



#PurposeMuthootBlue

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



Financial Presentation to the Audit Committee /Board on 17th May 2022 Quarter and Year ended 31st March 2022



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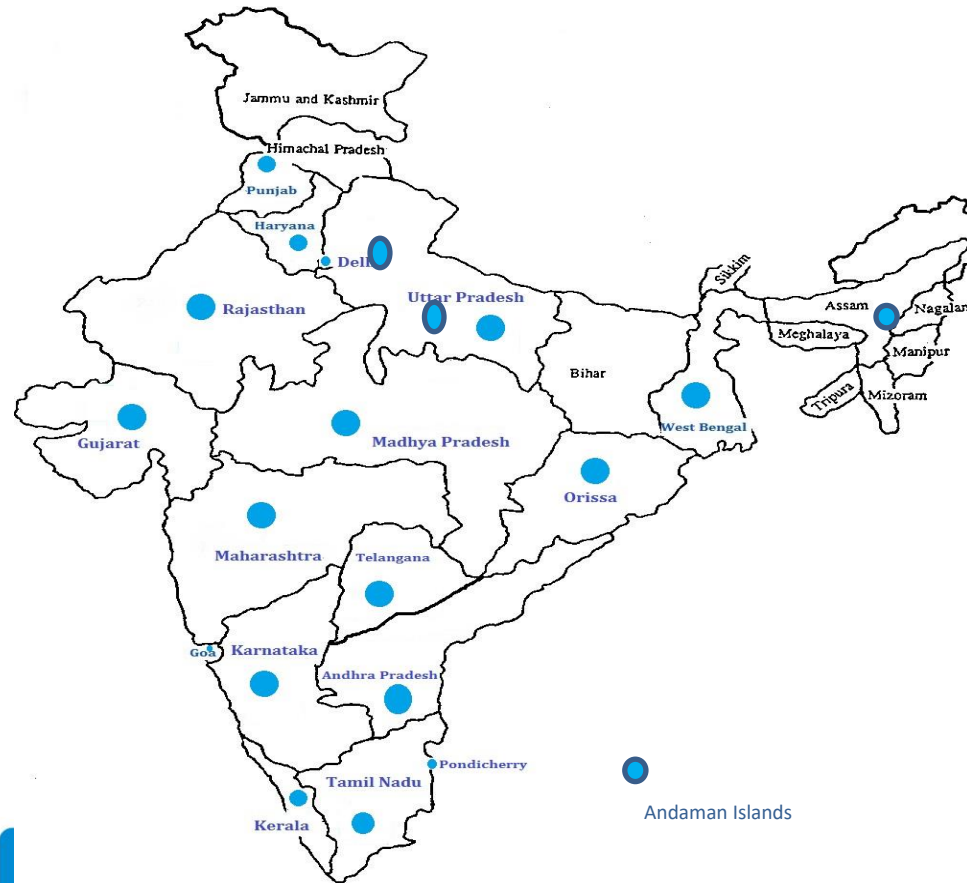


Management Discussion and Analysis

32-34

OPERATIONAL SNAPSHOT

Quarter / Year ended 31st March 2022



No of States- 20
AUM - ₹ 2056.2 Cr

Retail customers (Live)
5 16 601

New Customers
Q4 FY 22 : 39 529
(FY 22 : 145 100)

Disbursement -
Q4 FY 22: ₹ 368.1Cr
(FY 22: ₹ 1147.1 Cr)

Own book (Ind AS)-
Stage 3 - 25.9 %
Stage 3 (Net) - 5.7 %
Provision% - 23.0 %

Total sanctions
Q4 FY 22 - ₹ 1675.0Cr

CRAR - 19.8 %
D/E ratio (Ind AS): 4.2
ROA -(30.2%) FY (8.5 %))
ROE-(132%) FY22(36.3%)

PAT
Q4 FY 22: (₹ 153.5 Cr)
(FY 22 - (₹ 171.8Cr))

KEY UPDATES ...

Operational Impact

- After wave 2, things began to improve from mid-June; Aug 21 to Dec 21 disbursement averaged Rs 100 crs+ and same continued in Q4
- Monthly Collections of HYP loans against billing improved over the quarters and was at 100%+ in Mar 22, the average for FY 22 was 91%; avg for Q4 - 103%
- Monthly Collections from corporate customers improved from 91% in Q1FY22 to 96% in Q4FY 22 (avg collection for FY 22- 93.5%)
- With Ground movement improving, collection became possible physically and outsourced agencies were used , increased cost , up from 1.5% in Q1 to 4.4% in Q2 and further to 5.5% in Q4FY22 with an average collection cost of 4% for FY22. To ensure controlled costs, the large buckets of 0 and 1 is largely handled by in-house team / tele agencies.

Liquidity Position

- Cash position of the Company is comfortable with ~ ₹ 446 crs as at end Mar 22(Of this Rs 180 crs is pending release by Banks)
- ~ 980 crs was rolled over in Q4FY 22 from 23 facilities.
- All rollovers for the quarter done, some with lower interest rates, **cost of borrowings down to 8.69% .**
- **The Company continued FD sourcing & raised ₹ 5.18 Cr in Q4FY22. Avg cost < 8% p.a.(31st Mar 2022- ₹ 58.97 Crs).**

KEY UPDATES ...

Credit costs

- As the Collections were not sufficient to bring the NNPA < RBI mandated threshold of 6%, additional provisioning of ₹ 81.3 Cr made.
- The Company, not availing the relaxation given vide RBI Circular of 15th Feb 2022, and following the circular of 12th November 2022, led to additional provision of ₹ 132.75 Cr being made, besides a hit of ₹ 8.71 Cr (unrealized interest on these additional Sub-Standard accounts) .this resulted in an overall provision for Q4 FY22 being at ₹ 235.9 Cr (Credit Cost-46.5%(annualized)) and for FY 22 Rs 322.1 Cr (17.3%)
- The normal credit costs based on ECL determined provisioning without the additional provision is 4.4% for Q4 FY22 and 6.2% for FY 22.
- Provision on overall own book as on 31.03.22 - **23.0 % v/s 8.7%** as on 31.03.21.

Operational costs control

- Fresh recruitments are being considered to meet the requirements of increasing operations.
- large quantum of NACH bounces has necessitated use of Collection agencies for hard buckets , leading to higher costs.
- Other operating expenses being monitored and controlled

Heading towards

- Disbursements starting to return to normal levels. Company aiming at growth of the loan book through new modes and new geographies.
- Company expects to be at pre-covid levels of volumes in FY 23
- Reasonable Liquidity is assured to meet the increase in disbursements in the coming months. Addl funds being looked for.

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			
Q4 FY 22	Q4 FY 21	Y-o-Y	Q3 FY 22
321.0	290.7	10%	332.4
47.2	0.2	23475%	-
368.2	290.9	27%	332.4
2049.6	2071.9	-1%	2011.3
2035.6	2112.5	-4%	2019.3
107.8	109.6	-2%	93.0
34.1	41.9	-19%	36.3
73.7	67.7	9%	56.7
42.3	44.3	-5%	43.3
235.9	11.2	2006%	7.3
-204.5	12.1	-1776%	6.1
-153.5	8.9	-1825%	4.5

Yearly Trend		
FY22	FY21	Y-o-Y
1099.2	717.7	53%
47.9	32.7	46%
1147.1	750.4	53%
2049.6	2071.9	-1%
2033.5	2307.2	-12%
397.9	505.0	-21%
149.9	187.0	-20%
248.1	318.0	-22%
152.7	153.7	-1%
324.4	94.8	242%
-229.0	69.5	-430%
-171.8	52.2	-429%

* Total AUM including off book as on 31st Mar 22 is ₹ 2056 crs (Q-o-Q- 2% up) (Y-o-Y- 2% down)

** Q4FY22, the Opex to NII has improved on account of improved NII.

***The company has adhered to the PCA regulations and not availed the relaxation given to NBFCs on upgradation of Sub-standard accounts, leading to increased Loan Loss Provisions. Detailed in Slide 7

	Q4 FY 22	Q4 FY 21	Q3 FY 22	FY 22	FY 21
Total Opex to NII**	57.4%	65.4%	76.4%	61.6%	48.3%
Return on Avg. AUM ***	(30.2%)	1.7%	0.9%	(8.5%)	2.3%
Earnings per Share ***	(93.17)	5.5	2.68	(104.54)	31.3

DETAILED ANALYSIS OF THE QUARTERLY FINANCIAL PERFORMANCE

₹. In Crores

Financial Statement Metrics	FY 22	Q4 FY 22	Q3 FY 22	Q2 FY 22	Q1 FY 22	Q4 FY 21
Total Interest and Fee Income	406.7	116.5	93.0	99.3	97.9	109.6
Finance/Operating Expenses	302.6	76.4	79.6	79.2	67.4	86.2
Loan Losses & Provisions	110.3	21.8	7.3	30.7	50.4	11.2
Profit Before Tax (Regular)	-6.2	18.3	6.1	10.6	-19.9	12.2
Profit After Tax (Regular)	-4.6	13.5	4.5	-7.9	-14.7	8.9
CRAR	29.5%	29.5%	29.0%	30.60%	32.2%	30.3%
GNPA	18.7%	18.7%	20.5%	19.0%	16.7%	11.7%
NNPA	9.9%	9.9%	11.5%	10.8%	9.5%	5.6%
Additional hit to be out of PCA	81.3	81.3	0	0	0	0
Profit Before Tax (with PCA)	-87.6	-63.1	6.1	-10.6	-19.9	12.2
Profit After Tax (with PCA)	-65.6	-47.3	4.5	-8.1	-14.7	8.9
CRAR	26.8%	26.8%	29.0%	30.6%	32.2%	30.3%
GNPA	18.7%	18.7%	20.5%	19.3%	16.7%	11.7%
NNPA	5.8%	5.8%	11.5%	10.8%	9.5%	5.6%
Additional hit due to non availment of relaxation for up gradation of the sub std accounts	141.5	141.5	0	0	0	0
Profit Before Tax (with Upgradation)	-229.0	-204.6	6.1	-10.6	-19.9	12.2
Profit After Tax (with Upgradation)	-171.8	-153.5	4.5	-8.1	-14.7	8.9
CRAR	19.8%	19.8%	29.0%	30.6%	32.2%	30.3%
GNPA	25.9%	25.9%	20.5%	19.3%	16.7%	11.7%
NNPA	5.7%	5.7%	11.5%	10.8%	9.5%	5.6%

STATEMENT OF SOURCES AND APPLICATION OF FUNDS

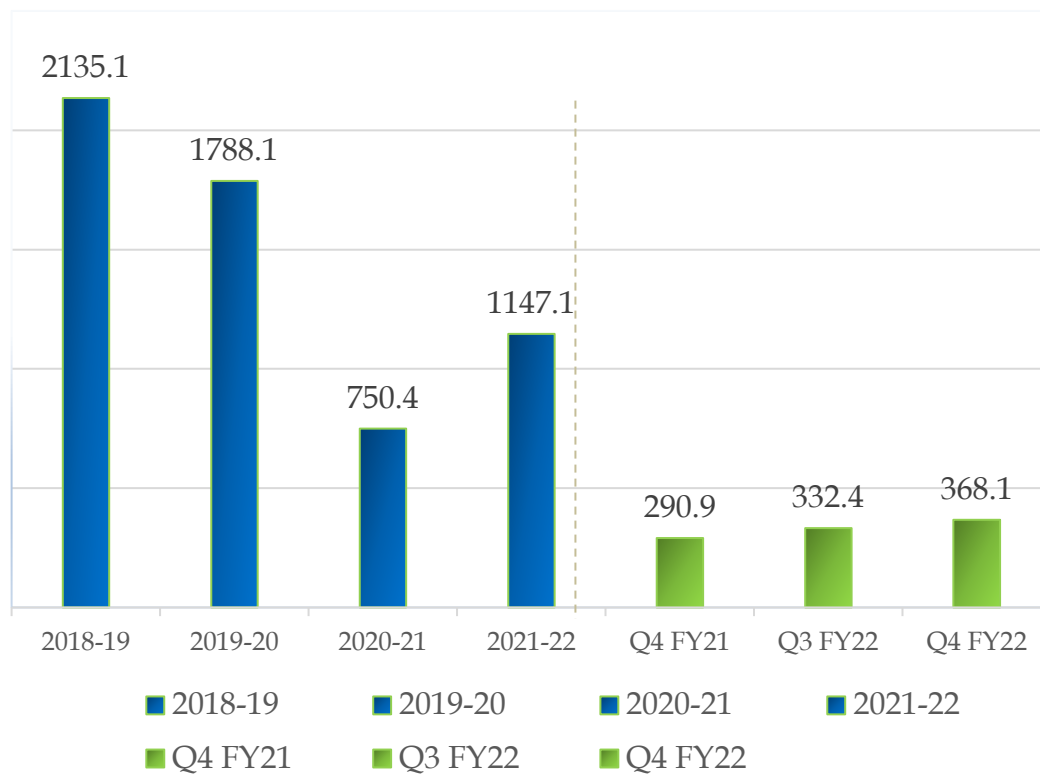
₹. In Crores

Sources	31-Mar-22	31-Dec-21	31-Mar-21	Application	31-Mar-22	31-Dec-21	31-Mar-21
Share Capital	16.4	16.4	16.4	Fixed Assets	2.0	2.2	2.8
Reserve & Surplus	371.3	524.9	543.1	Investments	69.3	64.8	85.4
Shareholders Funds	387.7	541.3	559.5	Deferred Tax Assets	107.7	56.2	21.4
Bank Debts	1105.4	1212.0	1311.2				
Securitizations Pool	263.2	98.7	215.4	Hypothecation Loan	1452.3	1,658.2	1706.1
Sub debt / Debentures	188.9	324.7	351.6	Loan Buyout(Retail loans)	24.0	17.0	28.3
Public Deposit/ICD	61.5	63.7	55.6	Term Loans	62.4	31.4	102.5
Loan From Directors	5.1	7.6	10.2	Other Loans	4.8	6.7	9.1
Interest Accrued on Loans	2.8	2.6	3.0	Interest Accrued on Loans	22.0	21.9	25.5
Total Borrowings	1627.0	1709.3	1947.0	Total Loans *	1565.5	1,735.2	1871.6
Trade Payable	28.5	31.7	22.5	Cash & Cash Equivalents	293.3	419.8	540.9
Provisions	3.6	8.1	6.1	Other Financial Assets	11.4	12.6	14.3
Other Financial Liabilities	25.0	19.1	21.6	Other Non-Financial Assets	25.6	21.1	23.4
Other Non-Financial Liabilities	3.1	2.5	1.7	Derivative Financial Instruments	0.1	0.0	
Derivative Financial Instruments			1.4				
Total	2074.9	2311.9	2559.8	Total	2074.9	2,311.9	2559.8

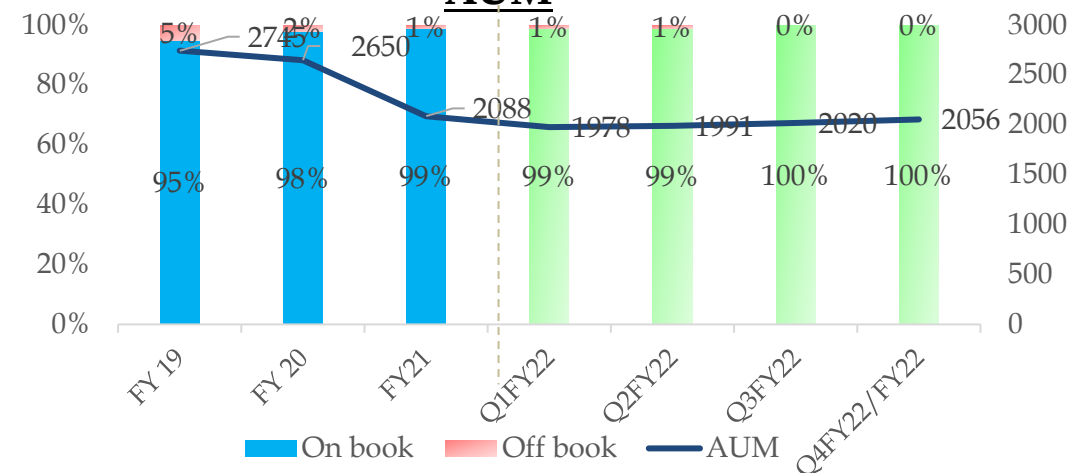
FINANCIAL SUMMARY

₹. In Crores

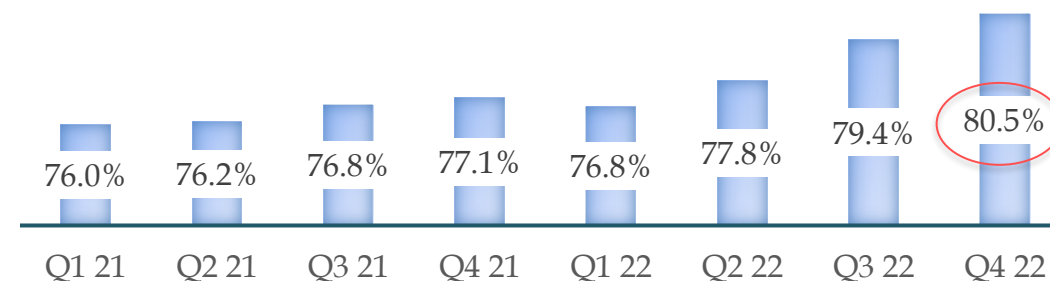
Year	Paid up Capital	Networth	Disbursements	AUM	Revenue	PAT	Market Capitalisation	Book Value
2013-14	12.5	118.6	588.6	690.6	158.8	22.2	120.3	94.9
2014-15	12.5	133.3	648.8	845.1	191.3	22.3	252.2	106.6
2015-16	12.5	147.9	928.0	1038.8	228.5	22.9	185.8	118.3
2016-17	12.5	178.0	1297.8	1439.7	284.2	30.1	342.9	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
2021-22	16.5	387.7	1147.1	2054.9	398.0	(171.8)	428.3	235.7

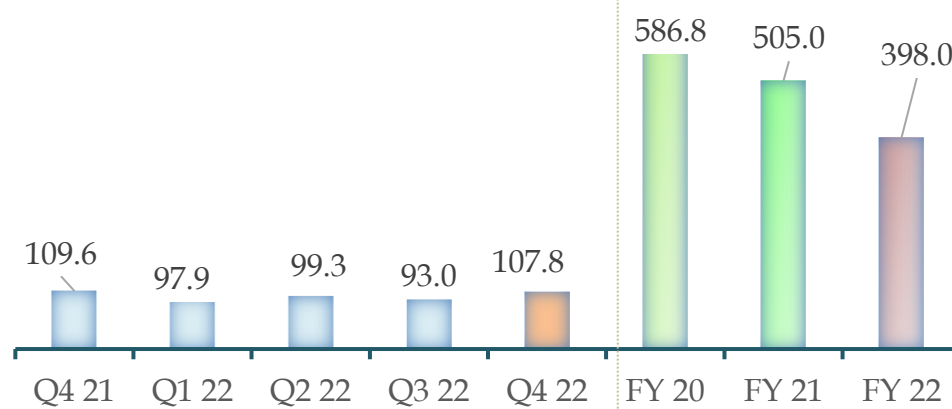
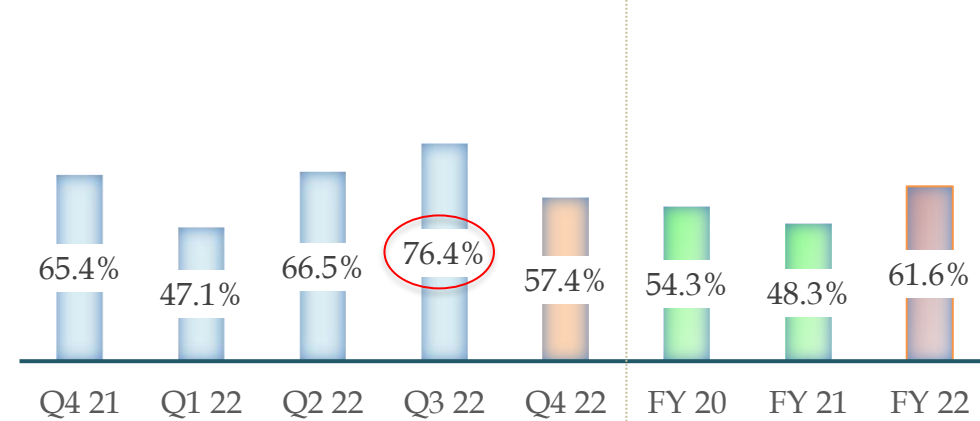
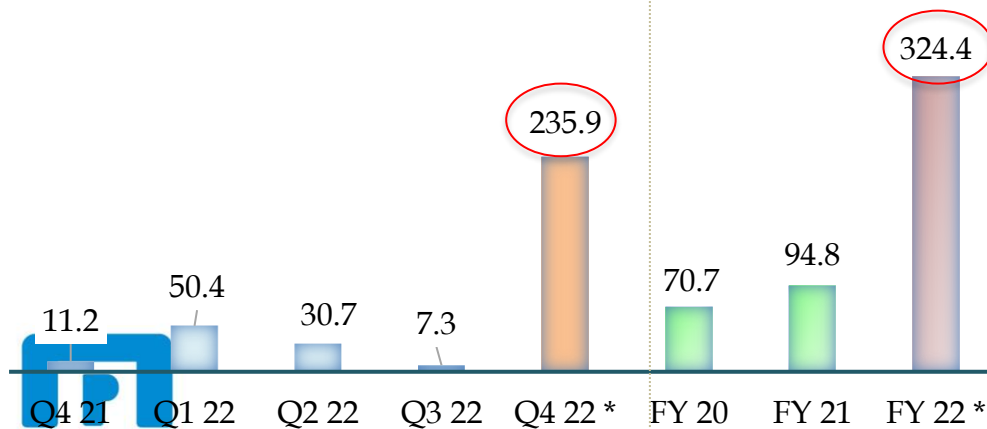
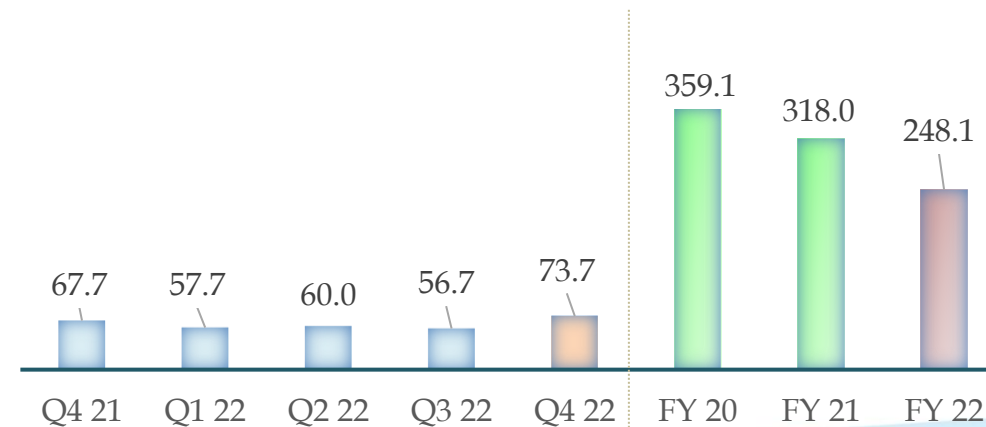
DISBURSEMENTS

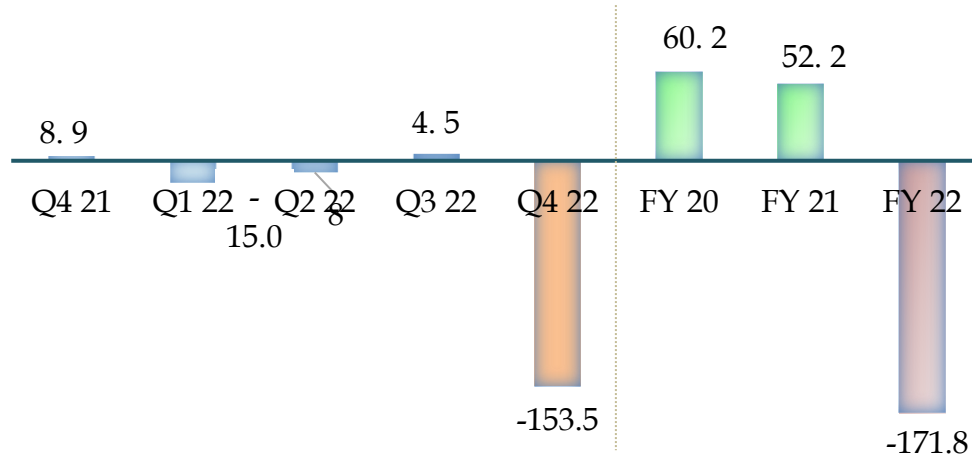
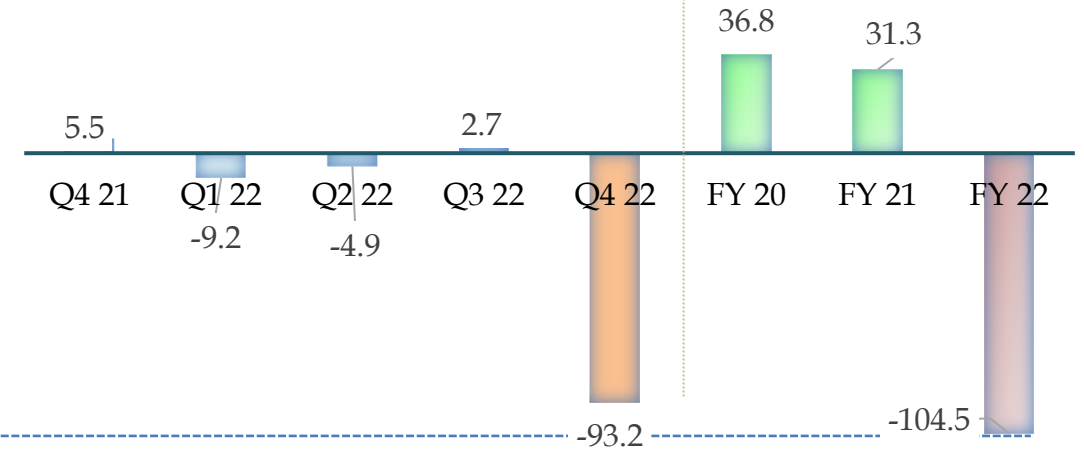
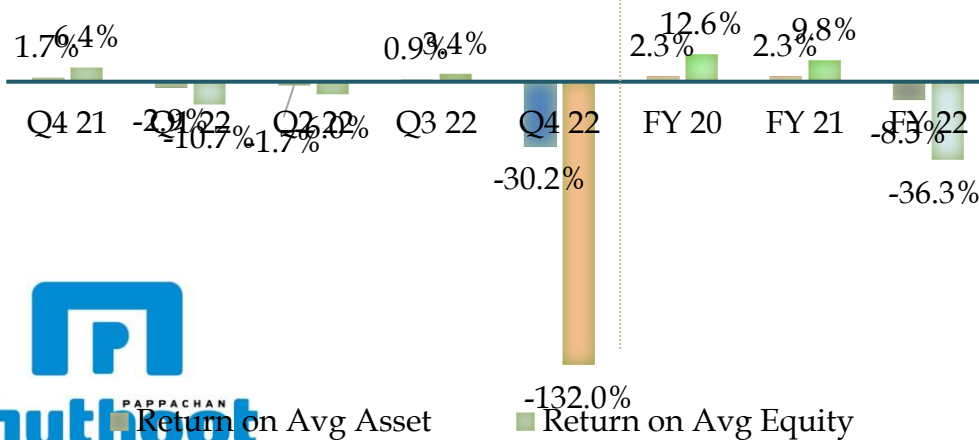
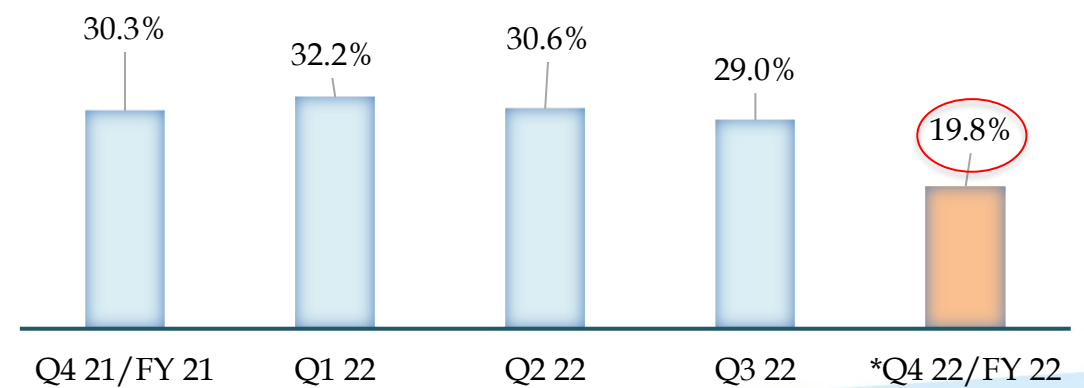
Growth (year)	2018-19 to 2019-20	2019-20 to 2020-21	2020-21 to 2021-22	2021-22 to Q4 FY22
Growth (year)	8%	-16%	-58%	53%

AUM

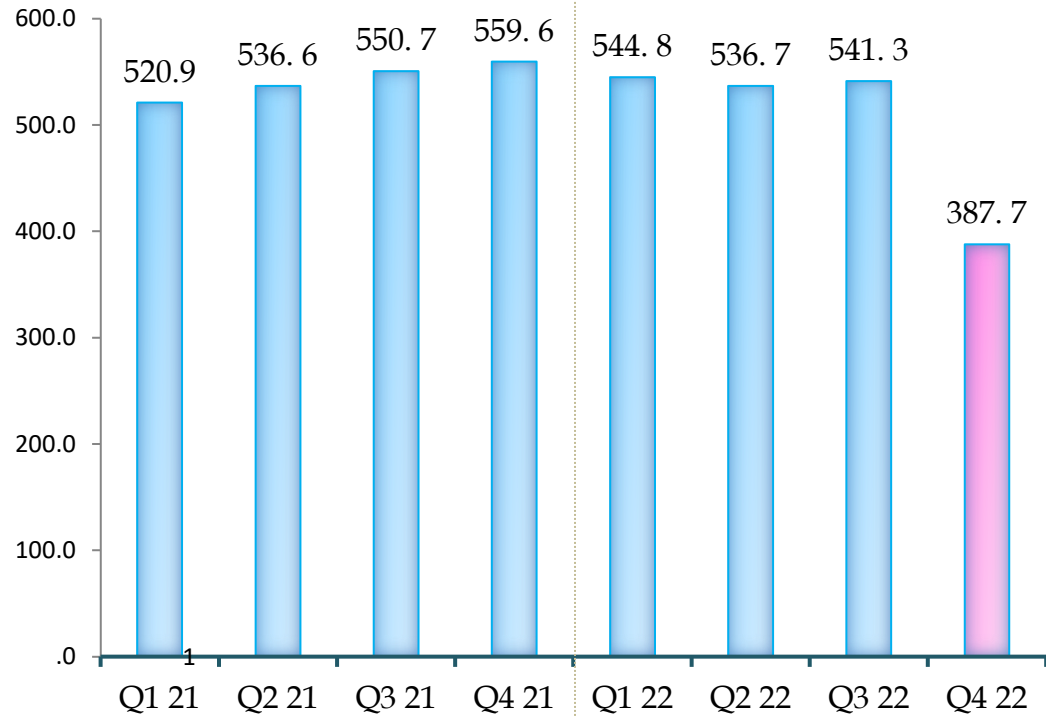
Growth	FY 19 to FY 20	FY 20 to FY21	FY21 to Q1FY22	Q1FY22 to Q4FY22/FY22
Growth	22%	-3%	-21%	-2%

Average LTV

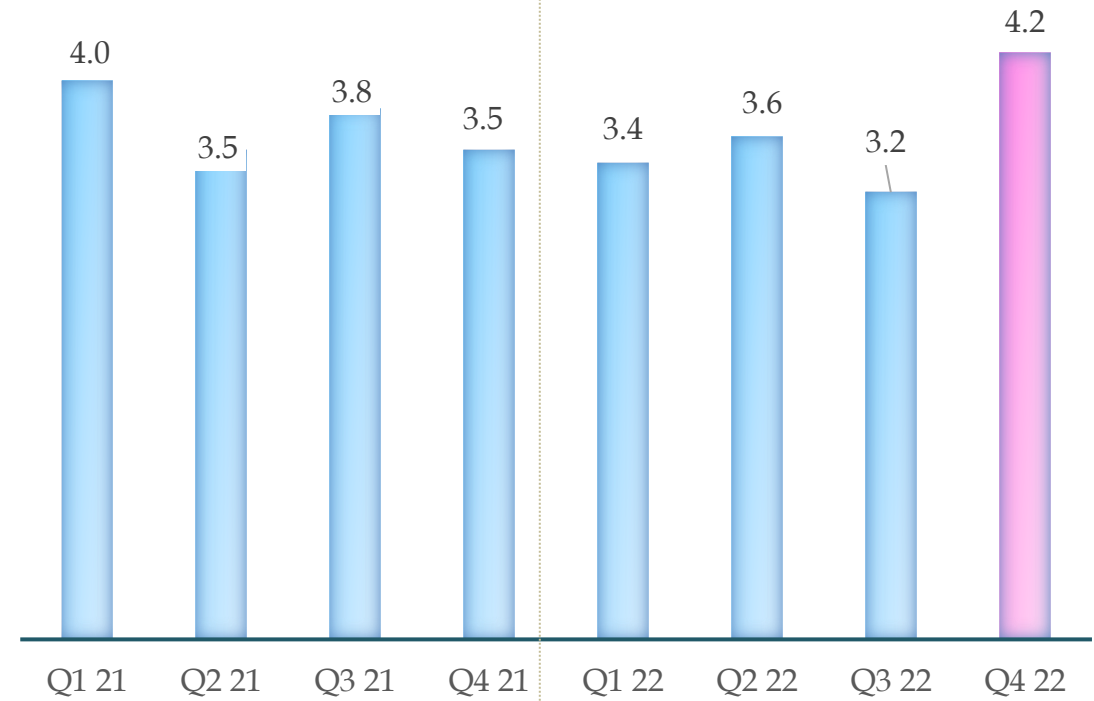
Revenue (in ₹ crores)**OPEX as a % of NII****Loan Loss Provisions and Write offs (in Crores)****Net interest income (in Crores)**

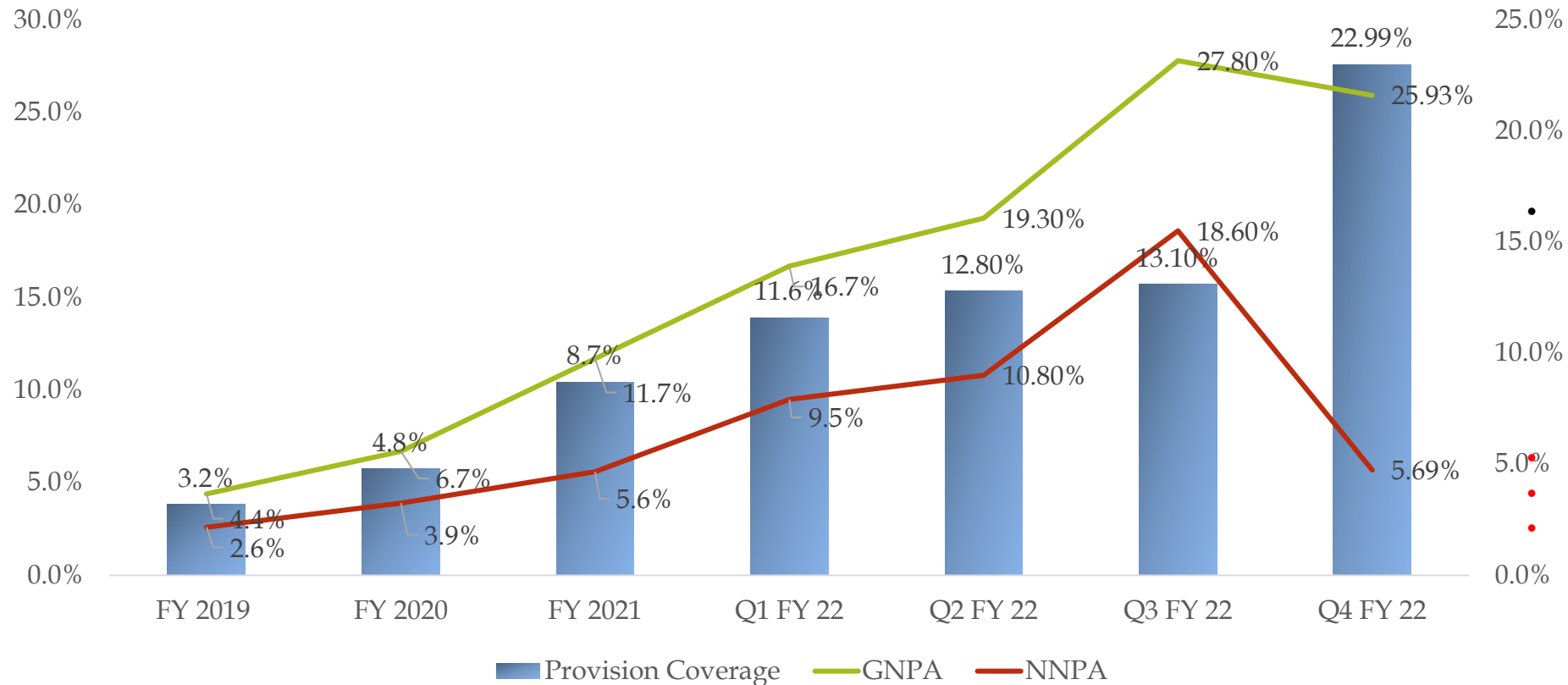
Profit after tax (in Crores)**Earning per Share (in ₹)****ROA and ROE****Capital Adequacy Ratio (%)**

- CAR is adequate after additional provisions for taking care of PCA and sub standard upgradation

Net worth (in Crores)

BV (₹)	316.72	326.27	334.80	340.21	331.25	326.33	329.1	235.7
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Debt Equity Ratio

ASSET QUALITY AND PROVISION COVERAGE

- The company has adhered to PCA regulations and has not availed the Feb circular relaxation. Without that the figures would be:
- GNPA - 18.7%**
- NNPA - 9.9%**
- Prov cover - 11.3%**

PROVISIONING AND ASSET QUALITY NORMS BASED ON RBI CIRCULAR ON NPA UPGRADATION

1. 45 866 accounts valuing ₹ 148.16 Cr that slipped into 90+DPD post 12th Nov 2021 & still in > 0DPD is classified as **NPA**
2. Taking a conservative view, the Company has made provision on the entire amount and considered the same also for adhering to PCA categorization circular.
3. On 45 866 accounts, the income will be recognised on realisation basis only . Income of ₹ 8.7 crs has not been recognised for Q4FY22
4. Against the provision requirement of 8.31% under IRACP the Company has provided an overall provision of 23.0%
5. The company has been conservative and not accounted any income on S3 accounts which comes to ~ ₹ 56.0 crs as on 31st Mar 22

EXPECTED CREDIT LOSS (ECL)**As on 31.03.2021**

₹. In Crores

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%
Other Loans (S3)	10.53	3.20	30.00%	10.0%

* The company has provided additional ₹. 81.3 Cr to be out from PCA and not availed the Feb circular relaxation of deferment of upgradation of Sub-standard accounts.

As on 31.12.2021

Particulars	Outstanding	Provision	ECL %	IRACP%
Total	2011.31	262.74	13.06%	7.78%
S1 and S2 (Std assets)	1402.59	35.94	2.56%	0.40%
S3	534.48	208.15	38.94%	25.96%
S1 and S2 Other Loans (Std Assets)	50.02	0.69	1.38%	0.54%
S3 Other Loans	24.22	17.96	74.15%	49.13%

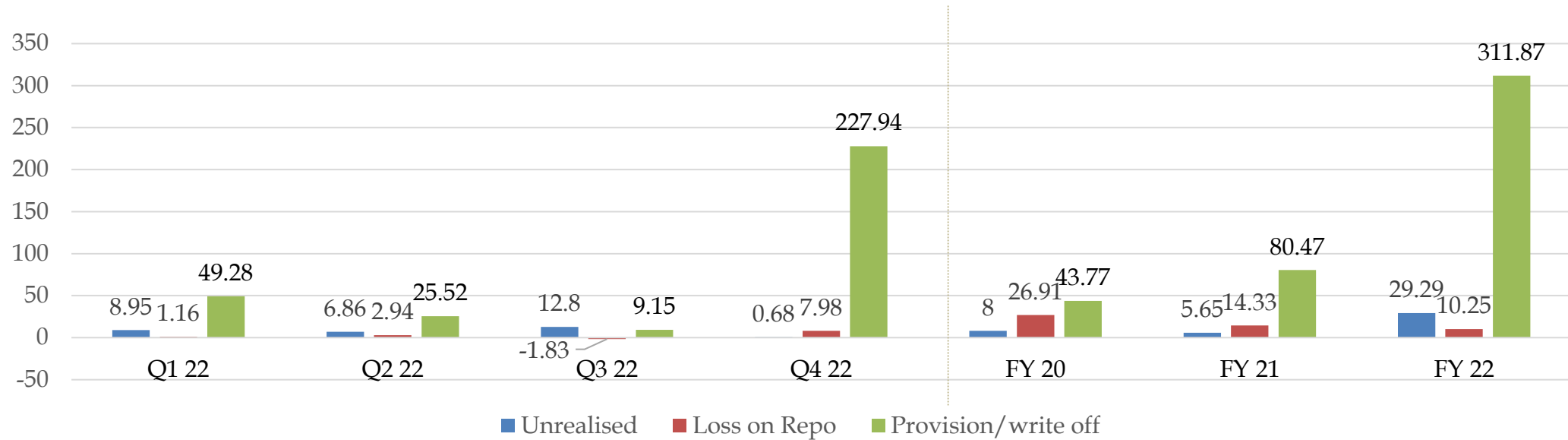
The addl hit due to the same is ₹.141.6 Cr giving due consideration for PCA also on the incremental NPA

As on 31.03.2022

Particulars	Outstanding	Provision	ECL %	IRACP%
Total	2049.6	471.25	22.99%	8.31%
S1 and S2 (Std assets)	1425.26	30.36	2.13%	0.40%
S3 *	507.40	415.79	81.95%	30.02%
S1 and S2 Other Loans (Std Assets)	92.90	1.09	1.17%	0.40%
S3 Other Loans	24.01	24.01	100.00%	49.44%

MAIN FACTORS IMPACTING PROFITABILITY - DELINQUENCIES

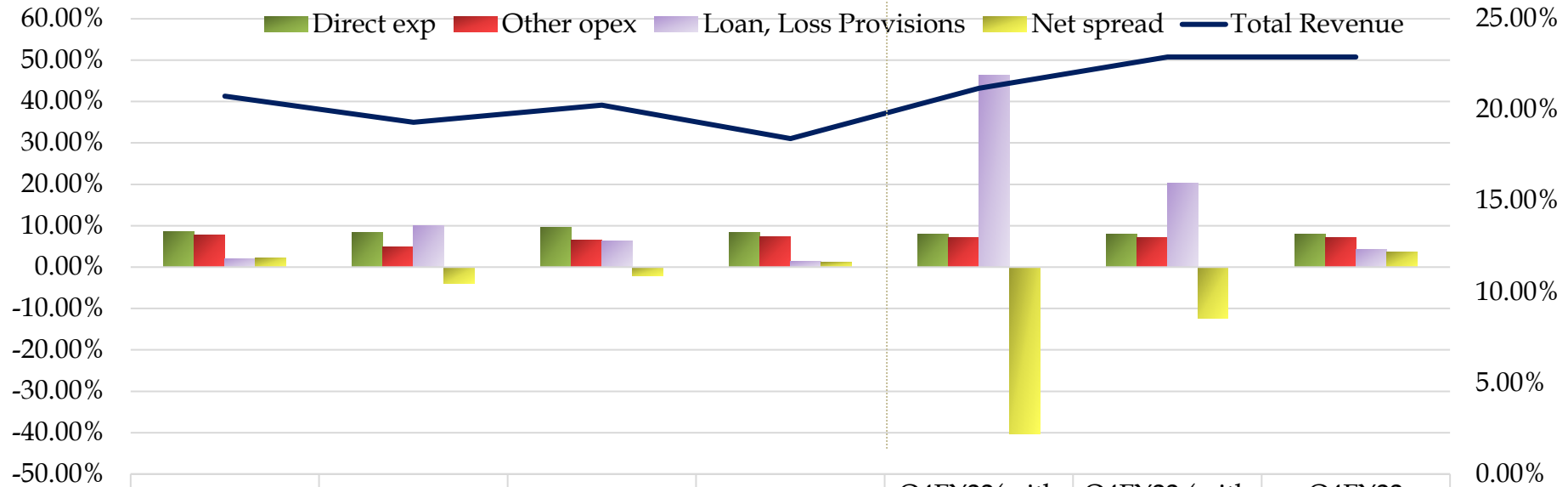
₹. In Crores



Particulars	FY 20	FY 21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	FY 22
Total P&L Impact	78.68	100.44	59.39	35.32	20.12	236.60	351.41
Avg AUM	2613.9	2307.2	2027.8	1960.1	2019.3	2035.6	2033.5
% of Credit cost on Avg AUM (annualized)	3.0%	4.4%	11.7%	7.21%	3.99%	46.49% *	17.28%*

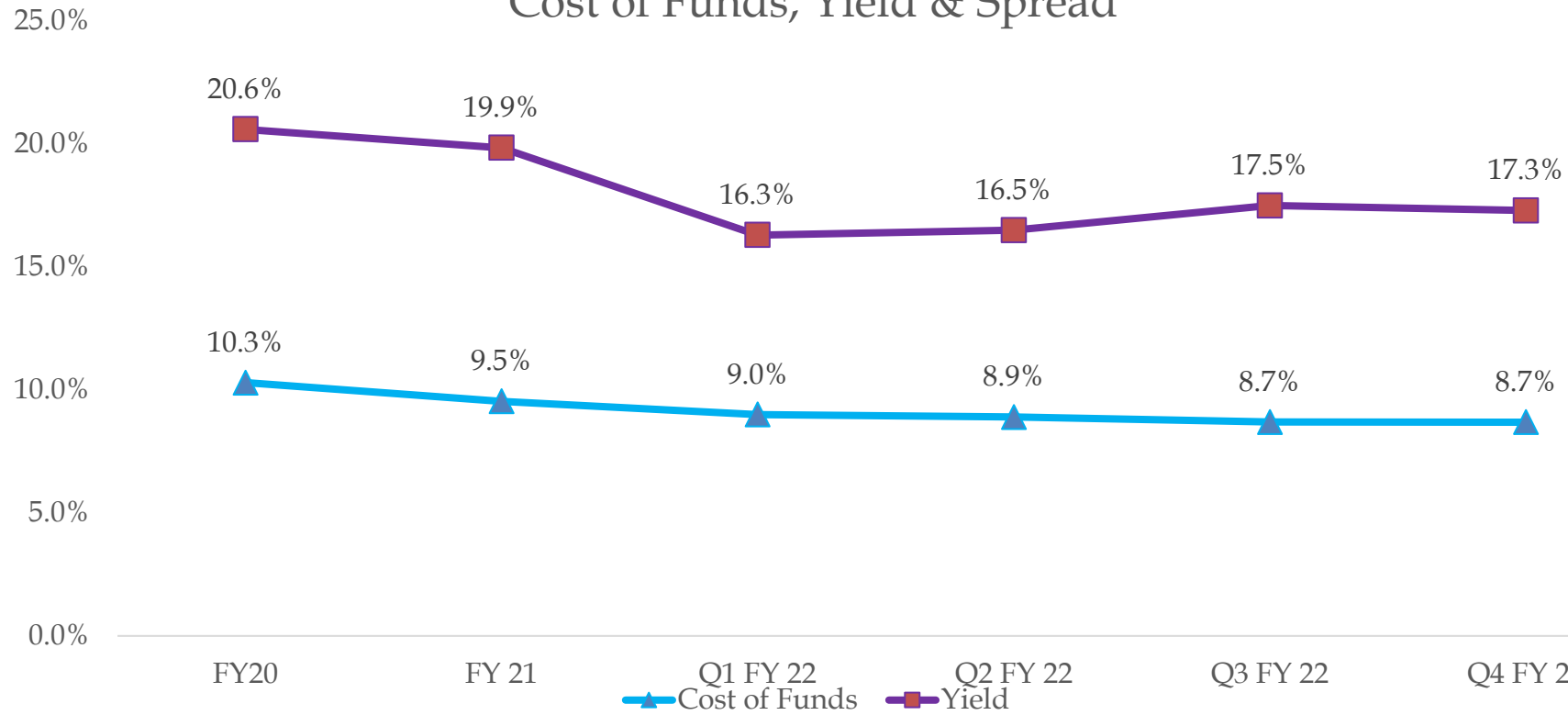
*The normal credit costs based on ECL determined provisioning, without considering PCA norms as per Dec 15th 2021 circular and Sub standard up gradation as per 12th Nov circular additional provision is 4.4% for Q4 FY22 and 6.8% for FY 22.

*Considering the provision for PCA and without upgradation is 20.4% for Q4FY22 and 10.8% for FY22

SPREAD ANALYSIS

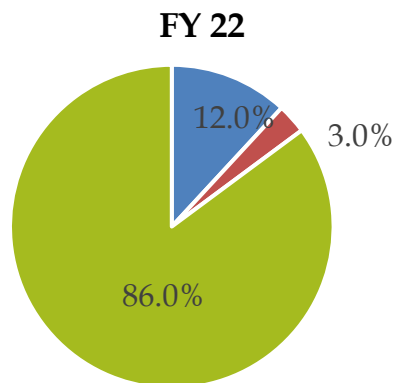
	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22(with PCA & U/G)	Q4FY22 (with PCA)	Q4FY22 (Regular)
Direct exp	8.64%	8.35%	9.68%	8.49%	7.94%	7.94%	7.94%
Other opex	7.68%	4.94%	6.48%	7.28%	7.07%	7.07%	7.07%
Loan, Loss Provisions	2.13%	9.95%	6.26%	1.45%	46.36%	20.27%	4.29%
Net spread	2.30%	-3.93%	-2.17%	1.20%	-40.20%	-12.40%	3.59%
Total Revenue	20.75%	19.31%	20.26%	18.42%	21.18%	22.89%	22.89%

- The company has made additional provision of ₹ 66.19 Cr to be out of PCA
- The company has not availed the Feb circular relaxation of deferment of upgradation of Sub-standard accounts.
- Had this relaxation been considered the loan loss provisions would have been lower by ₹ 141.5Cr and income increased by ₹ 8.7 Cr which would have improved the Net spread to 3.6%

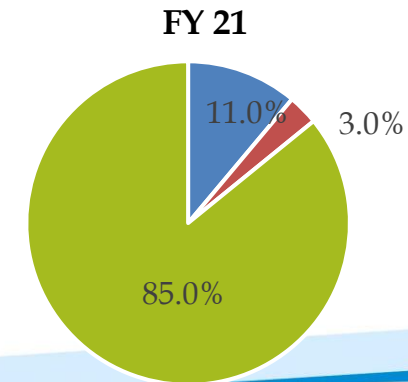
ANALYSIS OF COST & YIELD**Cost of Funds, Yield & Spread**

ZONEWISE DISBURSEMENT (RETAIL LOANS INCLUDING BUYOUTS) FOR 12 MONTH PERIOD

Zone	BRANCH				DEALER				TOTAL				Overall Share		
	FY 22		FY 21		FY 22		FY 21		FY 22		FY 21		FY 22		FY 21
	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Growth%		
South	12 506	104.4	8 793	67.4	79 953	636.7	55 640	403.5	92 459	741.1	64 433	471.0	57%	67%	66%
West	2 813	19.0	1 510	9.16	8 321	59.8	4 294	27.4	11 134	78.8	5 804	36.6	116%	7%	5%
North	648	4.5	368	2.34	18 504	122.3	13 122	79.9	19 152	126.8	13 490	82.2	54%	12%	11%
East	820	5.8	499	3.19	18 489	127.6	15 798	101.9	19 309	133.3	16 297	105.1	27%	12%	15%
HO			-	-			-	-	3 045	19.2	6 318	22.8	-16%	2%	3%
Overall	16 787	133.7	11 170	82.1	1 25 267	946.4	88 854	612.7	1 45 099	1099.2	1 06 342	717.6	53%	100.0%	100%

Share of Branch and Dealer of zone-wise disbursement

■ Branch
■ HO
■ Dealer



■ Branch
■ HO
■ Dealer

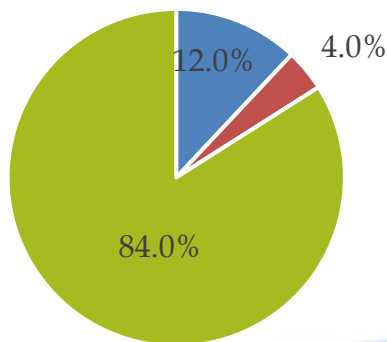
ZONEWISE DISBURSEMENT (RETAIL LOANS INCLUDING BUYOUTS) - Y-o-Y

Zone	BRANCH				DEALER				TOTAL				Overall Share		
	Q4 FY '22		Q4 FY '21		Q4 FY '22		Q4 FY '21		Q4 FY '22		Q4 FY '21		Growth %	Q4 FY '22	Q4 FY '21
	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value			
South	3 639	31.6	3 362	26.3	23 441	192.7	21 907	162.5	27 080	224.3	25 269	188.7	18.8%	70%	65%
West	732	5.2	487	3.0	2 293	16.9	1 559	10.1	3 025	22.1	2 046	13.1	68.9%	7%	5%
North	193	1.4	132	0.8	4 086	27.8	4 570	28.2	4 279	29.1	4 702	29.1	0.4%	9%	10%
East	205	1.5	193	1.3	4 398	31.7	5 458	35.7	4 603	33.2	5 651	36.9	-10.2%	10%	12%
HO	-	-	-	-	-	-	-	-	542	12.2	6 318	22.8	-46.6%	4%	8%
Overall	4 769	39.7	4 174	31.4	34 218	269.1	33 494	236 .5	39 529	321.0	43 986	290.6	10.4%	100.00%	100%

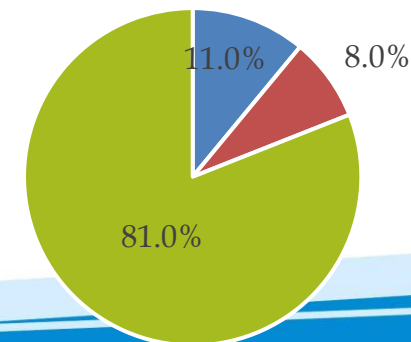
Q4 FY 22

Share of Branch and Dealer of zone-wise
disbursement

Q4 FY 21



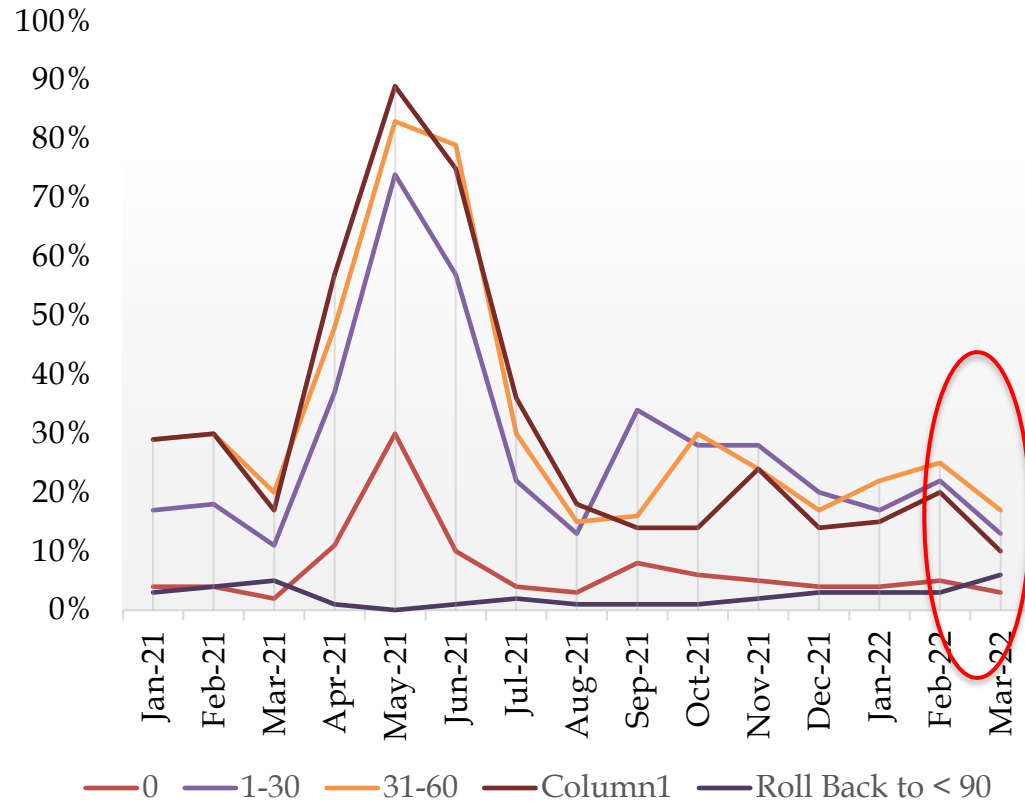
■ Branch
■ HO
■ Dealer



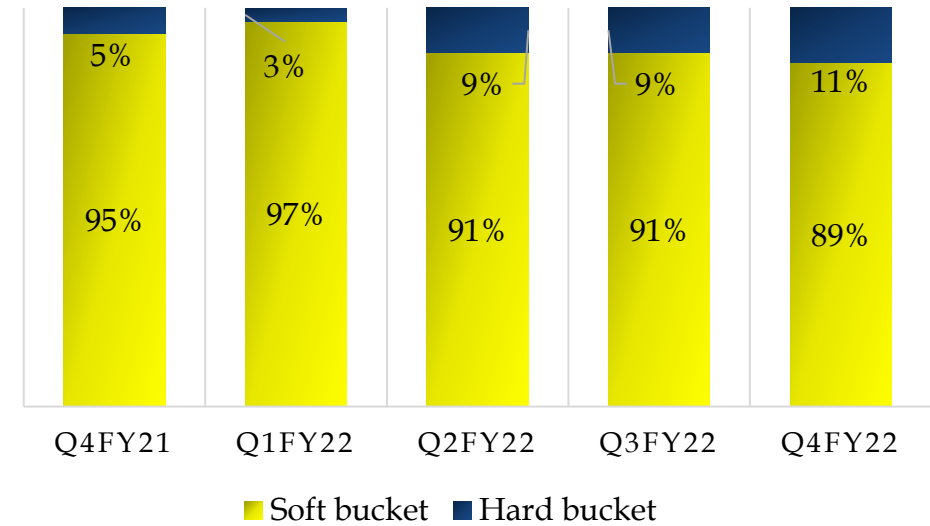
■ Branch
■ HO
■ Dealer

COLLECTION PERFORMANCE MONITORING (HYP)

₹. In Crores

Bucket-wise Flow

Collection Performance

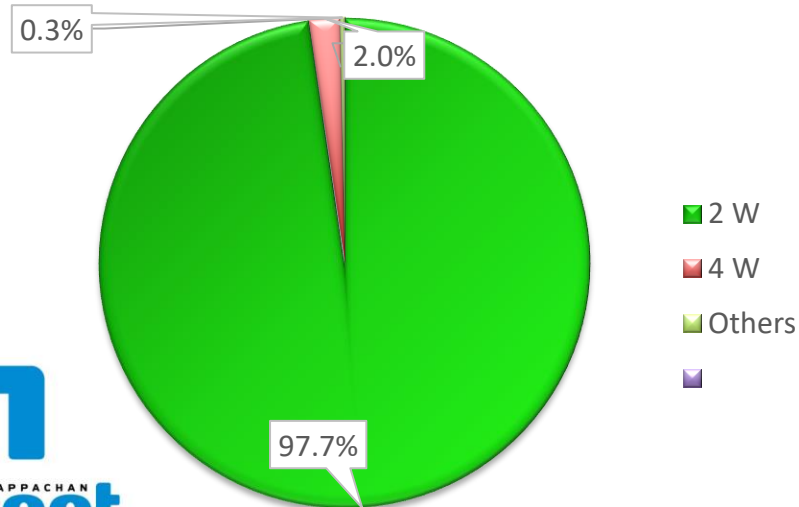


₹. In Crores

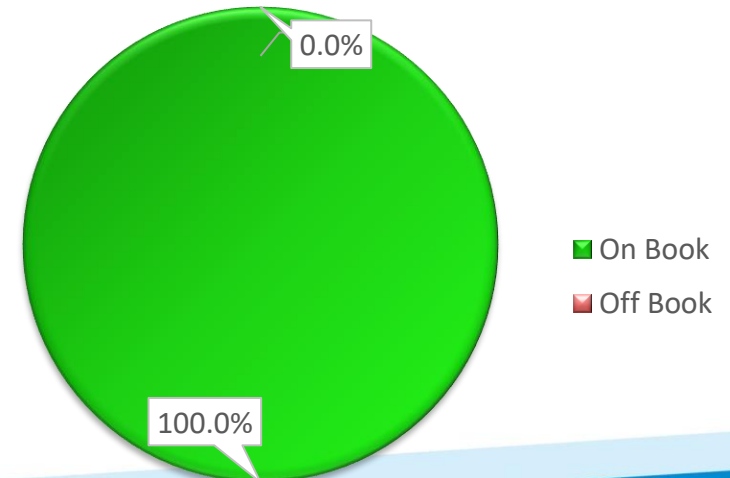
	Q4 FY 21	Q1 FY 22	Q2 FY 22	Q3 FY 22	Q4 FY 22
Soft Bucket (1-90)	391	274	304	316	319
Hard Bucket (>90)	21	8	30	31	41
Total	412	282	334	347	360

RETAIL PORTFOLIO SPLIT AS ON 31st March 2022

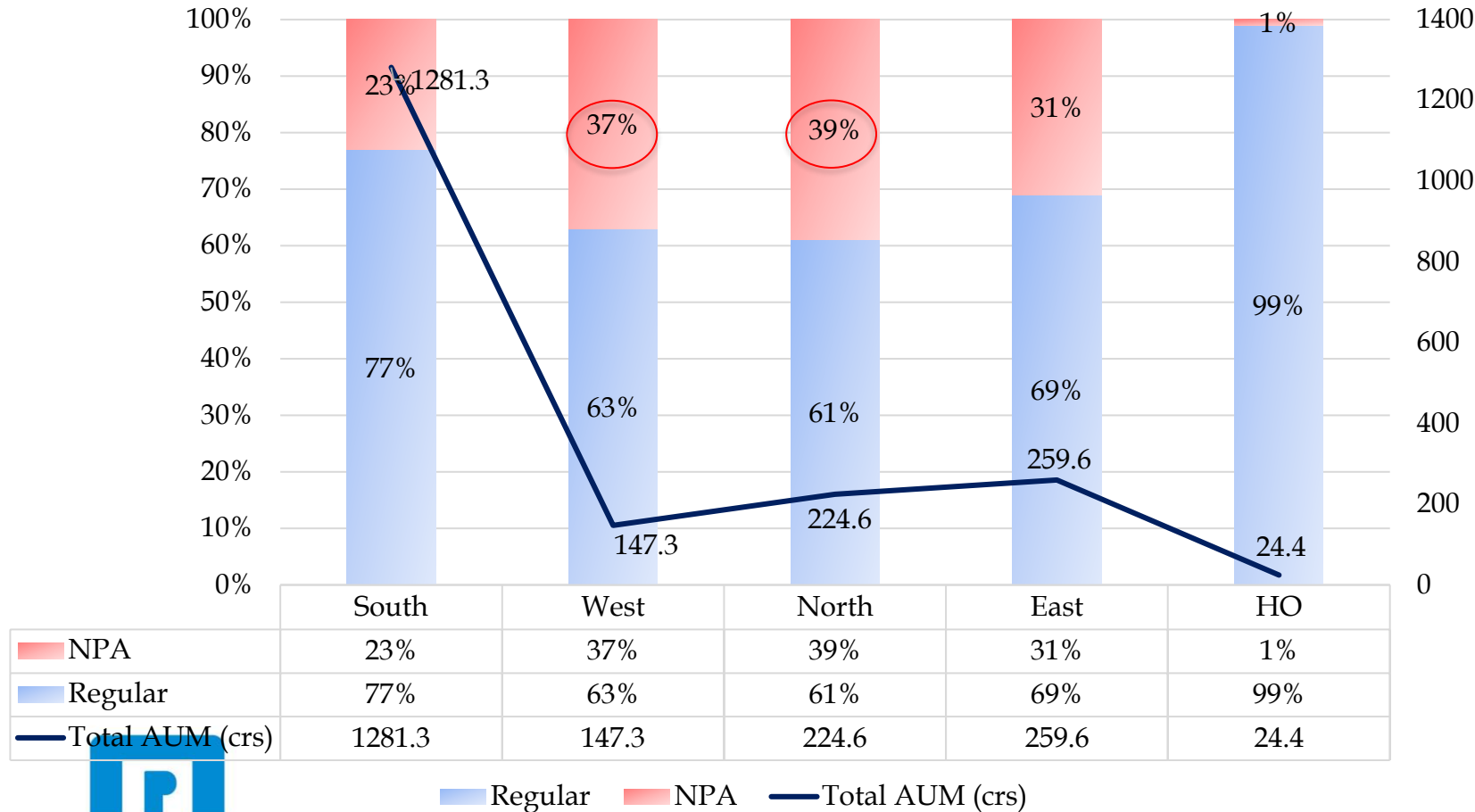
Segment wise	No . of loans	Amount
2 W	5 08 850	1891.8
4 W	2 243	38.8
Others	5 508	6.6
Total	5 16 601	1937.2



Transaction Type	No of Transactions	Amount
Securitized (part of own book)	5	300.6
Direct Assignment	10	7.6
Own Portfolio excl securitized		1629.0
		Ind AS
Off Book		6.7
On Book		1930.5
Total Portfolio		1937.2



MCSL GEOGRAPHIC OVERVIEW – RETAIL LOANS INCLUDING LOAN BUYOUTS

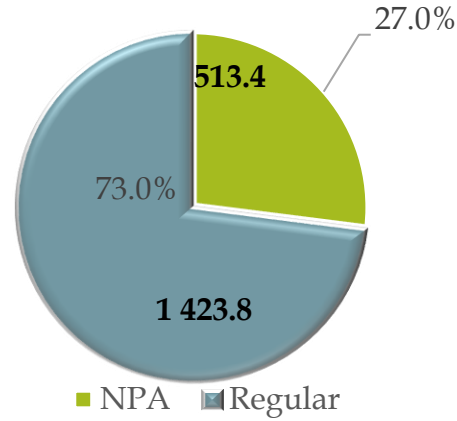


Zone	Active Clients	Total AUM (crs)	Zone wise AUM %	Zone wise NPA %
South India	3 33 572	1281.3	66%	56%
Western India	39 935	147.3	8%	11%
North India	65 859	224.6	12%	17%
East India	71 920	259.6	13%	16%
HO	5 315	24.4	1%	-
Overall	5 16 601	1937.2	100%	100%

PORTFOLIO ANALYSIS - RETAIL LOANS INCLUDING LOAN BUYOUTS

₹. In Crores

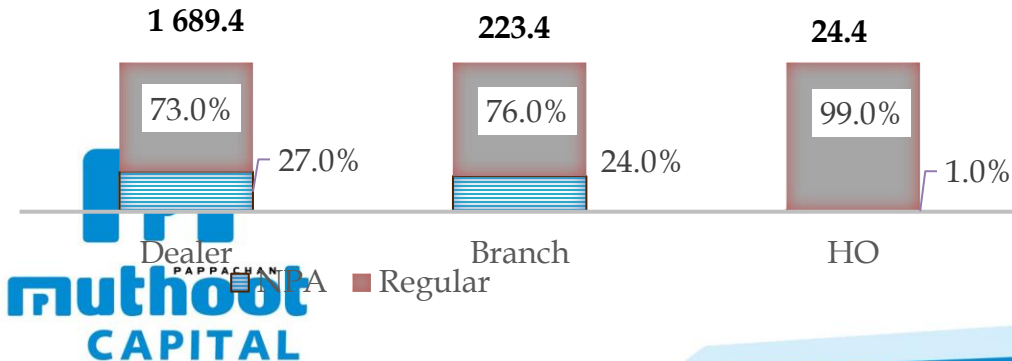
Portfolio Analysis



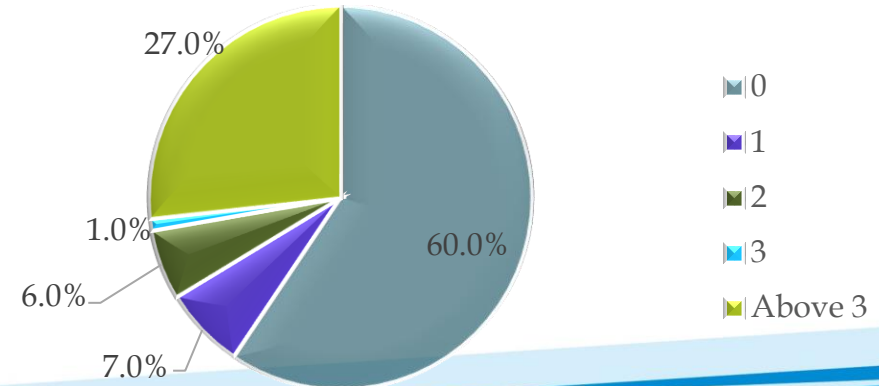
Segment - wise Analysis

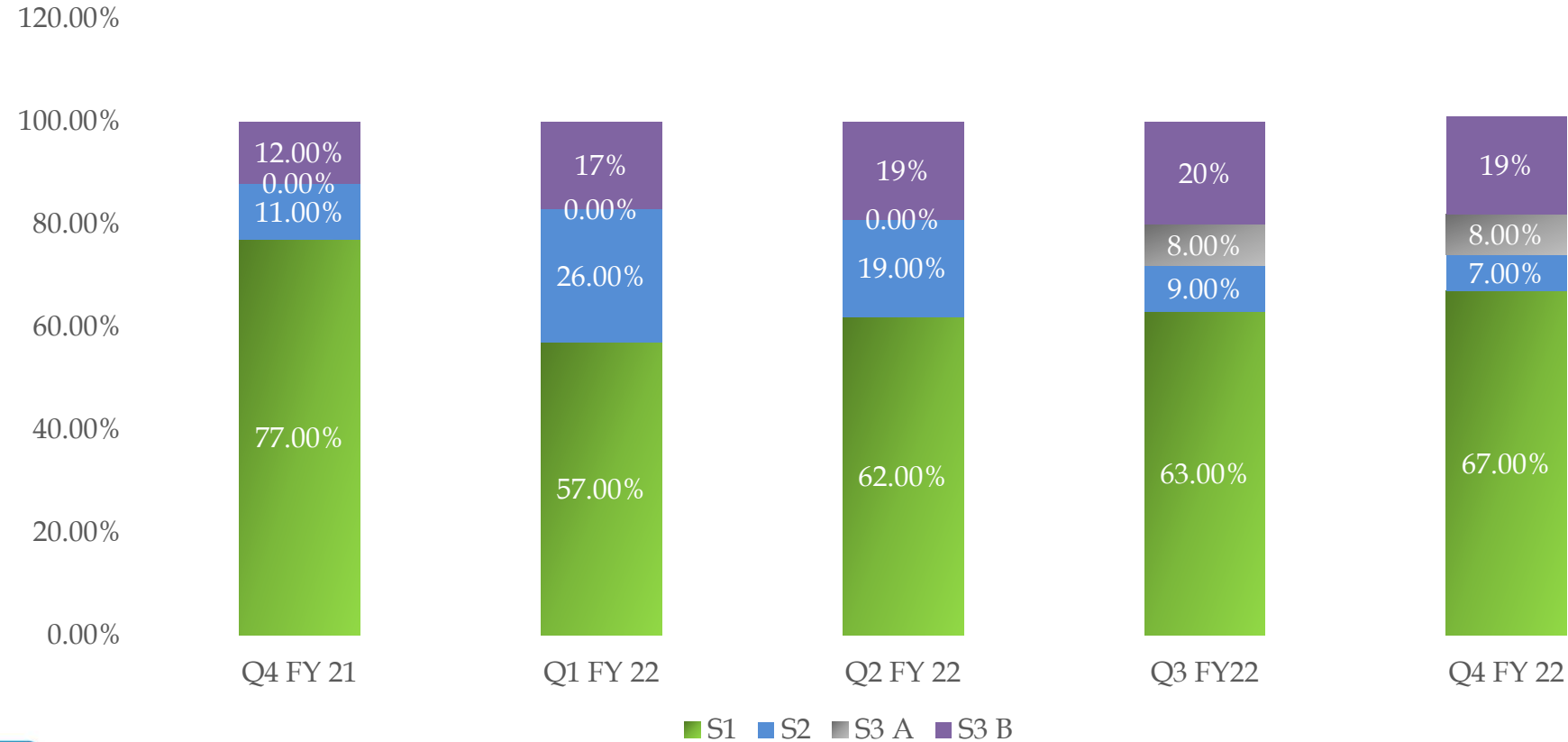


Source - wise Analysis



Bucket - wise Analysis



PORTFOLIO CREDIT QUALITY- RETAIL LOANS INCLUDING BUYOUTS

NPA MOVEMENT - Own HYP LOAN - Q4 FY 2022

₹. In Crores

Particulars	HP Nos	Balance stock	Provision	Unrealised Income
Balance as on 31.12.2021	2 12 171	533.46	195.96	56.73
Add: Addition during Q4FY 22	32 707	67.94	45.41	6.71
Add: Additional Provision	-		211.94	-
	2 44 878	601.40	453.31	63.43
Less: Moved out from NPA during Q4FY22	21 335	22.54	10.14	1.16
Less: Amount written off in Q4FY 22	9 430	18.54	8.34	3.36
Less: Vehicles repossessed assets sold during Q4FY 22	2 217	10.92	4.91	1.49
Less: Amount collected during Q4FY 22	-	36.21	16.29	1.37
Balance as on 31.03.2022	2 11 896	513.19	413.63	56.05

Overall Provision as on 31 st Mar 2022	Provision
Provision on HYP loans including additional provision and on standard accounts	413.63
Provision on Other Loan portfolio	24.01
Total Provision in books	437.64

SOURCES OF BORROWING

₹ 198 CrAdditional Facilities
received during the quarter

TL/WCDL received - ₹ 15 Cr.
PTC funds in FY 22 - ₹ 308 Cr
Total - ₹ 323Cr

₹ 5.33CrCollections of Public
Deposit/Sub debts

In Q4FY22 Public Deposits collected
₹ 5.18 Cr. of which ₹ 2.73 Cr. Is
renewal
₹ 39.87 Cr collected in FY22

Additional Facilities sanction -
₹ 198 Crs PTC from HDFC MF and
HDFC Bank

Bank funding - 79% of total borrowing as
on 31 Mar 2022

₹ 980 Cr

WCDL roll over

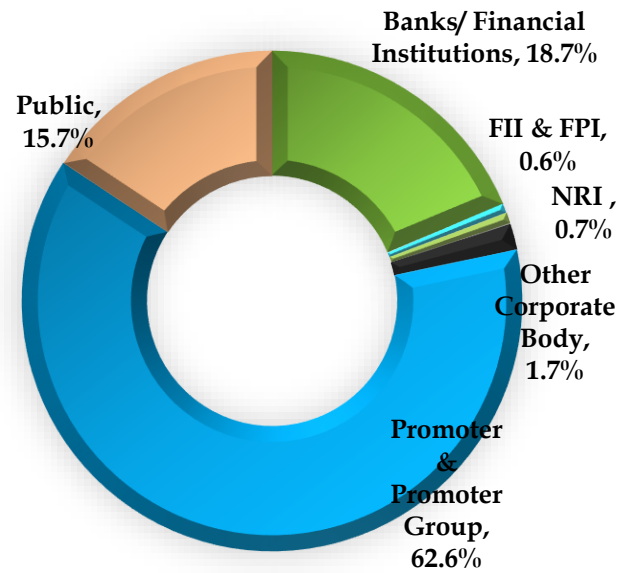
In Q4FY22, ₹ 980 Cr rolled over from
23 facilities
In FY22, ₹ 3 569 Cr rolled over from
85 facilities

8.7%Cost of borrowing for
Q4 FY 22

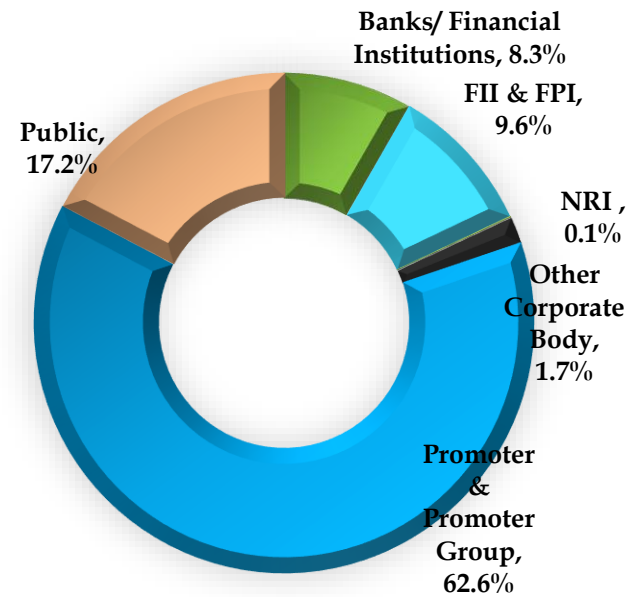
Q-o-Qr decrease in cost of borrowing
from 8.73% for Q3FY22 to 8.69%.
Cost for the year reduced to 8.82%
from 9.54% as of Mar '21

SHAREHOLDING PATTERN

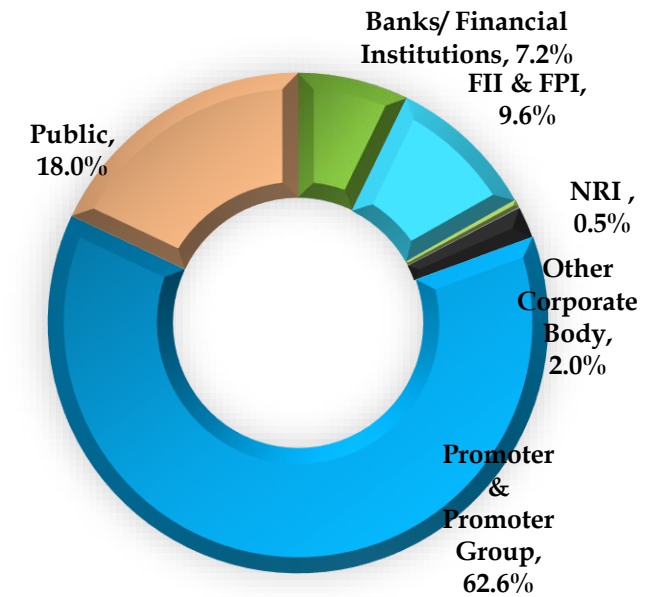
31 Mar 2020

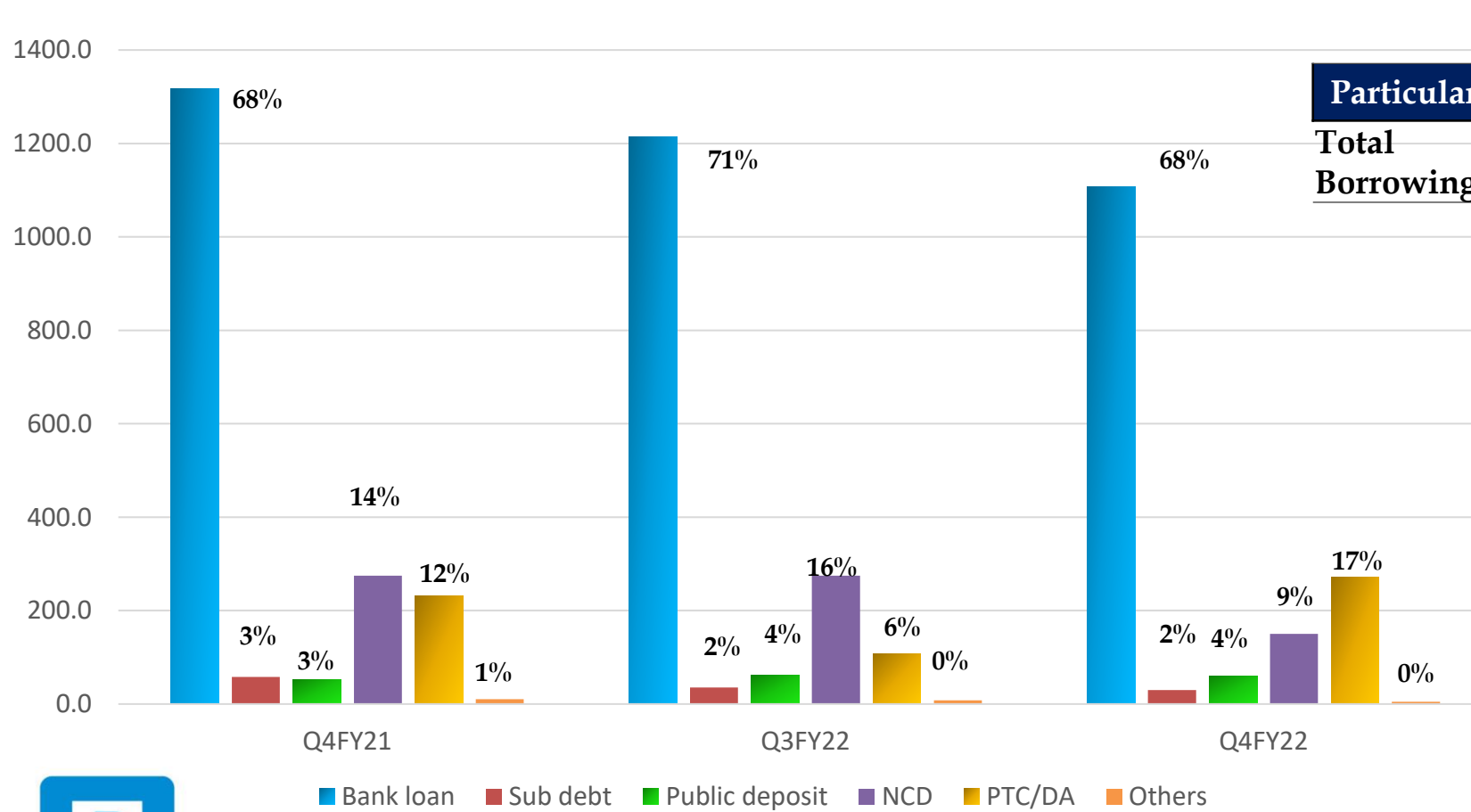


31 Mar 2021



31 Mar 2022

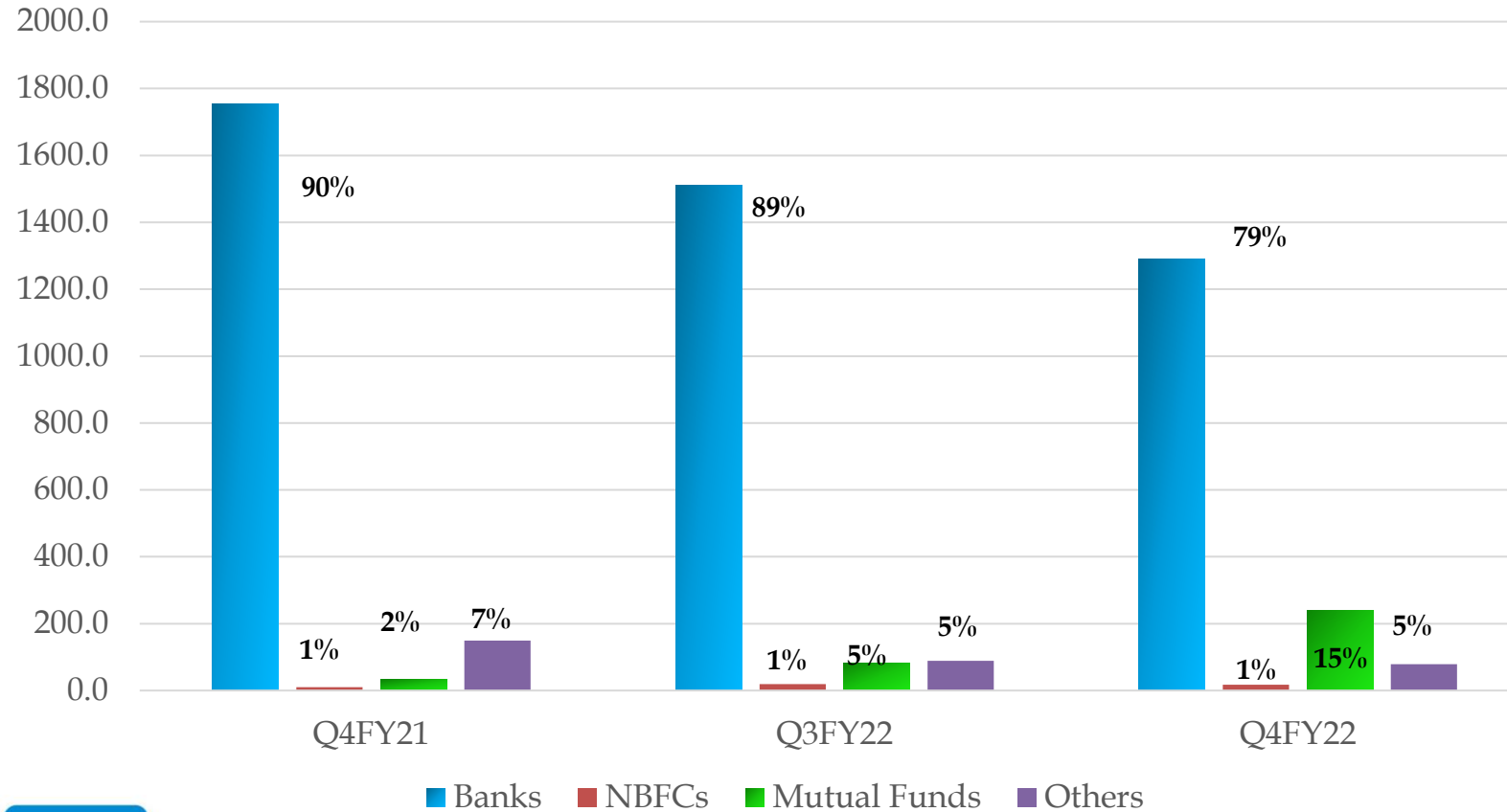


BORROWING PROFILE – by Instrument

Particulars	Q4FY21	Q3FY22	Q4FY22
Total Borrowings	1944.80	1702.4	1623.8

COST- by Instrument

Particulars	Q4FY21	Q3FY22	Q4FY22
Bank Loan	8.8%	8.5%	8.5%
Sub debt	11.8%	11.5%	11.1%
Public Deposit	7.7%	7.7%	7.7%
NCD	9.4%	9.4%	9.4%
Securitization	9.7%	8.2%	8.2%
Others	11.4%	11.0%	11%
Total	9.1%	8.7%	8.7%

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

Particulars	Q4FY21	Q3FY22	Q4FY22
Banks	9.2%	8.6%	8.7%
Mutual Funds	10.1%	7.4%	8.1%
NBFCs	9.9%	11.7%	11.9%
Others	9.8%	8.7%	8.5%
Total	9.1%	8.7%	8.7%

**Disbursement
& Collection**

- While situation on the ground has improved substantially, the disbursement has not increased based on issues with availability of vehicles and hesitancy on the part of the consumer to bind himself with a fresh purchase.
- This has led to the Disbursement in Q4 FY22 being at ₹ 368.2 Cr v/s ₹ 332.4 Cr in Q3 FY22 and ₹ 290.9 in Q4 FY21
- Industry has seen a decrease of 8.4 % in Q4 FY 22 V/s Q4 FY21 in respect of retail regn of 2W
- Non-South disb. share was 27%;
- Overall collections seen to be growing from Q2FY22, but NACH clearances reduced, leading to higher collection done through cash/other feet on street team: Increased the cost of collection , could continue for a while, overall collection cost @5.5% during the quarter and 4.0% for FY22.

**NPA/
Provisioning**

- NPA had been growing till Q3 but saw some reduction in Q4 FY 22. Based on the old norms NPA was reported at ₹ 383 Cr (18.7%- GNPA) on which additional provisioning of ₹ 81.3 Cr was needed beyond ECL determined provision to meet the RBI determined threshold limit of 6%.
- The Company decided not to avail of the relaxation permitted in the RBI Circular of 15th Feb 2022 .This increased the GNPA to 25.9% and additional provisioning of ₹ 132.75 Cr was needed to stay away from PCA categorization.
- In spite of these additional provisioning, Company has sufficient CRAR- 19.80%.
- Company will take up major operations on the ground to reduce the NPA and reverse the provisioning in the coming quarters.

**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;
- After holding on to any repossession for redoing the SOP, the repossession has started again; would be useful in getting payment done by the defaulting customers; would help in reducing NPA accounts

**Diversity in
Funding**

- As the Company had taken funds under the TLTRO scheme that RBI/Government came out with, sufficient liquidity was there and hence no fresh funding was taken except for some PTC transactions.
- Going forward the Company is looking at getting additional funds thru various routes including Banks/Securitisation/NCD/Bonds/ Public Deposits/ Subordinated Debts etc.

Borrowing Mix

- The borrowing has a healthy mix of Bank (Private & PSU) sanctions, Securitization/Direct assignment, Retail & corporate subordinated debts and Public Deposits .
- Due to the trust reposed by the Lenders/ Investors of PTC, the Company has been able to reduce his cost of fund in the quarter to 8.69% v/s 9.14% in Q4 FY21. For FY 22, the Cost of Funds was 8.8% v/s 9.5 % in FY 21.

**Securitization/
DA**

- Has played a role in the past generating funds from the portfolio in hand which has helped grown book and increase profitability.
- In COVID times also, the repayment was very good and hence been able to get Investors interested in doing PTC transactions with the Company.

**Geographical
expansion**

- Had reduced rollout during the pandemic ; slowly restarted after the 2nd wave stopped. Robust rollout planned in the current year, now that the pandemic has tapered 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; Co-Lending as a form of sourcing also expected to start in FY23 in forms where we are the major partner(with smaller NBFCs) and in a form where we are the minor partner (with Banks); large geographical expansion seen through the Co-Lending route.

**Staff attrition
& Cost Control**

- Monthly staff attrition at 2.6 % in Q4 FY '22 v/s 2.0 % in Q3 FY 22.
- Dealer incentives has seen a rise @ 2.04 % for Q4FY 22; Demand for higher pay-out, on the back of low sales at dealer points and negatively impacted by COVID 19; therefore, the cost could see a rise going forward; have tried to cover most of it thru higher IRR
- Collections costs constantly rising as NACH collections is seeing a decline and collection on the ground was as "difficult". Was at 5.5% in Q4 FY22 v/s 6.1% in Q4 FY 21 and 4.7% as on Q3 FY22.

**Repayment
Mode**

- Post demonetization 100% repayment for new customers was shifted to NACH and significant collections through NACH; since COVID bounce has increased substantially and with good customers' loan tenor getting over, the bounce has increased month-on-month which has led to increased cash collections at higher cost.
- Collection through the mobile app/PAYTM etc. has seen an increase during COVID but not much growth since then.

**Overall
Profitability**

- Overall profitability is lower on account of overall lower volumes and higher provisioning/ write off on account of higher NPA to remain out of the PCA category;
- With ground situation improving, better collection and disbursement is likely to witness higher revenues and lower charge on account of provisioning, which will help improve profitability.

Way Forward

- The last 3 ½ years seen a lot of issues on the ground starting from the ILFS/DHFL issues, followed by economic meltdown and finally followed by the pandemic of COVID 19. While things have improved in Q3 FY22 and Q4 FY22, it is hoped that the ground situation improves further to the pre-covid levels soon.



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