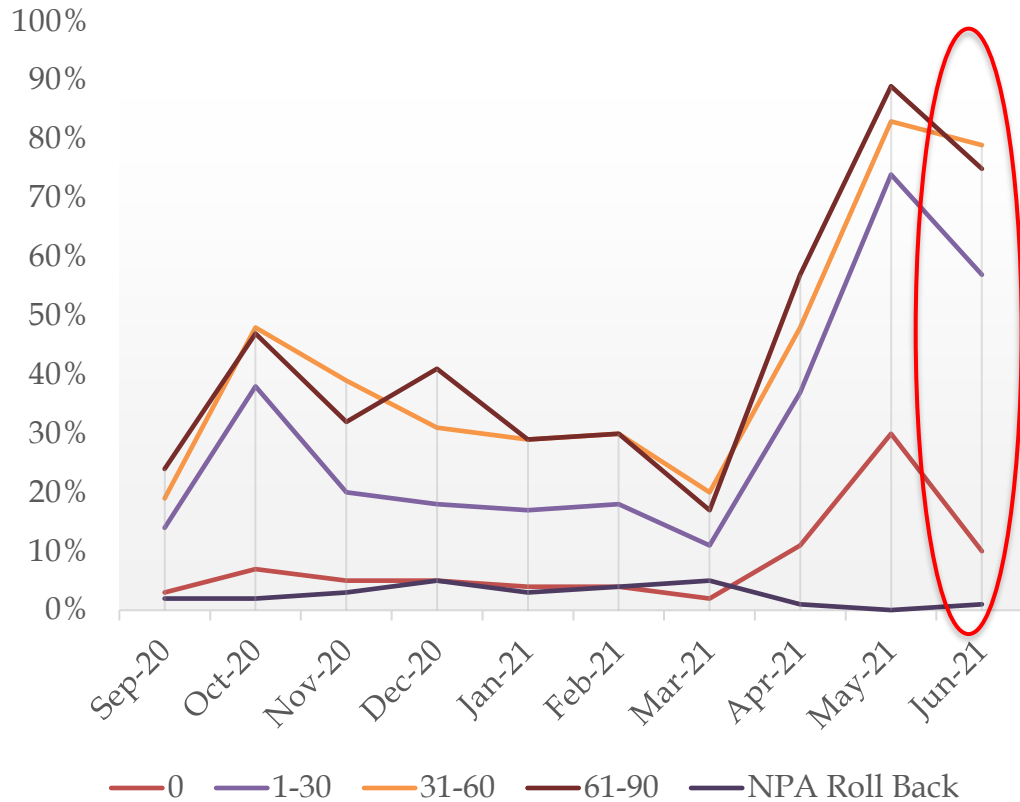
MODE WISE COLLECTION OVER LAST 17 MONTHS (HYP)

₹. In Crores

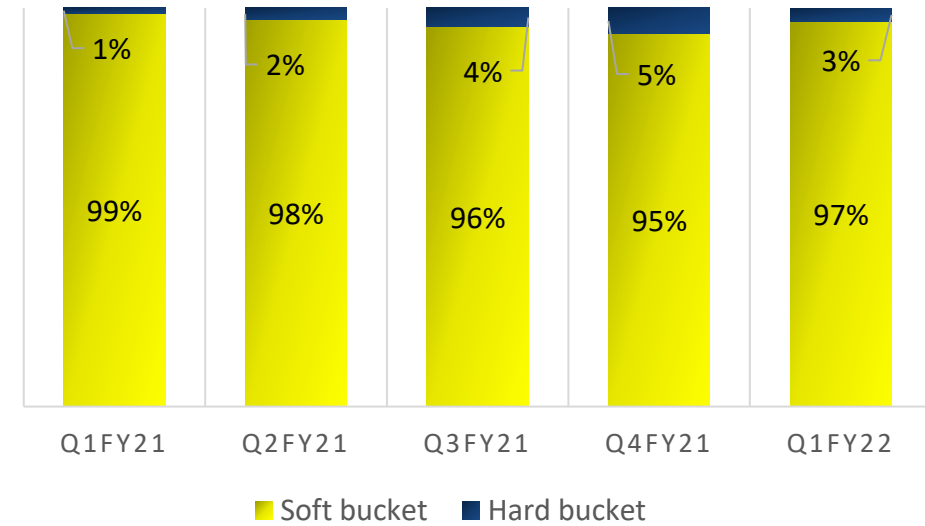


COLLECTION PERFORMANCE MONITORING (HYP)

₹. In Crores

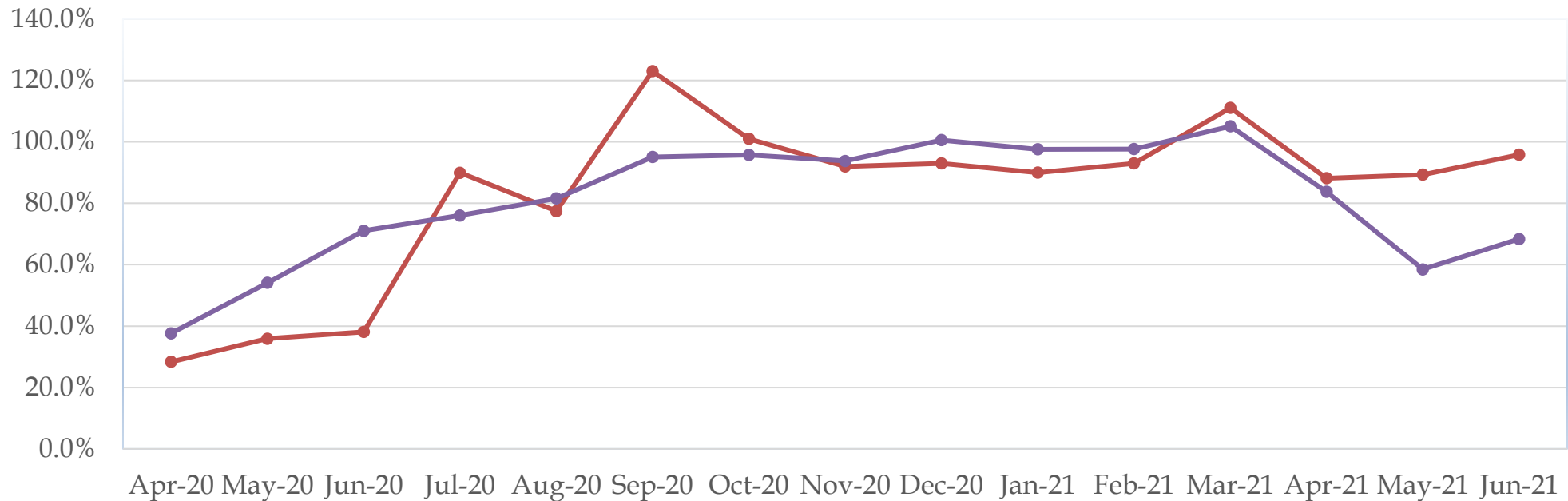
Bucket-wise Flow

Collection Performance



₹. In Crores

	Q1 FY 21	Q2 FY 21	Q3 FY 21	Q4 FY 21	Q1 FY 22
Soft Bucket (1-90)	274	363	392	391	274
Hard Bucket (>90)	3	9	16	21	8
Total	277	372	408	412	282

COLLECTION PERFORMANCE MONITORING

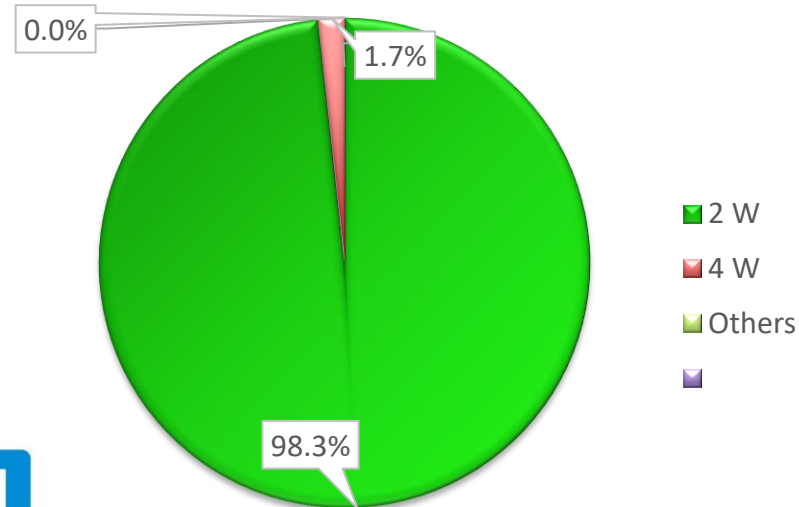
	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
Corporate Collections	28.4%	35.9%	38.1%	90.0%	77.5%	123.0%	101.0%	92.0%	93.0%	90.0%	93.0%	111.1%	88.2%	89.3%	95.8%
HYP Collection	37.7%	54.1%	71.0%	76.0%	81.6%	95.1%	95.8%	93.8%	100.6%	97.6%	97.6%	105.1%	83.7%	58.5%	68.4%

Corporate Collections HYP Collection

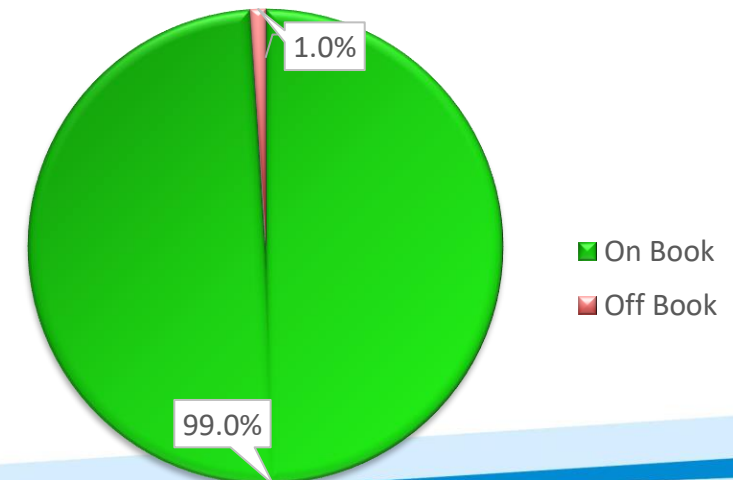
- The impact of restructuring / moratorium is not given effect to while computing the collection efficiencies of Hyp/ Corporate loans
- The spike in Sep & Mar collections in Corp Loans was due to pre-closures, remittance of interest accrued (morat period) and old dues settlement.
- The collection from HYP loans includes collections from regular EMI, pre-closures , overdues and other charges
- The collections has been full in respect of all the corp loan borrowers except in case of 3 stressed accounts.

RETAIL PORTFOLIO SPLIT AS ON 30th JUNE 2021

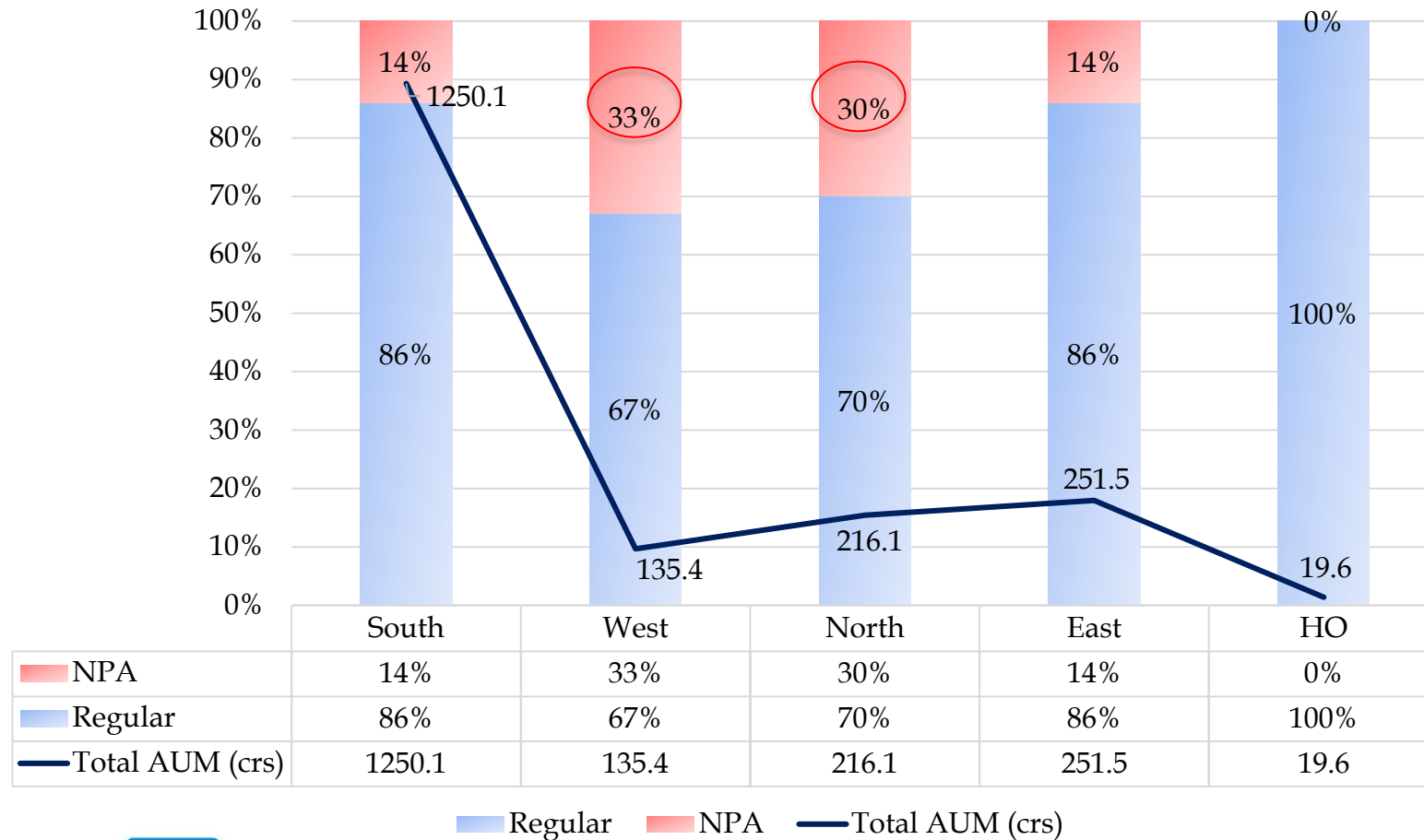
Segment wise	No . of loans	Amount
2 W	5 67 452	1840.35
4 W	1 806	31.93
Others	428	0.43
Total	5 69 686	1872.71



Transaction Type	No of Transactions	Amount
Securitized (part of own book)	7	255.64
Direct Assignment	9	15.55
Own Portfolio excl securitized		1601.52
		Ind AS
Off Book		13.68
On Book		1859.03
Total Portfolio		1872.71



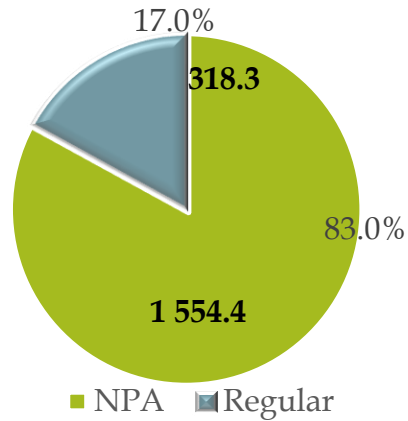
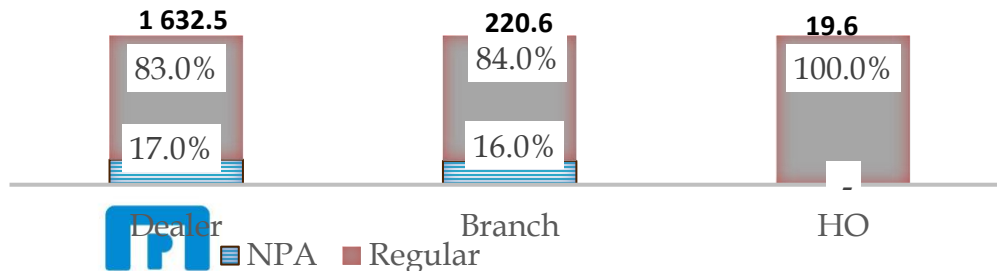
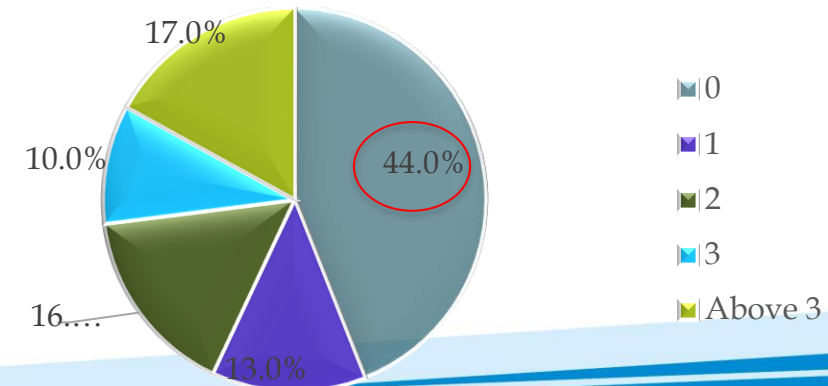
MCSL GEOGRAPHIC OVERVIEW – RETAIL LOANS INCLUDING LOAN BUYOUTS

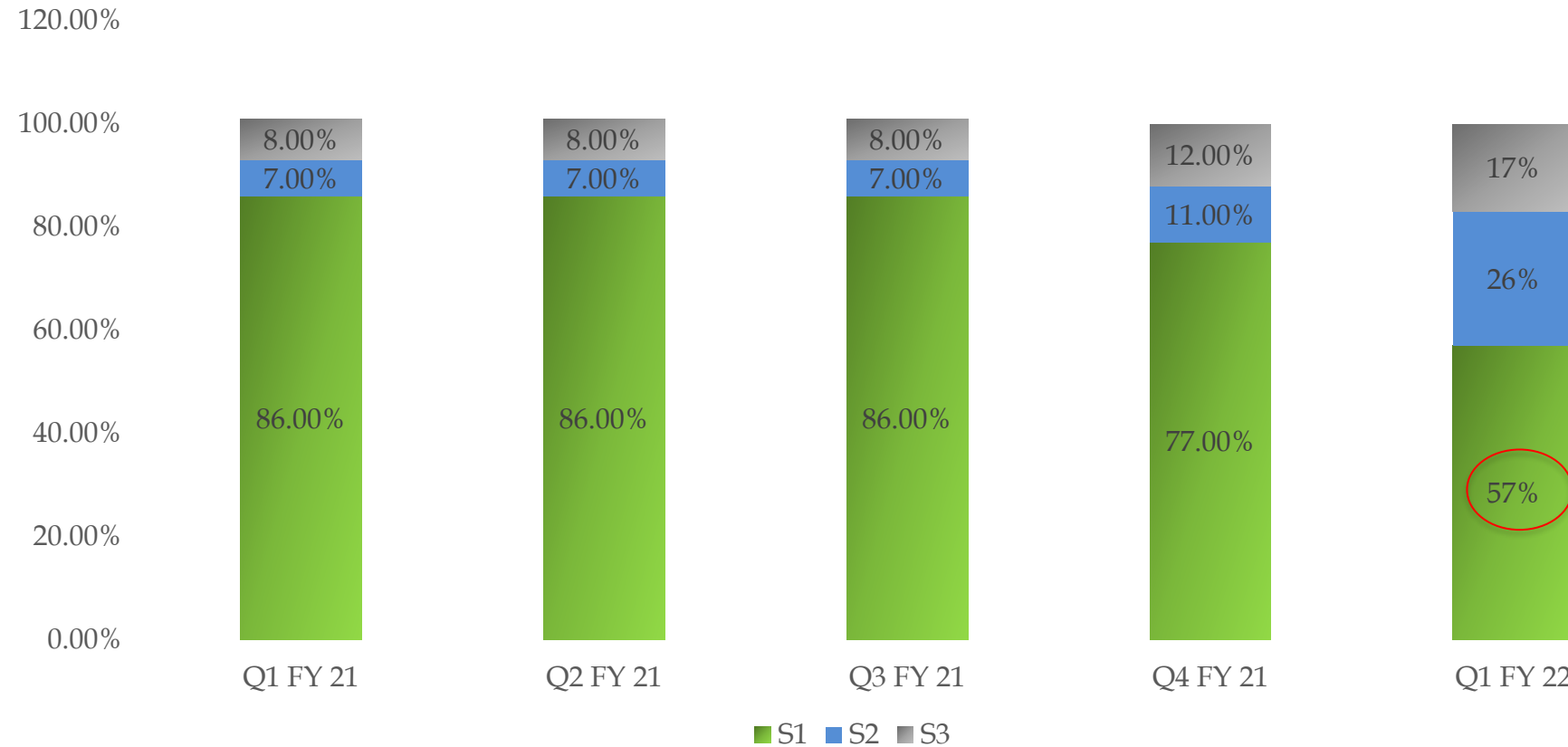


Zone	Active Clients	Total AUM (crs)	Zone wise AUM %	Zone wise NPA %
South India	3 76 326	1250.1	67%	55%
Western India	42 921	135.4	7%	14%
North India	70 592	216.1	12%	20%
East India	70 167	251.5	13%	11%
HO	9 680	19.6	1%	-
Overall	5 69 686	1872.7	100%	100%

PORTFOLIO ANALYSIS - RETAIL LOANS INCLUDING LOAN BUYOUTS

₹. In Crores

Portfolio Analysis**Segment - wise Analysis****Source - wise Analysis****Bucket - wise Analysis**

PORTFOLIO CREDIT QUALITY- RETAIL LOANS INCLUDING BUYOUTS

NPA MOVEMENT - OWN HYP LOAN - Q1 FY 2022

₹. In Crores

Particulars	HP Nos	Balance stock	Provision	Unrealised Income
Balance as on 31.03.2021	1 08 652	226.68	117.64	28.35
Add: Addition during Q1 FY 22	73 743	218.63	25.83	8.95
Less: Loans restructured during Q1FY 22	(36 793)	(128.11)	-	-
	1 45 602	317.2	143.47	37.30
Less: Moved out from NPA during Q1FY22	4 802	2.42	1.09	0.12
Less: Repossessed vehicle sold during Q1FY 22	158	0.88	0.40	0.12
Less: Amount collected during Q1FY 22	-	2.56	1.15	-
Balance as on 31.03.2021	1 40 643	311.33	140.82	37.06

Overall Provision as on 30 th Jun 2021	Provision
Provision on HYP loans including additional provision and on standard accounts	210.63
Provision on Other Loan portfolio	17.92
Total Provision in books	228.55

CORPORATE LOAN – Q1 FY 2022

₹. In Crores

Facility	Classification in books	Count of Loans	Loan amount	Total O/s as on 30.06.21	Provn as per financials	Provn as per regulations	Excess/ (Short)
DPN	NPA	4	0.15	.11	.11	.11	.00
	Standard	3	9.15	6.32	.06	.03	.04
	Stressed	2	1.50	1.23	.12	.12	.00
DPN Total		9	11.15	7.66	.30	.26	.04
Loan Buyout	Standard	7	61.93	18.78	.19	.15	0.04
	Stressed	2	20.02	0.94	.15	.08	0.07
Loan Buyout Total		9	81.95	19.72	.34	.23	0.11
Term Loan	NPA	6	27.00	16.29	16.02	11.00	5.02
	Standard	28	189.50	51.41	0.52	0.21	0.32
	Stressed Asset	4	30.00	7.36	0.74	0.74	-
Term Loan Total		38	246.50	75.05	17.28	11.94	5.34
Grand Total		56	339.60	102.43	17.92	12.43	5.49

SOURCES OF BORROWING

₹ 1910 Cr

Total Sanctioned facilities

Position as on 30th Jun 2021

NCD - ₹ 275 Cr
TL/CC/WCDL - ₹ 1635 Cr.

₹ 6.88CrCollections of Public
Deposit/Sub debts

In Q1FY22 Public Deposits collected
₹ 6.83 Cr., of which ₹ 1.67 Cr. Is
renewal

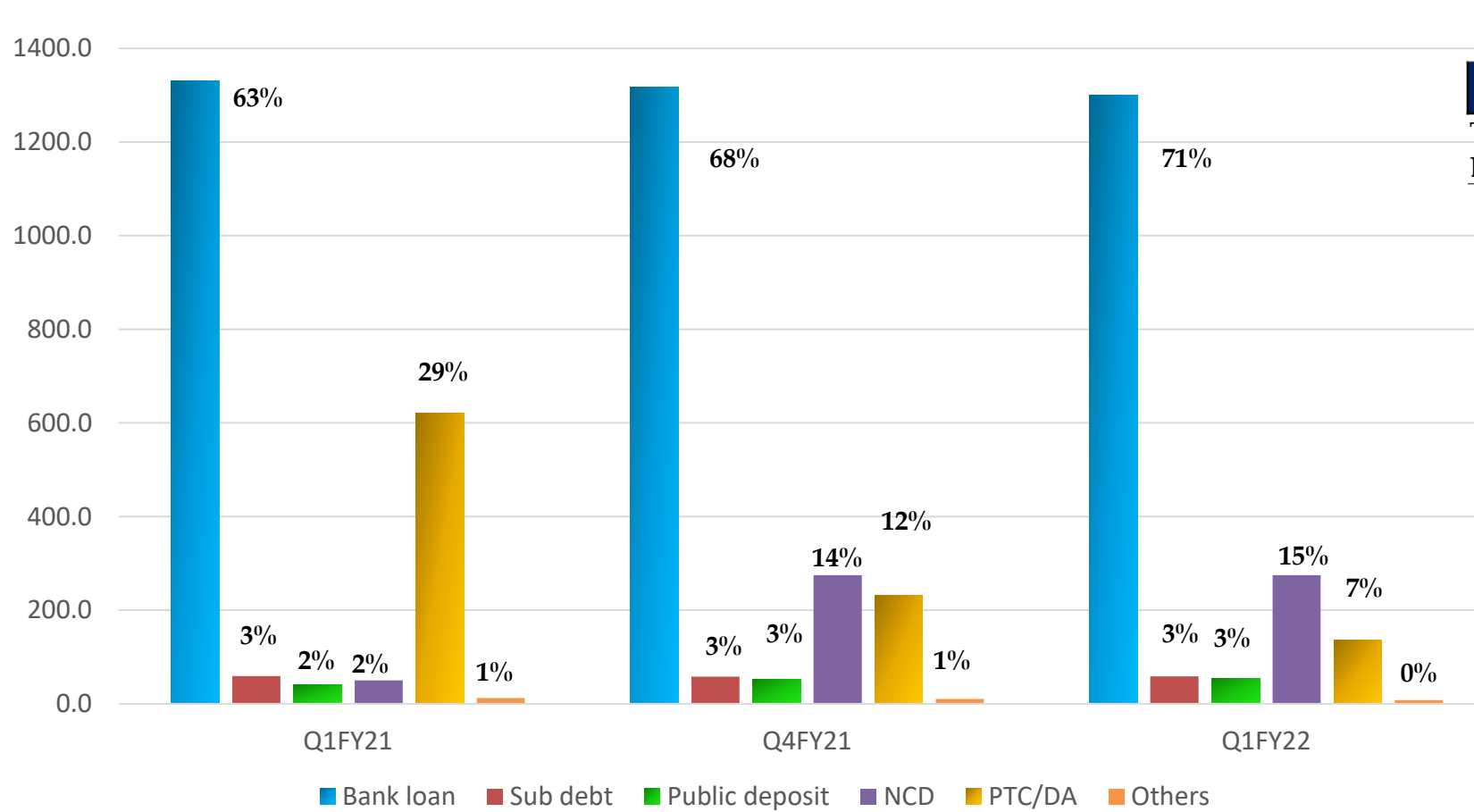
No fresh transactions/ sanctions
during the quarterBank funding – 91.5% of total borrowing
as on 30 Jun 2021**₹ 734 Cr**

WCDL roll over

In Q1FY22, ₹ 734 Cr rolled over from
18 facilities

9.0%Cost of borrowing for
Q1 FY 22

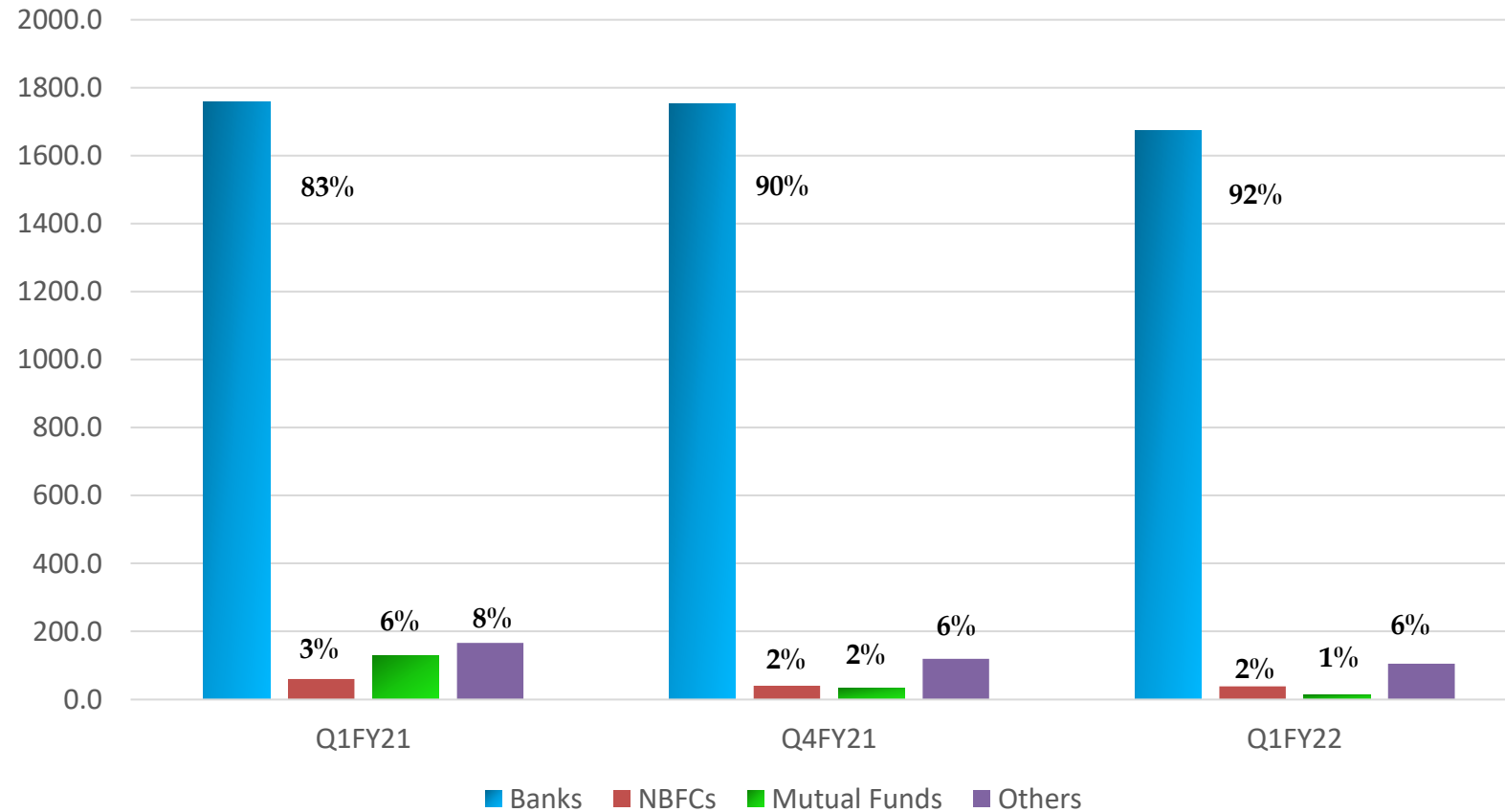
Quarter on Quarter decrease in cost
of borrowing from 9.12% for Q4FY21
to 8.98%.

BORROWING PROFILE – by Instrument

Particulars	Q1FY20	Q4FY21	Q1FY22
Total Borrowings	2113.5	1944.8	1831.0

COST- by Instrument

Particulars	Q1FY20	Q4FY21	Q1FY22
Bank Loan	9.8%	8.8%	8.7%
Sub debt	11.5%	11.8%	11.7%
Public Deposit	7.8%	7.7%	7.5%
NCD	10.0%	9.4%	9.4%
Securitization	10.1%	9.7%	9.7%
Others	11.4%	11.4%	11.0%
Total	9.9%	9.1%	9.0%

BORROWING PROFILE – by Investor Profile**COST– by Investor**

Particulars	Q1FY21	Q4FY21	Q1FY22
Banks	9.9%	9.2%	8.9%
Mutual Funds	9.9%	10.1%	10.4%
NBFCs	11.2%	11.6%	11.7%
Others	9.4%	9.3%	9.1%
Total	9.9%	9.1%	9.0%

**Disbursement
& Collection**

- While volumes were stabilizing from Q3 FY21 2nd wave disrupted it; saw Q1 FY22 being 47 % of the Q4 FY 21 while being 702 % higher v/s Q1 FY21.
- Industry has seen a decrease of 38 % in Q1 FY 22 V/s Q4 FY21 in respect of retail regn of 2W
- Non-South disb. share was 40 %; South concentration reducing, augurs well for long term; but quality of Non-South portfolio a concern.
- Overall collections that was growing also saw disruption with quarterly collection v/s billing being 72 % v/s 99.9 % in Q4 FY21.

NPA

- NPA seen @ ₹ 327.9 Cr (16.7%) as on 30.06.21 a rise of 11.7 % v/s Q4 FY21 figures.
- Under IND AS overall provision is @ 11.6 % of On-book portfolio.
- 36,793 accounts restructured with 4 month moratorium; of the same 13,068 nos have paid atleast 1 instalment or moved out of NPA in July 21.
- Hard bucket collects which was 3 % in Q1 FY22 improved to 11.0% in July 21. With Collections improving in July, this reversal trend is expected to continue.

**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;
- Aggressive follow up with customers and asking them to surrender in case of non-ability to pay will help improve the collections from the delinquent accounts going forward.

**Diversity in
Funding**

- With support of the initiatives taken by the Government and Reserve Bank through schemes like TLTRO/PCG etc., have been able to get substantial amount by way of NCDs.
- With lenders having confidence in the Company, the Company is confident of getting additional funds when there is a need for the same, through Bank sanctions / DA/ PTC as the case may be.
- Liquidity robust; pricing going down; demand for funds low and hence not raising additional money

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, the cost of funds have gone down to 8.98% for Q1 FY22 v/s 9.10% in Q4 FY21. Expected the cost to remain at this level for the next couple of quarters.

**Securitization/
DA**

- Helped substantially in ploughing funds back into the business and growing the loan book ; Many more transactions can be done in the future as well, based on requirement.
- While based on the excellent performance of the pools there is a demand for fresh transactions, we have stayed away from it, due to low demand for funds.

**Geographical
expansion**

- Had reduced rollout during the pandemic ; slowly had restarted but with the 2nd wave stopped. Robust rollout planned in the year, once the pandemic tapers off
- 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; e- rickshaws disbursement has started ,Co-Lending/loan Buyouts as a form of sourcing also expected to start in FY22 in areas where our own presence is lower

**Staff attrition
& Cost Control**

- Monthly staff attrition at 2.09% % in Q1 FY '22 v/s 2.70% % in Q4 FY 21.
- On the back of low sales at dealer points and negative impact due to COVID 19 dealers are demanding higher pay-outs, emphasizing on volumes through MFL branches to ward off this threat.
- Collections costs increase saw a pause with collections reducing and also teams not doing disbursement due to lockdown following up for collection therefore doing in-house collection. Was at 1.5 % in Q1 FY22 v/s 6.1% % in Q4 FY 21

**Repayment
Mode**

- Post demonetization 100% repayment for new customers through NACH and significant collections through NACH - E-NACH has also started though volumes are low; but bounce has increased substantially.
- Collection through the mobile app/PAYTM saw increase during the lockdown period; but no growth seen since then, looking at increased thrust on the same to reduce the collection costs

**Overall
Profitability**

- Overall profitability is lower on account of overall lower volumes and higher provisioning on account of higher NPA and more due to lower income. The falling AUM coupled with NPA leading to income reversal has a -ve PAT situation.
- Also the higher Operation costs of previous quarters, especially collection costs also a reason for -ve PAT figure
- Hopeful of improvement in the ground situation going forward with festive seasons in Q2 FY22 will improve the overall sentiments.

Way Forward

- The last 2 ½ years seen a lot of issues on the ground starting from the ILFS/DHFL issues, followed by economic downturn and finally followed by the pandemic of COVID 19. while things had started improving in Q3 FY21 and Q4 FY21, post the 2nd wave things have come to a standstill again. hoping that this passes off quickly and the FY22 business is a robust one.

THANK YOU

